SECOND COLD WAR OBSERVATORY

DISPATCH 2024.6

HUNGARY'S REINDUSTRIALIZATION: HEDGING GEOPOLITICAL CONFLICTS?

Ágnes GAGYI, Tamás GERŐCS and Linda SZABÓ

6 May 2024

Hungary's current cycle of industrialization within electric vehicle (EV) and battery production chains may be seen as a typical case for third-country attempts to "hedge" geoeconomic competition (Camba and Epstein, 2023). Attempting to capitalize on its position at the Eastern periphery of the European Union, Hungary combines FDI in battery manufacturing by East Asian companies with German car manufacturers' investments in EV production. This combined reindustrialization comes on the heels of decade-long support for German manufacturers' relocations, participation in flagship infrastructure projects of China's BRI, bilateral financial and energy deals with Russia, and a foreign policy doctrine of "Eastern opening". The internal politics of this interventionist project has been repeatedly described as authoritarian, which — beyond standard Western condemnations at the level of symbolic politics—corresponds to what Schindler, Alami, and Jepson (2023) describe as the development of enhanced state capacities in third country "hedging" as large infrastructure projects and industrial policy are combined to produce new assemblages of territorial and economic policy space. This, they argue, allows regimes to pursue relatively independent policy targets in particular economic sectors despite the sustained subordination to foreign capital and stronger geopolitical actors. Does Hungary's position in the EU's Green New Deal and its maneuvering in relation to contemporary geoeconomic conflicts fit this picture?

We suggest that focusing on state policy and its claims for autonomous maneuver may obscure the dynamics of external integration into systemic shifts that shape and condition policy. Instead, applying a world-systems and regulation school approach, we propose a narrative that foregrounds such internal-external relations of integration into a global process of industrial restructuring (Lipietz 2001, Becker et al. 2020, Lüthje 2022). In Hungary's case, we argue that its navigation of the "long downturn" of the post-WWII global accumulation cycle (Brenner 2006) and shifts in integration strategies reacting to contextual changes reflect long-term structural dilemmas of geopolitical and industrial integration.

Hungary's "bridge model" in state socialist import substitution industrialization

Hungary's history of capitalist development has been characterized by a semi-peripheral dependent position and dynamics of geopolitical dependence in an East European border zone claimed by conflicting global and regional powers. This position has circumscribed how local regime formations have been embedded in systemic cycles of global accumulation (Arrighi 1994). At a local level, this entails successive reconfigurations of internal-external capitalist class alliances and corresponding modes of labor control, as well as long-term patterns of energy regimes and geopolitical dual dependency (Böröcz 1992). On the level of local politics, these conditions have been reflected as successive waves of (ultimately unfulfilled) hegemonic projects of dependent development, as cyclical shifts opened and closed specific types of opportunities for local integration into global capitalist competition (Janos 1982; Gagyi 2021). On the level of industrial development - the sphere of technological development which determines value hierarchies in external trade - the semi-peripheral position entails a structural dilemma between obtaining advanced technologies at the expense of forging a subordinate property relationship with foreign capital or maintaining ownership in the hands of domestic capital (Gerőcs

2022). On the level of economic policy, this is traditionally reflected as a tension between protectionist and liberalizing policies.

Hungary's early capitalist integration was dominated by agricultural exports to industrializing Western Europe. After Latin America took on this role from East European countries in the late 19th century, Hungarian elites turned towards protectionist industrial policies, combined with the project of national liberation. This project was exhausted and ran into a crisis by the 1910s. After Hungary had been integrated into the Soviet sphere after WWII, like other global semi-peripheries, it pursued industrialization through import substitution protectionist policies. In terms of external integration, this import substitution industrialization model specialized in a bridge position between Eastern and Western trade (Gerőcs and Pinkasz 2018). It imported Western technology to augment its industrial base and exported its industrial products into the Comecon. The hard currency necessary for these imports was generated by reexporting subsidized Soviet crude oil to the West. The model depended on favorable terms of trade in both accounts. The world economic crisis of the 1970's upset this balance, and the bridge model entered into crisis, leading to the accumulation of debt denominated in foreign exchange. These changing circumstances triggered a shift in the balance of power within the bridge model, giving space for a new internal-external power coalition between the IMF, Western capital, market-oriented reformers and those segments of the managerial class who were interested in economic liberalization (Gerőcs and Pinkasz 2023). This coalition presided over Hungary's Western opening and post-socialist liberalization.

