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HISTORIC AND SCIENTIFIC OVERVIEW OF STATE ROLE IN ECONOMIC POLICIES - PRESENTED THROUGH THE EXAMPLE OF HUNGARY

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The author was one of the main opponents of the rapid liberalisation of the economy after the collapse of planned economy. He has been consistently emphasising the necessity of state intervention. He is convinced that the disadvantages of the rapid introduction of the neo-liberal market model without transition in Hungary outweigh the benefits by far; what is more, it has led to the severe indebtedness of the country. He believes that the market-based system can only be successful if demand and supply is controlled by government means in a reasonable but strict manner. This is particularly so in Eastern Europe, where post-communist and often feudal legacies had deeply penetrated economy and society. He puts down the crisis that has been unfolding since 2007 to the failure of excessively independent market actors in the western world and in Eastern Europe alike. He expects that any positive turn in the management of the crisis will stem from the renaissance of state control over economic policies. This paper presents the historic background and the argument in support of stepped-up state role through the example of Hungary, particularly through the crisis management measures of the new civilian government

The historical traditions of state control over economic policy in Hungary before the collapse of planned economyAlthough compared to other nations within the European cultural sphere, Hungarians have only been present in Europe since around 900, it is a fact that around 900 A.C. after a thousand-year of wanderings on Russian steppes, the Conquest of the Carpathian-basin did take place and the conversion to a western feudal model and to Christianity, as well as the foundation of a western-type state administration quickly turned the Kingdom of Hungary into one of the major states in Europe. The independent Kingdom of Hungary as an integral state had lasted into the middle of the 16th century. As a result of the Turkish wars, the country was torn into three parts and its economic development was halted for 150 years. After the expulsion of the Turks, a new system of dependence evolved. For a good two hundred years the country fell to the hands and political control of the Habsburg Empire. One of the main objectives of the battles of independence of the 18th and 19th centuries was to regain the economic and political independence of the country. Albeit these freedom fights and breakthrough attempts had failed without exception, the Hungarian economy also enjoyed the peculiar benefits of being part of the Habsburg Empire. In the Austrian, i.e. Habsburg hereditary lands in the first half of the 19th century, modern industrial centres were springing up. The manufacturing industry took roots and trade was given fresh momentum. With the swift industrial development, the Habsburg Empire's agricultural areas, and particularly Hungary, were unable to keep up. There was an imminent danger that the industrial supplies of the western provinces would not be marketable in Hungary for lack of effective demand. For this reason, the development of Hungarian economy and particularly agriculture became an important economic development issue for the empire. This was particularly important in light of the fact that the core European countries (France, Germany, the Low Countries, England) could not possible be reckoned with as an outlet for the Austrian industry for conflicting political, power, and economic interests. With the growth of Hungarian agriculture, effective demand was successfully generated for the industrial products of Austrian-Czech provinces.

Beside the positive pull effect of the industrial centres of the Habsburg Empire, and particularly due to the ideas adopted from German economist Friedrich List[1], further and even more significant economic development initiatives were unfolding in Hungary (marked by the names of Lajos Kossuth, István Széchenyi), which urged for the establishment of independent Hungarian economy sheltered behind protective tariff walls, which was seen as the potential propellent of political independence. The Hungarian reformers of the 19th century believed that the solution lay in the independent industrialisation of the country and the establishment of trade. For this however, internal capital was not available; external direct investment on a scale that would sooner or later lay down the foundations for political independence was obviously not in the interest of the Empire. Although the 1848-49 freedom fight against the Habsburg Dynasty had failed, following the Compromise of 1867, the country - embedded permanently within the frameworks of the Habsburg Empire - displayed splendid economic growth. The freedom and open liberalism of enterprise in principle was framed by a very conscious, well-thought out empirical (and provincial so to speak) economic policy. The integration of the country's traditional agricultural raw produce into complex vertical food sectors had begun. The quality and effectiveness of the raw produce of plant-growing and husbandry was improved collectively by the manufacturing of agricultural machinery, whereas the level of processing was furthered by processing plants, and the transportation of produce was promoted by the expansion of the rail system. The economic development of the country was nonetheless one-sided and heavily dependent in character. The produce of the vertical food sectors was sold mainly on the a closed, internal outlets of the Monarchy. However, foreign investment never played a significant role in the foundation of the milling industry (key sector). The international securities market only became important in infrastructural development, and partly in the related development of the heavy industry. However, modernisation was not coupled with independent nation state status; consequently, the state economic policy, which was supposed to serve development, remained "satellite" in nature under the control of the empire, and the final outcome was a heavily empire-dependent situation. The partial resulting outcomes did not help create comprehensive and long-term modernisation. What is more, even though the establishment of the railway system (with the coal and iron ore mining and metallurgy behind it), which enabled the transportation of processed agricultural produce, was on a par with the developed world in the economic sense, the benefits of economic development did not in turn reform the system of social relations, the stratification of classes, and the democratic rights of society. Quite to the contrary, it caused the powers of the landowner classes profiting from having monopoly over the land and opposing the social modernisation of the nation to cement[2]. The lack of political independence and the lack of social renewal to go hand in hand with the modernisation of the producing forces halted further economic development after a given time and beyond a given level. The Habsburg Empire and specifically the Kingdom of Hungary had achieved swift yet one-sided economic growth with the participation of and contribution from a conservative landowner class unwilling to lose its powers, which was

