



Global  
Entrepreneurship  
Monitor

# Shaping Hungary's SME Future

Leveraging GEM Data for Evidence-Based Policy



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# Introduction

To make informed policy decisions, governments must first understand the current state of their entrepreneurial ecosystem and define a clear vision for its future. In Hungary, this approach has been central to shaping strategies that strengthen micro, small, and medium-sized enterprises (SMEs). Leveraging insights from the Global Entrepreneurship Monitor (GEM), policymakers have gained a deeper understanding of entrepreneurial attitudes, capabilities, and barriers – critical factors for designing effective interventions. GEM data not only highlights trends in perceived opportunities, ease of starting a business, and fear of failure, but also provides international benchmarks that help identify areas requiring urgent attention.

Hungary's Strategy for Strengthening Micro, Small and Medium Enterprises (2019–2030) exemplifies how GEM research informs long-term planning. As noted by Máté Lóga, State Secretary for Economic Strategy, GEM findings have guided policy priorities aimed at fostering technological renewal, supporting digital and green transitions, and enhancing competitiveness and resilience. By integrating GEM indicators into national strategies, Hungary is building a modern, predictable framework to stimulate entrepreneurial activity – ensuring that SMEs remain a driving force for sustainable growth and innovation in the years ahead.

## USING GEM DATA TO SHAPE A NATIONAL SME STRATEGY

To make informed policy decisions, policymakers first need to assess where their country's entrepreneurial ecosystem currently stands and develop a vision of where it should be in the future.

Máté Lóga, Hungary's State Secretary for Economic Strategy, Industry, Financial Resources and Macroeconomic Analysis at the Ministry of National Economy, believes that data provided by GEM informs such strategic decisions and guides long-term policy planning.

This is evidenced by the way GEM research has influenced Hungary's Strategy for Strengthening Hungarian Micro, Small and Medium Enterprises, originally published in 2019.



The strategy outlines policy priorities for the 2019–2030 period and pertains to several GEM-related indicators, such as: perceived opportunities, ease of starting a business, perceived capabilities, fear of failure, entrepreneurship as a career option, and social status of entrepreneurs.

“The government is committed to ensuring that the Hungarian SME sector is capable of continuous technological and organisational renewal, that it is part of the digital and green transition, and that it can increase its competitiveness and crisis resilience,” wrote Lóga in the GEM 2022/2023 Hungary National Report. “The state will play a vital role in creating a modern and predictable framework to stimulate entrepreneurial activity. This will ensure that Hungarian entrepreneurs and their companies will be the winners in the years to come.”

The results of GEM research have become part of the Hungarian government's SME strategy (2019–2030). Also, Hungary has enhanced its visibility through its connection to an important national initiative. For example, GEM data provide an opportunity to compare the individual characteristics of the Hungarian population related to entrepreneurship and the relationship of society to entrepreneurship at a regional level in the SME strategy. International comparison is a valuable tool for identifying areas that require the most attention.

# Structural challenges

Hungary faces several barriers to SME growth and economic performance. The depletion of labour reserves – driven by an ageing population, longer time spent in the education system before young people enter the workforce, and the outflow of skilled workers seeking higher wages abroad – has created urgent demand for increased productivity and technological advancement, particularly through automation.

Yet Hungarian SMEs struggle to access the capital, technical expertise, and support needed to adopt and integrate these innovations. Low investment levels are a major problem among new businesses seeking to establish themselves in the markets. One reason for this is the lack of long-term prospects, which is reinforced by low levels of trust and limited knowledge of global and European economic policy.



Weak connections between SMEs and the university and research sectors, often due to underfunding and the absence of structured knowledge-transfer mechanisms, result in firms lacking the tools to engage with the knowledge-based economy in a meaningful way.

Another structural challenge is low productivity, compounded by Hungary's continued efforts to narrow the wage gap with the EU average. In Hungary, wages have been catching up with the EU average, but there is still a gap.

While wages in euro terms have significantly increased over the past two decades, they still

represent about 67% of the EU average. Addressing this barrier requires both education policy reform and targeted efforts to strengthen management practices and organisational capabilities at the firm level.

Compared to other Central and Eastern European countries, GEM data indicates that Hungary's adult population is the least likely to feel equipped to start a business, to view entrepreneurship as a desirable career path, or to see entrepreneurs portrayed positively in the media. Hungary ranks in the regional mid-range in terms of viewing entrepreneurship as an attractive career choice and positive media representation of entrepreneurs, according to the [2023/2024 GEM National Report](#).

The 2024 GEM survey shows that 35.8% of respondents in Hungary believe they have the knowledge required to start a business – a figure that has remained steady over the years. When it comes to starting a business, 42.1% of respondents are deterred by the possibility of failure, a figure that has also remained stable compared to previous years.

Similarly, 46.7% report knowing someone who has started a business within the past two years, with no significant change from previous years. This indicates the stability of the proportion of new business start-ups within the population.



At the same time, the proportion of respondents who perceive the process of establishing a business as straightforward has experienced a slight but ongoing decline (43.2% in 2024, as opposed to 49.1% in 2021).

By contrast, the share of those who anticipate favourable prospects for business creation in the next six months has increased from 28.2% in 2023 to 32.3% in 2024.