Post-socialist dependent integration: the neoliberal EU regime and its crisis

With the collapse of the Comecon, the bridge model dissipated, as vanishing export markets broke the internal structure of agricultural and industrial production. Under the conditions of economic crisis and mounting debt, Hungary's new external integration model became heavily dependent on Western trade and investment. Western companies' interest in freshly opened post-socialist markets was to compensate for the global overproduction and overaccumulation crisis that began in the 1970s. Unemployment due to factory closures and the legacy of socialist infrastructure, including energy networks well connected with Russian fossil reservoirs, served as resources for such crisis management (Gagyi and Gerőcs 2022). The EU accession process formalized favorable conditions for Western capital to expand regional production. Electronics manufacturers pioneered simple assemblies in tax-free special export zones with relaxed labor and environmental regulation. They were followed by German automakers, who shifted production segments to the European peripheries that were already in the mature phase of their life cycles (Gerőcs and Pinkasz 2019). These waves of industrial relocation brought in fresh investment on which East Central European economies became acutely dependent after incomes from privatization were exhausted (Nölke and Vliegenthart 2009, Ban 2013).

Hungary's accession to the EU with other CEE countries happened in the neoliberal phase of European integration, dominated by Germany's mercantilist politics focused on the interests of its export industry. This mercantilist model tied German export capacity to cheap fossil energy from Russia and an increasing reliance on cheap East European labor power (Karas 2023). Against increasingly fierce international competition under declining global profitability, the EU's neoliberal model set up the European Economic and Monetary Union (EMU) with the launch of the common currency, established the European Central Bank, and fortified the single market with stringent competition law. For a while, Putin's consolidation of the Russian regime appeared as an ally of this fragile model, with the Russian economy playing the subordinated role of raw material exporter.

The geoeconomic architecture of this model was destabilized by the 2008 global financial crisis (GFC), including German mercantilism and the neoliberal framework of European integration. Geopolitical conflicts with Russia started to emerge when NATO invited Georgia and Ukraine into the alliance, which was a red line for the Kremlin (Carpenter 2022). The conflict further escalated with the coup d'etat in Ukraine during the Maidan protest and the outbreak of the war in 2022. Western sanctions on Russia ended the era of cheap energy supply. Equally important was China's growing role as both an industrial challenger and a geopolitical contender to the US military presence in the Asia-Pacific region. After the GFC, China's economic mega stimulus package exported capital to build infrastructure in the context of BRI, and technical upgrading changed the field of global competition, especially in telecommunication, PV (photovoltaic) solar panels, and EVs and battery manufacturing. In these sectors, Chinese suppliers began reorganizing global value chains that German brand owners had formerly dominated.

These changes kickstarted a reorganization on the level of European and German strategies, which impacted the conditions of Hungary's external integration. German manufacturers increased production outsourcing to Eastern Europe and prioritized global (especially Chinese) export markets. They also pushed the EU policy framework to move from the EMU toward a new industrial policy agenda (Terzi et al., 2023). However, German car makers were unprepared for a rapid decoupling in intensified competition with Chinese suppliers. Despite efforts to recapture control over the value chains, they were compelled to realign production processes with Chinese battery supply. Hungary's role in this restructuring was to create an environment that matched German automakers and Chinese battery companies' outsourcing strategies (Gáspár et al., 2023). Here, the current capacities of German manufacturers can be combined with Russian energy, state support for Asian battery producers, and labor and environmental regulations favorable to international capital. This happens in a downward profitability spiral, as Eastern and Western companies' fierce competition pushes profitability in manufacturing further down (Gagyi and Gerőcs 2024a). This contemporary version of the earlier bridge model is realized under risks from contradictions with European industrial decoupling strategy and East-West geopolitical tensions between NATO and Russia.

