

PÉTER PÓLA

*Hungarian Academy of Sciences, Budapest, Hungary*

## **Medium-sized enterprises and their institutional environment. Challenges and answers in Hungary**

In the last years the development of the national industry depended mainly on the multinational large companies. We did not take enough attention to national medium enterprises. Our questions are

1) What are the role of these enterprises play in local industrial development? 2) What challenges do characterize these enterprises, how they work together with the surrounding economic and social environment? 3) What growth strategies and development goals are defined?

The main question of our research is, how we can support and develop the national industrial sector, and how we can explore the possibilities of growth, how we can encourage the creation and the development of the cooperational networks. First of all we have to explore the problems of this sector.

Local factors become decisive in global competition – In this situation the territorial conditionality will be very important. The local and regional conditions include institutional environment. The focus is not only on technology, information and productivity but also on an institutional system, capable of achieving results. The condition of a successful development process is a well-organized cooperation system. The globalization (and localization) strengthens the territorial economic development function. So the most important elements will be the infrastructure development, at the same time, developing a skilled manpower and innovative partnerships.

The elements of the supporting institutional system are the State support policy, national institutions, regional and local governments, the chambers of commerce and industry and the actor of market. In this paper I will focus on the chambers.

As the west European corporative chambers show us, a strong, influential Chamber institutional system could significantly contribute to the successful development of the national medium enterprises. A strong Chamber can implement a more effective power to enforce interest and to support the most important condition: the cooperation, the building partnership.