[1] List, in opposition of the Anglo-Saxon free trade, opted for economic development sheltered behind protective tariff walls. Building on economic liberty, England's system was a reflection of its dominance in the world market in which and through which it enjoyed unlimited benefits. The German population suffered from the competition presented by England's industry hence a German citizen was heavily dependent on the state's active protectionist economic policies. List, F. (1841)

[2] In contrast to the United States of America, the railway development in Hungary was not coupled with the democratisation of society and the extension of rights as was inherent in the States; these positive social changes did not evolve; what is more, railway only helped the feudal classes to conserve their economic and political powers (Lentner, 2010c).

coupled with the Habsburg Empire's active, economy-changing, enterprise supporting policies; however the modernisation attempt of a Hungary operating under the Austro-Hungarian Monarchy remained distorted.

By the second decade of the 20th century, the defeat in WWII and the resulting annexation of two-thirds of the country's territory, the economic policies - with active state control - between the two world wars designed to compensate such losses were also doomed for failure as Hungary found itself again on the side of the defeated. The country's two and a half-decade long economic policy efforts focusing on an arms programme proved futile.

The socialist planned economy system taking shape from 1947 had lost its reserves of internal resources by the 1970s, after the rebuilding of the country was finished. Alien to the nature of Hungary, the voluntarist industry policy coupled with Hungarian heavy industry built on iron ore from Krivoy-Rog, and coal from the Donetsk Basin represented a restricted and dependent set of capacities. The worsening production of the people's economy and the contradiction between the party promise of improving living standards and the performance of party politics led to severe indebtedness of the country. Hungary's external total government debt had swollen from USD 2.1 billion in 1973 to 22.7 billion by 1991 - an eleven-fold increase. From the 1970s, Hungary was functioning by living off the western money market and mainly IMF and World Bank loans. The economy and economic developments triggered political and social changes. Although with the Socialist restructuring of agriculture, the effectiveness of Hungarian agriculture was on a close par with that of American farms, the increasing disinterest and under-motivation of workers in the socialist system had begun to act like severe internal breaks in agriculture also after industry. It must also be added that the success of the planned economy in the 1960 and '70s was due to the conscious application of market components that did not violate the basic conditions of planned economy. Moreover, the conscious blending in of market components in the 1980s remained an integral part of state planned economy; however, the economic dominance of Western-European countries had blinded the Hungarian population with the lifting of restrictions on foreign travels and with western propaganda. The ailing living standards financed ever more from western loans had got stuck after a while and the obsolescent economy behind it had wound itself up. Gradually alienating from the object of its labour, the collectively owned means of production, and the end product[3], the working class and the peasantry of cooperatives had lost their faiths in socialist planned economy by the 1980s.

The crisis of crisis management: from planned economy to planned economy?