The Orbán regime: a reconfiguration of dependent external integration

Viktor Orbán's neoconservative Fidesz party won a two-thirds supermajority in the parliamentary elections in 2010, on a campaign that politically organized social groups and domestic capital disaffected by neoliberal integration, promising an "economic freedom fight" against Western capital. While political and journalistic debates often portrayed this project as anti-Western, it entailed a combined portfolio of interventions. First, it aided the expansion of state-backed domestic capital in non-tradable sectors (like banking, transport, or construction). Second, it supported FDI in some tradable sectors, primarily export-oriented manufacturing. This dual direction of industrial policy reflected the structural dilemma of semi-peripheral technological dependence, with domestic companies unable to fulfill the role of exports necessary for a healthy trade balance.

Compromises, overlaps, and joint constellations of interests between these two branches of economic policy have been actively sought out and acted upon by the regime (Scheiring 2020). In finance, the Fidesz government took advantage of the GFC to repurchase distressed assets from foreign banks. By reducing external exposure and reorganizing the financial sector, it has recreated a new financial vertical (Karas 2022) dominated by government-affiliated finance capital with the backing of minority state ownership. The state-controlled financial vertical helped domestic capital penetrate and create protected circuits of accumulation in other areas of the economy. For instance, the government reignited a new housing boom, using the central bank's foreign credits distributed through commercial banks to subsidize domestic capital in construction and middle-class families' access to housing (Gagyi et al. 2021). Monopolization and centralization of domestic capital in other service industries like telecommunication have also been initiated with the help of the financial vertical (Gagyi and Gerőcs 2024b). Part of this reorganization is the diversification of the sovereign debt portfolio: a shift away from Western (EU, IMF) loans and transfers, towards market-based loans, domestic savings, and also Chinese and Russian state-backed loans which finance large-scale transport and energy infrastructure projects as part of BRI and bilateral packages.

New state agreements with China and Russia in financing, transport, and energy infrastructures have been another area where the government has sought collaborations with foreign capital that benefit domestic contractors. BRI and Hungarian-Chinese state agreements affected the financing and priorities of transport infrastructure development (Szabó and Jelinek 2023) to increase East Asian goods' freight transportation through South-North (Budapest-Belgrade railway reconstruction) and East-West railway corridors. These corridors connected logistics centers at the Eastern Hungarian border (CELIZ project) and near Budapest (BILK rail cargo terminal). Although these infrastructure development projects have not yet been fully realized, they have created opportunities for joint ventures of state-owned companies. This has laid the groundwork for further collaborations and domestic capital to tap into this field through contracting and subcontracting in the planning and construction. Based on the Budapest-Belgrade railway project, domestic capital could even scale up to fund a joint venture with a regionally significant Czech private company (AZD Praha) providing state-of-the-art technology in railways' signaling systems for decades.

Projects for developing energy infrastructure also serve FDI projects in manufacturing, reposition domestic capital in national power supply while sustaining dependence on Russian fossil fuel reservoirs and extending the country's nuclear capacity. One prominent example is the Paks II Nuclear Power Plant (NPP) project, the extension of the first Paks NPP built during the bridge period, which would have involved a combination of Russian technology imports and financing. Due to delays caused by sanctions after 2022 (Brückner 2023), the government decided to build combined-cycle gas turbine power plant units in the vicinity of the new battery factories in Northeastern Hungary, using the existing power grid infrastructure, which in turn has been acquired by state-backed domestic capital. Another prominent example is Hungary's resistance to sanctioning Russian oil imports, a sector where Hungary's oil company (MOL) has been reaping record profits. MOL profited from the exemption from under sanctions of the Druzhba pipeline going to Hungary, Slovakia, and the Czech Republic (Zachová 2023), as well as from its specialization in refining cheaper Ural oil and selling at higher Brent prices, at a time of spiking prices and demand.