## Driving change

In addition to the impact of informing the [Strategy for Strengthening Hungarian Micro, Small and Medium Enterprises](#), GEM Hungary's research is feeding directly into the government's drive for a "[productivity turnaround](#)" among small and medium-sized firms. The strategy is aimed at the entire micro, small, and medium-sized enterprise sector. It therefore supports the development of internationally successful Hungarian enterprises and the stable operation of the entrepreneurial layer, which provides a livelihood for a significant part of society. Findings are already being used within three time horizons:



### SHORT TERM

GEM data give the [Ministry of National Economy](#) a source of rapid feedback on industrial and tax-policy measures, and highlight the need for tighter coordination across enterprise-support programmes.

The Ministry for National Economy is responsible for the general planning of [Hungarian economic policy](#); it deals with job creation, the creation of a family-friendly tax system, improving competitiveness, budget preparation, reducing the national debt and stimulating economic growth. Examples of the application of GEM data include a comparison of data describing the entrepreneurial ecosystem, entrepreneurial motivations, the attractiveness of becoming an entrepreneur, and entrepreneurial readiness across years and with neighbouring countries.



### MEDIUM TERM

GEM research pinpoints the capabilities — digitalisation, export readiness, human-capital development, and modern management mindsets — that separate successful Hungarian firms from laggards at home and

abroad, guiding the [Chamber of Commerce and Industry](#) (HCCI) in its business-development services. A key strategic priority for the HCCI is the development of proposals aimed at enhancing economic policy and business development. The HCCI is committed to supporting business development services by formulating professional concepts, programmes, recommendations, and position papers in areas such as enterprise support and financing systems, employment, regional development, energy, environmental protection, and innovation affecting the entire economy. Through [these initiatives](#), the HCCI contributes to improving business operations and promoting sustainable economic growth.



### LONG TERM

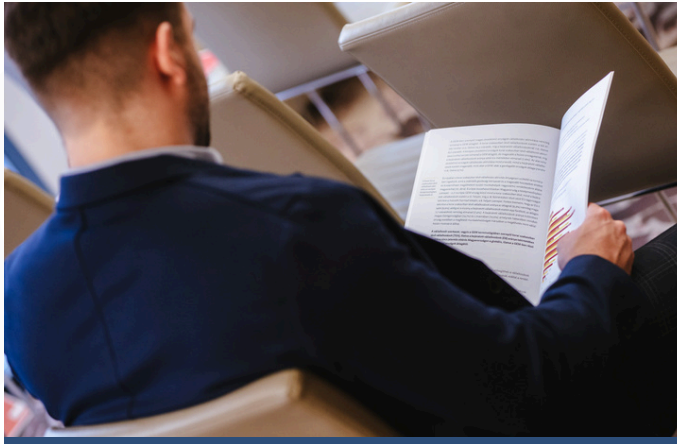
By benchmarking where market mechanisms underperform, GEM research strengthens the case for a supportive — rather than purely market-selective — policy stance, shaping future productivity

and innovation agendas.

In sum, GEM Hungary is supplying the analytical backbone for a shift from inward investment dependency to a knowledge-based, SME-driven growth path, positioning the HCCI and key ministries to act on concrete, data-led priorities.

## Lessons

GEM Hungary highlights two key lessons from its recent work.



2024 GEM Hungary National Report Launch

First, research must incorporate a broader professional and cultural context. Understanding entrepreneurial behaviour and success requires a holistic view of the socio-economic environment.

In the Central and Eastern European (CEE) region, entrepreneurial attitudes are still often shaped by a historical distrust of the state; many entrepreneurs still perceive it as an adversary rather than a partner.



2024 GEM Hungary National Report Launch

Second, it is important that country-specific data be included in national reports and clearly communicated to policymakers.

In the 21st century, industrial policy and enterprise development are closely linked, and both the state and the business community share responsibility for shaping an industrial policy that supports sustainable economic growth.



Judít Csákné Filep, GEM Hungary National team leader

GEM Hungary's data and insights are a valuable resource for both communities. Fostering active co-creation with policymakers during the research design phase can increase ownership and uptake of findings.

Early engagement with ministries and industry associations such as the HCCI ensures that GEM data are seen as actionable rather than merely descriptive.

## Toward a stronger entrepreneurial culture in Hungary

Despite some positive signals, Hungary lagged in key attitudinal variables, particularly in the perception of entrepreneurship as a viable and attractive career. The most recent GEM research aims to shed light on how these attitudes have evolved since 2021 and to support the development of a stronger entrepreneurial culture in Hungary.



Elek Nagy, President of the Hungarian Chamber of Commerce and Industry

The HCCI decision to support GEM from 2025 onward is an important step forward. This commitment reflects the evolving role of the Chamber system in Hungary's economic policy governance. As a national NGO, the HCCI plays an increasingly effective role in mediating between the business community and economic policymakers, helping to align entrepreneurial freedom with the broader public interest.



As the GEM Hungary National Team, the research department of the Institute for Economic and Enterprise Research (GVI) benefits from greater access to policymakers and serves as a bridge to the wider professional and economic policy community. GEM Hungary views its role as actively contributing to entrepreneurship education — particularly for growth-oriented businesses — by supporting their development and addressing their learning needs.