It is apparent that socialist heavy industry had lost its internal and external markets alike by the end of the 1980s. This was facilitated by the collapse of the Comecon and the sentiments expecting the coming of a consumer's paradise evident in Hungarian society, where the consumption of western products was placed in the focal point. Hungarian society wished to make up for the frustration of the past six centuries by swiftly establishing market economy and a consumer society. By selling of state property quickly and cheaply, Hungary had become heavily dependent on FDI. Ppacing capital attraction in its focal point, Hungarian economic policy enticed international companies through tax rebates and a wide range of government subsidies. Rigid state regulation was turning into accelerating market deregulation from the end of the 1980s. Regulation was replaced by increasing deregulation as the main feature of Hungarian economy. The obstacles in front of capital

[3]Although the number of economic crimes and erroneous decisions stemming from insufficient economic information and the consequential financial damage was only a fraction in the planned economy system of what was evidenced in the market economy system unfolding from the end of the 1980s (Lentner, 2009).

investments had been demolished and the repatriation of profit to its country of origin became free. The abating market protection of abating Hungarian producers, the independent national middle-classes, and the development of "embourgeoisement" with sustainable proprietary background to a social class was only ever realised at the level of election programmes. State property was mostly sold off to foreign investors, who this way managed to put their hands on the markets of former socialist large corporations and the food industry. Further to this, with the escalation of the already huge state debt at the change of regime, foreign investors purchasing state securities acquired key positions in the sustenance of the state, which had thus also become financially dependent. Hungarian change of regime took place at a time when economic theories and economic policies shifted towards liberalism throughout the entire world[4]. The economic philosophy of the Washington Consensus unfolding from the 1980s and the underlying International Monetary Fund, and the World Bank considered the state a bad owner and urged for the abolishment of restrictions before the migration of money capital, FDI, services, and labour. Proponents of the philosophy stood up for the liberalisation of financial matters, foreign trade, and foreign exchange, for the removal of national obstacles before foreign investors. Although already at the end of the 1980s, the contradictions of a neoliberal economic policy was evident[56] in developed market economies, the emerging East-European region determined to open its markets, and Hungary in particular, still opted to implement a neoliberal economic model by taking a 180 degree turn in complete opposition of the practice of state planned economy. As a result, the vertical food sectors, established during the Austro-Hungarian Monarchy and successfully preserved by the Socialist planned economy, collapsed. Comecon and the light industry producing for the internal markets had practically disappeared and the heavy industry which no longer received hydrocarbon derivatives on the basis of the Bucharest pricing principle from a disintegrating Soviet Union had collapsed. These were replaced by FDI-established high-technology machinery industry and high-tech whose share of exports (21%) is higher than the Japanese (20%) or the Finish national rate (18%). Hungarian high-tech export by and large involves assembly work performed for foreign companies at low wages from mostly imported parts and components. It is important that the import content of the total Hungarian exports is 60%, by far the highest in the OECD countries. The import content of Japanese exports is hardly 10% and the Finish index stands at 35%. The difference is that in really developed countries export companies keep the most valuable highest added value activities of the value chain in their own countries. In contrast, Hungarian industry essentially performs assembly-type work organised from abroad, i.e. it does not involve contribution that may be considered knowledge-intensive from the perspective of the value chain. The performance of the national economy is virtually entirely dependent on the performance of multinationals. From 2002 to 2010, the rate of export against GDP grew from 51.5% to 73.2%. In the same period, GDP increased from EUR 70.9 million to EUR 98.4 billion, while exports doubled (EUR 36.5 billion to EUR 72 billion). The comprehensive and all-encompassing dynamising effect of international corporations on Hungarian national economy and society has remained unseen. The rate of employment is 57% – among the lowest in Europe (EU-27 67%). It is unquestionably true that international large corporations have given Hungary's economy a boost with the

[4]For more details, see: Forgács, I. (1987): confidence increased in the automatic operation of market forces while the state's economic efficiency was being questioned as the state degraded into a mere institution of bureaucracy.

[5] There was contradiction though between the various components of the liberal policies. For example, liberalisation in one area had led to greater government activities in another sector (Fortin et al, 1987).

[6] In Chile, while they were pursuing the strictest monetarist principles, the rate of growth plummeted, inflation soared, the rate of investment was low, and external state debt sky-rocketed between 1977 and 1981 (Guardia, A. 1984).

introduction of high-tech, but the budget positions and the living standards of the people have not improved proportionately. To a certain extent we have integrated with developed market economies but have certainly failed to converge with them. The disorganised neoliberal Hungarian economic policy has added to further indebtedness. Between 1990 and 2010, total debt increased eight-fold. The 20 billion-dollar state debt at the beginning of the change of regime soared to 110 billion, further to this local authorities have run up foreign exchange debts of USD 10 billion; besides, and as a result of the Hungarian economic policy, ignoring internal social considerations and incapable of guaranteeing secure livelihoods for the 10-million people in the mother country, a debt portfolio of USD 40 billion of private loans has been run up in euros and Swiss francs. The consolidating deficit and the increasing debt is a reflection of disorganisation rather than effective economic policy. When assessing the immeasurably indebted economic policy, the question arises: Did the Hungarian market economy really move into a higher mode of production than what the socialist planned economy inundated with market components had used[7]?