Since 2010, greenfield investments of German and East Asian capital have been promoted by generous subsidies (increasing state aid), tax credits, favorable land leases, and the flexibilization of labor, education, and environmental protection. Conditions provided by the Covid pandemic were used to propel this process to the next level, providing record-high cash grants and using rule by decree to create a new model of centrally governed Special Economic Zones (SEZs) directly aimed to provide favorable hosting of new FDI (Éltető and Medve-Bálint 2023). Although state-backed domestic firms could not enter these projects on higher technological levels, they were included in the construction of new SEZ's infrastructure while enjoying many benefits of industrial policies. With new industrial sites, energy, and infrastructure projects carefully connected, German car manufacturers renewed interest in Hungary to catch up with the EV boom. BMW built its new flexi factory in Eastern Hungary, where it can tap into a larger pool of cheap labor supply within the country and from its eastern neighbors. Chinese battery manufacturers like CATL followed suit and built factories close to the partnering BMW in the same area. The energy infrastructure with the new gas power units will be added in the vicinity of these projects, literally turning Northeastern Hungary into a geopolitical intersection combining German industrial relocation with East Asian investment in an almost complete battery production chain (with little raw material extraction) connected to extended power production using Russian energy supply. The national project of reindustrialization builds on this full circle of foreign companies' investments, although with little opportunity for technology transfers (Szalavetz 2022, Czirfusz 2023).

The defense sector is one exceptional area where collaboration with foreign capital provides an opening for technological upgrades for domestic capital. As a global wave of investments in military production counteracts the effects of the overproduction and profitability crisis in civilian manufacturing, profits have been rising in the defense industry, attracting financial capital. Following the relocation path of their predecessors in consumer industries, European weapons manufacturers are investing in Eastern Europe. Since Fidesz has successfully repositioned Hungary in conjunction with global industrial relocation, military investments have witnessed an uptick from West and East alike. Fidesz uses growing militarization as a new avenue for industrial policy to attract foreign investors and connect domestic capital to export industries through joint ventures. Since the escalation of the war in Ukraine, Rheinmetall, one of Germany's most prominent defense manufacturers, has not only started to produce armored vehicles in Hungary but also entered into a strategic partnership with Hungary's 4iG, an IT company built up rapidly by Fidesz, affiliated business people with direct state support. Similarly, the Turkish

Nurol Makina partnered with Hungary's largest state-controlled automotive supplier, Raba, to start producing armored vehicles in Hungary for export (Hungary Today 2023).

Finally, a main overlap of interests between domestic and foreign capital has been favorably managing labor and environmental risks. Adding to loose labor regulations, the so-called Slave Law of 2018 flexibilized working hours to allow them to follow the logic of production cycles' temporality (Gagyi and Gerőcs 2019). Educational reform made it easier for companies to tap into a cheap, young, and flexible labor supply directly employed through a dual vocational training scheme, with the compulsory schooling age reduced from 18 to 16 years of age. Organizing labor on the sectoral level has become almost impossible since the 2011 depletion of the tripartite institutional system of collective bargaining. Union busting occurs, while state subsidies are given without the requirement of settled labor conditions since 2010. This labor regime has been amended several times to manage the rising labor shortage due to the outmigration of workers to Western Europe since the mid-2010s and the tight labor market situation caused by foreign manufacturers' rapid capacity building. The main response by the government was to make it possible to transfer temporary migrant labor despite its harsh anti-immigration rhetoric. First, a governmental decision qualified several temp agencies to organize labor migration from neighboring countries and peripheral Central and Southeast Asian states. Then, a 2023 law on third-country workers' immigration introduced a very selective migration policy based on restrictive measures that favored production interests (Danaj and Meszmann 2024). This has led to an increased fragmentation of labor. In manufacturing, the ongoing 'foxconnization' of labor conditions means creating low-skilled jobs with relatively high labor turnover and low base wages, with an unclear bonus system highly dependent on arbitrary judgments. The harsh consequences of absence to monthly bonuses make people work even when sick. Meanwhile, the politicization and weakening of state institutes of labor inspectorate, including the lack of measures to increase the number of labor inspectors, or the only very recently increased amount of possible penalty fees to be paid even in cases of fatal accidents (until 2024, max. 26 000 EUR), do not provide sufficient protection for workers' occupational health and safety.

