Dear Respected Reader!

As a sort of appetizer, I would like to raise your interest again to the enticing and substantial articles published in the latest issue of Public Finance Quarterly in 2023.

First, the analytical experts of the Central Bank of Hungary (MNB) (two of whom are the heads of the MNB Institute at John von Neumann University) examined the impact on equity market returns of the announcement of quantitative easing programmes by the US Federal Reserve. Did all sectors react in the same way to the amount of money injected into the economy? While quantitative easing (printing money) to prevent recession and deflation creates new bank reserves, provides more liquidity to banks, encourages lending and investment, i.e., it benefits borrowers and investors over savers and non-investors, lowers interest rates, provides liquidity to the banking system, boosts the stock market, its wider impact on the economy is not obvious, its results are inconclusive, and it may even cause inflation, or worse, it may create stagflation.

In the second study of our journal, young academics from Budapest University of Technology and Economics examine the financing gap in the domestic venture capital market that is not covered by the financial intermediary system on a market basis. As a supervisor of two venture capital funds, I have seen first-hand the significant decline in venture capital investment, and I disagree with those who welcome this only because they believe that governmental public fund managers should not be overly active in the Hungarian market. For me, there is no question that the state should play a greater role in the financial strengthening and financing of domestic SMEs, including start-ups.

Zsolt Szabó, analytical expert at Hungarian Development Bank (MFB), summarises the results of his questionnaire survey in the third study of our paper, showing that although the impact of Covid-19 has strengthened the strategic thinking, crisis resilience, adaptability and initiative of domestic enterprises, it has not reduced their excessive caution towards borrowing, their borrowing plans or their voluntary refraining from applying for loans.

Today, the risk of exclusion is increasing and is now almost ubiquitous. Social exclusion is most often related to financial exclusion. A PhD student at the University of Pécs examines how the risks and interactions of social and financial exclusion interact and identifies the personal and environmental factors that determine the likelihood of social and financial exclusion risk.

We have really been looking forward to Katalin Botos' very interesting and in-depth statement on the reasons for the "stalling" of Hungarian inflation and the possible ways and means of reducing it (interest rate cuts, progressive income tax cuts). Her findings and conclusions will certainly be shared by economists who know the subject. Our Editorial Team is looking for comments and reactions, which we will publish in the upcoming issues of 2024.

Bálint Duráczky's study provides an overview of the last two decades of the deservedly popular student loan. The government's original intention was to reduce social disparities by eliminating the need for a credit assessment, a guarantee, or a certificate of collateral, and by requiring only an active student status. But is it actually fulfilling its mission?

In our book review, Pál Czeglédi, professor at the University of Debrecen, gives a short overview of a really exciting book written by Lawrence White: Better Money, which also raises questions of theoretical history, yet is written in a clear and accessible way.

Finally, we publish an interview with the now 75-year-old Árpád Kovács, professor at the University of Szeged, former President of the State Audit Office of Hungary, and currently President of the Fiscal Council and the Hungarian Economic Association. In the field of public finance, he is for me the first, the number one, the most credible reference. The expertise, integrity, and humanity that he has created over five decades in the field of auditing public investments, the system of public control, privatisation and anti-corruption investigations are exemplary and inimitable. On behalf of our Editorial Board, I thank him for his work to date and wish him good health and long life.

I would like to express my gratitude to the authors and reviewers of the studies published in this issue of the journal. I hope that I have succeeded in enticing and exciting the reader to thoroughly read all the articles published now. I wish everyone to get profound thoughts while reading the articles.

Prof. Dr. János Lukács
Editor-in-Chief