

INSTITUTIONAL ECONOMICS AND THE MAINSTREAM

László Csaba

The article analyses the conflicting relationship between institutional economics and representatives of the neoclassical synthesis: the mainstream. In surveying the oeuvre of the most accomplished Hungarian economist, János Kornai, and its global academic reception, the paper highlights the limitations to creating a synthesis by cherry-picking individual elements from both approaches at will.

A TIME-VARYING PARAMETER TAYLOR RULE FOR HUNGARIAN MONETARY POLICY

Abaliget Gallusz, Németh Kristóf and Schepp Zoltán

In estimating a forward-looking, time-varying Taylor rule for the Hungarian economy, the authors aim to define monetary policy since the introduction of the inflation-targeting system. The analysis is aimed at answering the following research questions: What have been the underlying factors to play a significant role in the reaction function of monetary policy? How has the role of such factors changed over the sampled last 15 years? A linear-state space model estimated by a Kalman filter is defined to estimate time-varying coefficients. An important feature of the estimation procedure applied, by comparison with analyses employing sub-samples or regime-switching models, is that the results themselves indicate the location of possible structural breaks. So changes in monetary-policy preferences can be discerned without additional external information or preconceptions. The results point to marked changes in the Taylor coefficients after the Great Recession and emphasize the decisive role of international monetary conditions. The data came from the National Bank of Hungary's real-time publications, which increases the relevance of the analysis.

FREEDOM FOR ECONOMICS. SOME METHODOLOGICAL ASPECTS OF THE
NEOCLASSICAL V. INSTITUTIONAL CONTROVERSY

Péter Galbács

Based on arguments from the general philosophy of science and sociology of science, the author finds reasons why the paradigm shift urged by critics of mainstream economics has yet to occur. The special theoretical problems directed both institutionalism and mainstream economics into unique methodological paths. So it became impossible

for the camps to further their approaches mutually. The special interests and accompanying methodologies have prevented the schools from heeding certain mechanisms of socio-economic reality. However, this mutual demarcation can be easily reconciled with the idea of complementarity. The realization that complementarity makes some age-old debates unwinnable divests contemporary economics of some unfruitful conflicts.

HOW DID FELDSTEIN UNDERVALUE THE “OPTIMAL” LEVEL OF SOCIAL-SECURITY BENEFITS?

András Simonovits

Feldstein, in his seminal model [1985], has the government operate a social-security system to counter the representative worker's short-sightedness: (i) For a total myope, he set a sizable optimal tax rate (and corresponding benefit level). (ii) For a partially short-sighted worker, he set another, much lower optimum, possibly zero. Here the author parts company with Feldstein in taking into account that no prudent bank nor paternalistic government tolerates negative saving, and then even in (ii), the government may choose the first rather than the second optimum.

APPLYING THE THEORY OF PLANNED BEHAVIOUR TO EXPLAINING THE EVOLUTION OF ENTREPRENEURSHIP

Andrea S. Gubik, Szilveszter Farkas and Richárd Kása

Entrepreneurial intent is a major milestone in becoming an entrepreneur. Without such intent, individuals will not feel a need to set up their own firms. To enhance entrepreneurial activities, it is of the utmost importance to identify the factors that shape entrepreneurial intentions and the ways such intentions can be influenced. The article deals with testing the Ajzen's theory of planned behaviour by applying structural equations and using the database of the GUESSS research project. The responses of over 2000 students at Hungarian colleges and universities were used to prove the subjective norm–attitude–intention–activity casual chain. They showed how a supportive social environment affects favourably attitudes related to entrepreneurial intentions that determine them. An intention is a powerful actor in influencing actual activity. In addition, the survey indicated that both subjective norms and actual behavioural control have a favourable impact on perceived behavioural control, and have an insignificant impact on the intent. This suggests that rapidly created entrepreneurial conditions (for example, delivering resources) change start-up visions only to a limited extent.