New regulations also provide favorable solutions for manufacturers regarding environmental risks. At battery plants, noise pollution occurring during construction and operation, the infiltration of chemical substances into subsoil waters, and the possibility of droughts due to the high water demand of production have been causing direct threats to residents' health and quality of life. There are also doubts whether battery producers will maintain carbon neutrality, as their promises claim. It is unclear how much and what type of hazardous waste is generated during production and how exactly waste is treated and managed. Environmental impact assessment procedures are non-disclosable. Environmental damage is often done without the obligation of fee payment or suspended industrial operations. Citizen groups have organized protests and even won local elections (like in the case of Göd, where the Samsung battery factory is located). Still, the very loose enforcement of environmental regulations allowed by the centralized governance of SEZs makes it almost impossible to affect companies' behavior.

Conclusion

While political and policy discourse in Hungary speaks of increasing autonomy through enhanced connectivity, in this piece, we argue that tracing relations of internal-external integration in Hungary's capitalist development provides a different picture. We present the current integration model in continuity with previous models working within similar structural dilemmas: financial and technological dependence, reliance on Russian energy, and balancing among conflicting geopolitical influences. We show that Hungary's geopolitical balancing gives state-backed domestic capital room to maneuver. Still, it remains a junior partner to foreign firms, and there is scant technological transfer, with the exception of new joint companies in the defense sector. The price for these opportunities is a historic reindustrialization that serves German and East Asian companies' interests for temporary collaboration in the context of cutthroat competition, decreasing profits, and increasingly hostile industrial policies. Labor and environmental concerns are repressed to fulfill this function. Meanwhile, the simultaneous conditions of EU and NATO membership, continued use of Russian energy, and favorable treatment of Chinese producers are unlikely to remain sustainable in the current geopolitical climate. In this situation, the benefits of omnialignment simultaneously function as sources of instability. While the Hungarian regime actively supports this process, it cannot be simply written down as the outcome of a local policy: it is a role the Hungarian economy and society fulfills in the global reorganization of production, including EU policies for "green transition" that tend to outsource environmental and human costs to the peripheries.

Agnes Gagyi is a sociologist who studies East European politics and social movements from the perspective of the region's long-term world economic and geopolitical integration. Her publications include *The Political Economy of Middle-Class Politics and the Global Crisis in Eastern Europe* (2021) and *The Political Economy of Eastern Europe 30 Years After the Transition: New Left Perspectives from the Region* (2022).

Tamás Gerőcs is a political economist studying semi-peripheral dependent development with a special focus on domestic capital formation and the role of the automotive industry in Eastern European economic integration. His recent publications include *The Structural Dilemma of Value-chain Upgrading: Hungarian*

Suppliers' Integration into the World Economy (2022) and *The Political Economy of Emerging Markets and Alternative Development Paths*, co-edited with Judit Ricz (2023).

Linda Szabó is a human geographer studying the socio-spatial impact of small- and large-scale Chinese investments in Hungary from a critical political economy perspective. She is also the lead researcher of the collaborative work of Periféria Center and Electronics Watch, monitoring labor and intersecting environmental issues of East Asian battery investment projects in Hungary. Her most recent publications include *European Home at a Discount: Chinese 'Golden Visa' Migrants in Budapest*, co-authored with Fanni Beck and Eszter Knyihár (2021), and *State, capitalism and Infrastructure-led Development: A multi-scalar Analysis of the Belgrade-Budapest railway construction*, co-authored with Csaba Jelinek (2023).

References

Arrighi, Giovanni. 1994. *The Long Twentieth Century: Money, Power and the Origins of Our Times*. Verso.

