

Policy consequences of slow innovation in the Hungarian food industry

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Abstract

According to the European Innovation Scoreboard (2017) report Hungary's summarized innovation score is 67,4 against the EU28 average of 102. This implies that the Hungarian economy has got rather serious disadvantages in the EU community. This statement is more pronounced in case of the food industry. From innovation point of view food industry is seen as slow one, which is lagging behind the technology pushed possibilities, but sometimes behind the costumers' desires and requirements as well.

In our research, we regress the innovation performance of the Hungarian food processing companies against the components of hard and soft innovation infrastructure. We'd like to determine the effects of these elements on proved innovation performance. Based on the results we configure policy recommendations both at macro- and micro level.

We use our survey "Innovation resilience of food industry in Hungary, 2017" data. We apply simple OLS. Innovation performance is measured both in "Percentage of innovation products in total turnover" and in "How many innovative products have you introduced during 2016?"

Results prove that human factor plays insignificant, moreover negative role in formulating performance. Based on our findings we postulate that a.) companies need to carry out intense human development training-, skill- and educational programs and b.) government should initiate and motivate companies for human development strategies and programs by different policy tools.

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