International corporations can use the country as a profit collection point and only little share of the proceeds is reinvested in society. Their contribution to public burden sharing is not in proportion with their financial means. In addition to falling sales figures of large corporations producing for exports, the performance of Hungarian SMEs is constantly and steadily declining, the position of the national budget is deteriorating, internal effective demand is weakening. By 2008, the spiralling crisis from the Anglo-Saxon markets hit an already weakened Hungary[8]. After nearly a quarter of a century-long history of market economy, the results are dispiriting or at least contradictory. It is striking that in the period of planned economy, Hungary had a people's economy inundated with market components most, which was coupled with the highest living standards. Unique in the eastern block, home farming was allowed, commercial catering businesses were let to private individuals to run, and there were economic work communities in the industry. These allowances were used to serve self-settlement of accounts within companies and to effectively motivate workers through financial gains. Early market components from the start of the 1968 new economic mechanism undoubtedly helped market economy to develop in the past quarter of a century. We were at the leading edge of laying down market foundations; however, after the turn of the millennium, Hungary became straggler from front-runner to quote the words of the present minister of national economy[9]. The implemented neoliberal economic policy could not fill the political independence gained in 1990 with economic power hence the political independence the country had pined for and eventually obtained after six centuries was devalued. We became a country controlled by external funds in the areas of production, budget deficit, the financing of increasing government debt, and the production (import)

[7]In a former study, the author mentions that the scientific analysis of the planned economy was already completed in the euphoria of the transition to market economy in the beginning of the 1990s (e.g. János Kornai). An assessment of the market economy of a similar magnitude has not yet been published. At the same time, the author has doubts regarding the thoroughness of the evaluation of the Hungarian planned economy (considering it exaggerated and one-sided), and also about the "superiority" of market economy. (Lentner, 2010a)

[8] The reforms of market economy proved abortive, the political parties are incapable of reaching a consensus, the people are convulsively protecting the social rights inherited from planned economy, the alternating governments are implementing a zigzag economy policy. The system is incapable of reform and renewal. This is topped with the world economic crisis (Lentner, 2010b).

[9]In his book *From Front-Runner to Straggler* (2008), György Matolcsy describes the process of economic decline that followed after he left office as minister for economy (2002), which the crisis managing economic minister is facing in 2010.

of consumer goods. By 2010, the time of the elections, there was elemental demand for a government with greater control over the economic policy.

The renaissance of state control of economic policies

The mode of production that is in crisis and is coupled with the destabilisation of social relations must necessarily come to an end. Hungary, by October 2008, went bankrupt. The foreign investors financing government debt were fleeing the Hungarian state securities market in mass, international corporations switched over to narrowed reproduction processes, or left the country. Hungarian-owned enterprises were unable to fill the depleting economic and financial space. The country badly needed the grant of a 25-billion dollar emergency loan from the IMF, the World Bank and the European Central Bank. The former government applied austerity measures as a means of crisis management and failed to use the alternative of fiscal stimulus marked by the name J. M. Keynes[10], although the crisis management techniques of the United States and Western Europe would have implicitly made it possible. By the summer of 2010, the new government's room for manoeuvre had narrowed down; the EU no longer supported its fiscal expansionist programme because of the intensifying crisis of the Eurozone. This was despite the fact that in the preparatory phase leading to the election, the contours of a growth-oriented economic policy fuelled by fiscal expansion were becoming increasingly evident (see Matolcsy et al[11]). Hence the civilian government must achieve economic growth despite fiscal restrictions by using strict government control over economic policy as its means. Restriction serves the rationalisation of social insurance, the welfare sector, and the further curtailment of paternalist functions, while growth means the encouraging of investments for domestic SMEs and international corporations alike, although this is only possible with the use of significant, however depleting - with the deepening of the Eurozone crisis - state and EU funding. The now more active government economic policy levied crisis taxes on the energy suppliers and banks in order to have a greater room for fiscal manoeuvres.