Ban, Cornel. 2013. From Cocktail to Dependence: Revisiting the Foundations of Dependent Market Economies. *GEGI Working Paper*. Boston University. Available at: https://www.bu.edu/pardeeschool/files/2014/11/Dependent-market-economy-Working-Paper.pdf

Becker, Joachim and Weisseinbacher, Rudy and Jäger, Johannes. 2020. Uneven Development in the EU. Processes of core-periphery relations. Routledge.

Böröcz, József. 1992. Dual dependency and Property Vacuum: Social Change on the State Socialist Semiperiphery. *Theory and Society*. Vol. 21. No. 1. pp 77-104.

Brenner, Robert. 2006. *The Economics of Global Turbulence: The Advanced Capitalist Econo*mies from Long Boom to Long Downturn, 1945-2005. Verso.

Brückner, Gergely. 2023. Orbán still committed to Rosatom deal, but questions around Paks II abound. *Telex.hu*. Available at:

https://telex.hu/english/2023/01/31/orban-seems-committed-towards-the-russians-but-the-fate-of-hungarys-nuclear-plant-expansion-is-a-growing-question-mark

Camba, Alvin and Epstein, Rachel A. 2023. From Duterte to Orbán:The Political Economy of Autocratic Hedging. *Journal of International Relations and Development*. Volume 23, pp. 347-372.

Carpenter, Ted Galen. 2022. The U.S. and NATO Helped Trigger the Ukraine War. It's Not 'Siding With Putin' to Admit It. *Newsweek*. Available at: https://www.newsweek.com/us-nato-helped-trigger-ukraine-war-its-not-siding-putin-admit-it-opinion-1685554

Czirfusz, Márton. 2023. *The battery boom in Hungary: Companies of the value chain, outlook for workers and trade unions*. Project Report. Friedrich-Ebert-Stiftung Budapest Office, Budapest.

Danaj, Sonila and Meszmann, Tibor. 2024. Weathering intermediated temporary labour mobility: social partners in Central and Eastern Europe after EU enlargement. *Transfer: European Review of Labour and Research*

Éltető, Andrea and Medve-Bálint, Gergő. 2023. Illiberal Versus Externally Fomented growth model readjustment: post-GFC state aid in the EU's semi-periphery. *Competition & Change*. Vol. 27., No. 5. pp 830–850.

Gagyi, Ágnes and Gerőcs, Tamás. 2019. The Political Economy of Hungary's New Slave Law. *LeftEast.* Available at https://lefteast.org/the-political-economy-of-hungarys-new-slave-law/

Gagyi, Ágnes and Jelinek, Csaba and Pósfai Zsuzsi and Vigvári, András. 2021. Semi-peripheral Financialization and Informal Household Solutions: Embedded Scales of Uneven Development in Hungarian Fringes. In: *Households and Financialization in Europe: Mapping Variegated Patterns in Semi-Peripheries;* eds: Mikus M, Rodik P, Routledge.

Gagyi, Ágnes. 2021. *The Political Economy of Middle Class Politics and the Global Crisis in Eastern Europe. The case of Hungary and Romania.* Palgrave Macmillan

Gagyi, Ágnes and Gerőcs, Tamás. 2022. Reconfiguring Regimes of Capitalist Integration: Hungary Since the 1970s. In: Gagyi, A., Slačálek, O. (eds) *The Political Economy of Eastern Europe 30 years into the 'Transition'. International Political Economy Series.* Palgrave Macmillan. pp 115-131.

Gagyi, Ágnes and Gerőcs, Tamás. 2024a. Dependent Development under Geopolitical Reconfiguration – Hungary's New Geopolitics of Indebtedness. Yurchenko, Y. - Shields, S. (eds). *Globalizations. Forthcoming*

Gagyi, Ágnes and Gerőcs, Tamás. 2024b. 'The politics of foreign-currency housing debt in Hungary's authoritarian capitalist reconfiguration after 2010. Marek Mikus – Irene Sabaté Muriel (eds) Debt apparatuses and the management of problem household in Europe. *Focaal. Forthcoming*

Gáspár, Tamás and Sass, Magdolna and Koppány, Krisztián and Shulei Bi. 2023. Foreign trade relations of Hungary with China: A global value chain perspective *Society and Economy*. Vol. 45. Issue 3. pp 229-249.

