

Abstracts of the Articles

INQUIRY

What will be your fate, Europe? What will be your fate, Hungary?

The European Union has been facing fateful events. At the end of March the United Kingdom will leave it with or without a withdrawal agreement, and in May a new European Parliament will have been elected. By that time we will realize whether the Eurosceptic political players, the proponents of the nation state would overcome, those who are against the deepening of the integration, or the pro-Europe majority will be able to form a coalition again.

Based on these historic events these are the questions of our inquiries:

- *How will the political map of Europe change?*
- *Do you see a chance of creating a stronger, more united, genuine integration, defending the democratic features of Europa, and of deepening of the Economic and Monetary union?*
- *The White Paper on the Future of Europe published five scenarios. Which of these can be considered realistic? What do you think is more likely: disintegration, the stagnation without important decisions, perhaps deepening cooperation of the few? Or doing much more together in specific areas, due to the outside threat? Which areas these can be?*

The relations between the Hungary and the EU have been antinomic. The Hungarian Government would expect more solidarity, even more financial funding, but it is not willing to delegate more power to „Brussels”.

- *Do you see any dissolution of that conflict? If yes, what?*
- *What are the odds of the Hungarian government in the EU budget 2020–2027?*
- *Bulgaria, Romania and Croatia have expressed the intention to join the Eurozone. Will Hungary keep secluding itself in the future, or reconsider its present standpoint? Do you see the advantages of joining the Eurozone?*
- *How will Hungary be adrift on the map of Europe? Where will be landed?*

Euro membership and the path of current accounts

GÁBOR KUTASI

During the European debt crisis in 2010, the EU had to recognize that economic policy coordination neglected the importance of the external balance. This resulted in persistent double-digit unfavorable adjustments in the income level in some underdeveloped euro area economies, and also long-lasting double digit unemployment prevailing in upward business cycle started in the second half of the 2010s. The study is based on that it was a fundamental fault to neglect the problem of external imbalance in the Community and national economic governance level in the 2000s which was originated in the theory of the endogenous optimum currency area. Therefore, analysis of current account balance is justifiable. The study examines the question whether the paths described by member countries' current account balance since the beginning of the 2000s have been influenced by the fact that the country has become a member of the eurozone or has retained its national monetary sovereignty. The hypothesis of the study is that there is no deterministic power of the euro zone membership on the path of the current account balance, namely, the endogenous theory misconstrues that the single currency fosters the external balancing at the member state level.

Industrial policy without borders

ÉVA VOSZKA

A renaissance of industry and industrial policy can be witnessed recently in Europe and also in Hungary, at least according to official documents and expert analyses. This paper argues that industrial policy programs are becoming borderless, in two senses of the word. First, the boundaries of industry as a distinct sector are blurred, thus industrial policy also goes beyond the traditional frameworks, reflecting the tendency of stronger state intervention. Second, the novelties of the European approach include the intention to cross the borders of the member states in order to extend supranational policies and strengthen integration. The success of this effort of the EU would mean the replacement of the recommendations (communications) with a comprehensive industrial policy at Community level, which in fact did not exist up till now. Just in these years, after a break of two decades, the Hungarian

government declared its industrial policy in 2016, that may indicate its claim to sovereign decisions even in this field. As the role of the state is under discussion everywhere, and we see the revival of industrialization and policies incorporating a sectoral approach, moreover, as the financing of subsidies is based on EU funds, it can be argued that Hungary basically follows the European trends. However, the differences in details might lead to significantly different consequences.