Exceptional situations require exceptional economic political solutions. Keynes considered the building of pyramids, the digging and subsequent digging out of dollar-packed whisky bottles possible solutions to reduce unemployment and thus increase effective demand. The active roles played by the state in the management of the 1929-33 crisis, or making the New Deal, or in the reconstruction of Germany after WWII are prime examples of effective state intervention. It is unquestionable that heavy state regulations curtail the opportunities for companies to act. In justified cases, it is necessary for the government to overturn decisions made on the free market. At the end of the 19th and the beginning of the 20th century, the United States already applied a wide range of anti-trust laws to curtail market forces, remedy information failures, to keep external economic impacts under control, regulate monopolies by public utility regulations[12]. The present management of crisis again is an

[10] Keynes, J. Maynard (1936): During periods of crisis, the state has the power to artificially keep effective demand up by, for example, infrastructural investments and thereby bring the economy closer to a state of balance and reduce unemployment. The active intervention of the state in such cases is beneficial to all. Even if the disbursement of money without funds causes the budget deficit to increase. This can and need to be counterbalanced in the period of growth by curtailing government expenditure.

[11] Matolcsy et al (2008, 2009, 2010): After his first office as minister for economy lasting until 2002, Matolcsy was getting ready for a new term. He called to life a scientific workshop. He published pamphlets. From the summer of 2010, the economic governance was started along these programmes.

[12] Samuelson – Nordhaus: Economics, Chapter XVII: The anti-trust acts of the United States are built on a few laws. The Sherman Act (1890), the Clayton Act (1914) and the Federal Trade Commission Act (1914) provided the foundations for the anti-trust branch of law of the US. The modern anti-trust doctrines were all born out of the interpretations of these acts.

attempt to prevent market forces, particularly money capital from multiplying. Active state intervention is particularly justified and called for at a time when in a neo-liberal economic space the market actors have all failed, hence the successes of macro-economy are dependent on factors beyond supply and demand, in other words, in the domain beyond micro-economy; ultimately its consummation is dependent on the welfare policies and the distribution of incomes.

In the past 40 years, after the dissolution of the Bretton Woods system of monetary management, mixed economy was replaced by global capitalism in developed market economies. The independence of monetary policy became a thing of the past, while fiscal policy was based on rules. The relationship with transnational companies became the measure of competitiveness of government economic policy. State regulation lost relevance; the emphasis was now placed on deregulation, unrestricted money multiplication, unlimited privatisation, and the primacy of exports. By 2007, this was no longer sustainable in the developed world. Although Hungary's planned economy was most blended with market components, the adaptation of total neoliberal economic policy drifted the country into a state of permanent crisis of system. In essence, we are living through the system change of a system change, the crisis of crisis management. The public sector is weak. Lack of political consensus, devoid state functions, and a burning out society are the characteristic traits in Hungary today. 61% of secondary-school students would like to live abroad[13]. There is a complete lack of internal capital accumulation and indebtedness is widespread. The most obvious problem of Hungarian economy is indebtedness, government debt amounts to 81% of the GDP rising by 25% in the past 8 years alone. This is what the government's economic policy intends to mitigate; however, this is only possible by changing the economic policies that have been pursued, which have led to the indebtedness, but this will certainly be a long process. The sustainability of Hungarian economy at present depends on the availability of FDI and portfolio capital. It is obvious that the international corporations, on which the entire Hungarian national economy is built on, have succeeded in dynamising only a narrow fraction of the recipient country's economic and social lives but were also bound to cause permanent decline and unilateral dependence. This is why it is reasonable to improve the competitiveness of Hungarian enterprises, agricultural producers in the long-run, and to reform public institutions heavily burdened with the legacies of a paternalist state, reduce the volume of redistribution and at the same time increase its targetability to improve social cohesion. As was evident in the application of crisis management techniques in the 30s of the last century, in post-WWII Germany, or in Western Europe in 2007-2010, this is all possible with strong state action and the careful regulation of the business sphere.