Gerőcs, Tamás and Pinkasz, András. 2018. Conflicting Interests in the Comecon Integration: State Socialist Debates on East-West-South Relations. *East Central Europe*. 45(2-3), pp 336-365.

Gerőcs, Tamás and Pinkasz, András. 2019. Relocation, standardization and vertical specialization: Core–periphery relations in the European automotive value chain. *Society and Economy*. Vol. 41. Issue 2. pp 171-192.

Gerőcs, Tamás. 2022. The structural dilemma of value-chain upgrading: Hungarian suppliers' integration into the world economy. *Society and Economy*. Vol. 44. Issue 1. pp 159-181.

Gerőcs, Tamás and Pinkasz, András. 2023. The Interdependence of Socialist Hungary's External and Internal Balances: The Bridge Model and the Consolidation of the Kádár Era. *State Socialism in Eastern Europe : History, Theory, Anti-capitalist Alternatives. Marx, Engels, and Marxisms.* Palgrave Macmillan. pp. 31-55.

Hungary Today. 2023. Armored Tactical Vehicles to Be Produced in Győr. Available at: https://hungarytoday.hu/armored-tactical-vehicles-to-be-produced-in-gyor/\

Janos, Andrew C. 1982. *The politics of backwardness in Hungary, 1825-1945*. Princeton University Press

Karas, Dávid. 2022. Financialization and state capitalism in Hungary after the Global Financial Crisis. *Competition and Change*, Vol 26, Issue 1, pp. 29-52.

Karas, Dávid. 2023. Germany's Model for European Capitalism is Exhausted. *Jacobin*. Available at: https://jacobin.com/2023/08/germany-european-capitalism-scholz-merkel-neoliberalism-capitalism

Lipietz, Alain. 2001.The Fortunes and Misfortunes of Post-Fordism. Phases of Capitalist Development. pp 17-36.

Lüthje, Boy. 2022. China's Industrial Internet: Platform-Based Manufacturing and Restructuring of Value Chains. China's New Development Strategies. pp 33-59.

Nölke, Andreas and Vliegenthart, Arjan. 2009. Enlarging the Varieties of Capitalism: The Emergence of Dependent Market Economies in East Central Europe. *World Politics*, Vol. 61, Issue 4. pp. 670–702.

Schindler, Seth, and Alami, Dixon and Jepson, Nick. 2023. Goodbye Washington Confusion, hello Wall Street Consensus: contemporary state capitalism and the spatialisation of industrial strategy. *New Political Economy,* Vol. 28, Issue 2. pp. 223-240

Scheiring, Gábor. 2020. *The Retreat of Liberal Democracy. Authoritarian Capitalism and the Accumulative State in Hungary.* Palgrave.

Szabó, Linda and Jelinek, Csaba. 2023. State, capitalism and infrastructure-led development: A multi-scalar analysis of the Belgrade-Budapest railway construction. *Environment and Planning A*, Vol. 55 Issue 5. https://doi.org/10.1177/0308518X231156171

Szalavetz, Andrea. 2022. Transition to electric vehicles in Hungary: A devastating crisis or business as usual? *Technological Forecasting & Social Change*, 184.

Terzi, Alessio and Sherwood, Monika and Singh, Aneil. 2023. European industrial policy for the green and digital revolution. *Science and Public Policy,* Volume 50, Issue 5, pp 842–857.

Zachová, Aneta. 2023. Hungary wants Russia sanctions exemption extended, ensure oil exports to Czechia. *Euractiv*. Available at: https://www.euractiv.com/section/politics/news/hungary-wants-russia-sanctions-exemption-extended-ensure-oil-exports-to-czechia/

4iG.2024. 4iG and Rheinmetall enter into strategic partnership. *Company Report*. Available at: https://www.4ig.hu/4ig-and-rheinmetall-enter-into-strategic-partnership

—

The opinions expressed herein are those of the authors; they do not necessarily reflect the views of the SCWO.