Although facing huge opposition domestically and abroad alike, the new Hungarian economic policy is nonetheless in line with the main avenues and philosophies of international crisis management. From a state of loose regulatory framework, from the delusion of "the market will solve everything", western governments are now shifting their positions, however slowly, in the direction of strengthening state regulation. The recently finished report of the US Congress[14], or professor Bánfi's recently published paper[15] blame the unregulated

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[13] Further to this, 49% of university undergraduates would like to live and work abroad. The parents of today's teenagers and people in their twenties are mostly 40-60 years of age. They are the generation that changed the regime. Their disappointment in the change of system is also reflected in the disillusionment of their children. The research providing the basis of the book was conducted by Professor E. Novaky by appointment of the HungarianAcademy of Sciences. (Lentner, 2010)

[14]US Congress Report, Jan 2011, The enquiry committee of the Congress mercilessly presents the erroneous economic policy leading to the crisis, reveals the responsibility of credit rating agencies, banks and the FED, the deficiencies of audits, and last but not least human greediness.

market conditions and human insatiability as the main causes behind the crisis. The European Commission intends to improve the methodology of accounting audit checks, and communication of corporations and banks responsible for unlimited multiplication[16] in order to promote responsible and transparent economic management. The United States and the developed Member States of the European Union have generated effective demand by placing state economic policies on a Keynesian model saving thereby entire sectors, financial institutions from bankruptcy. Where there is strong state, there's room for strong state economic policy.

The failures of the Hungarian attempts at convergence during the Austro-Hungarian Monarchy, mentioned before, and also in the shadow of the Soviet Empire may be put down to the lack of political and hence economic independence. By the collapse of the planned economy system, Hungary was heavily indebted. The acts that provided the legal environment for market economy of 1987 (two-tier banking system, act on economic associations, company act, protection of foreign investment) were already paving the way for full market economy. From Soviet political dependence however, the country drifted into western economic dependence which expanded in the direction of neoliberalism. The lending banks (IMF, World Bank) however, proved stronger than the Soviet Empire as they also enforced their economic policies on us. The Hungarian economy and society however, was not yet mature to take on this economic policy. In order for this to be generally recognised, one quarter of a century had to pass (in the domain of public belief). It is this state of dependence and the accompanying economic powerlessness that the new civilian government is trying to move away from when it did not avail of the funds made available by the IMF and the World Bank, and rejected their implied recipe of neoliberal economic policy.

The government wants Hungarian government bonds to be financed by the market, and wishes to diversify the country's capital dependence by seeking the help of oriental lenders and FDI investors. It is obvious that the western capital dependence replaced by oriental economic dependence will not be a long-term solution. Internal effective demand may be increased and production relaunched in order to strengthen the country's internal economy, by developing the internal economy of the country, particularly the agriculture, and the food industry.

Conclusions

The lack of independent state and the resulting lack of state control over the economy in the past six hundred years - despite survival and temporary successes - caused long-term lagging, late reforms, and by the end of the 20th century, led to convergence attempts which were out of line with the country's production capacities and production conditions.

The need for strong state control and through this the regaining of political independence has been a recurring element of the concepts of the elaboration and consummation of the national economic policy.

Given the country's size, economic power, its position within the fields of force of world economic power centres and the insufficient mobilisable domestic capital, all attempts at modernisation have been exhausted in futility after a while.

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[15] Bánfi T. et al, 2011 The paper of the research team of the former central bank council member is different from other analyses on the subject in that it markedly highlights human greediness that knows no moderation when it comes to making profit for the individual. Obviously, this was only possible even at system level because authorities had tolerated the tendency of individuals to place their individual interest over public and financial security interest for decades.

[16] Green Paper, 2010: The Green Paper of the European Commission may effectively promote the stabilisation of the markets by reconsidering the methodology of auditing.

The effects of six centuries of oppression and failures have been fixed at the levels of society, the political classes, and those in possession of the seeds of national capital and this had, by the end of the 20th century, deepened a national psyche that is characteristically seeking external assistance and which sought to remedy the failures of six centuries with the unbridled adaptation of neoliberal economic policy.

Improper economic policies, which resulted in dependent economic and social states, do not help the country's overall modernisation. Rather, they create unstable financial and social conditions.

The constant breakaway from the neoliberal economic policy is ideally followed by an active economic policy building on and strengthening internal resources, where emphasis is firstly and most importantly placed on the mitigation of external economic dependence, and on the conscious development of endogenous factors.

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