Abstracts in English

Pál Czeglédi: Classical liberalism, democracy, and economic growth: a hypothesis about the Lipset hypothesis

Does economic growth create democracy, as suggested by the proposition known as the Lipset hypothesis? According to this paper, for the Lipset hypothesis to be valid, it is sufficient for an ideological and a technological condition to be fulfilled. The ideological condition is that the political agenda-setting ideology should be classical liberalism, which can be characterised as combining an aversion towards democracy with a positive assessment of economic and civil liberties. The technological condition is that the country in question should be advanced enough in the technological sense, because in such a country there is no economic growth without innovation maintained by a free market for ideas. Logit regressions run with panel data show that in the period up until the early 20th century a higher per capita income increases the probability of a democratic regime change, but afterwards it does not. The explanation is that before the early 20th century the two conditions were met, but they were not met in those countries that were about to become democratic after the first two decades of the 20th century.
Journal of Economic Literature (JEL) codes: D70, O11, O43
Key words: classical liberalism, democracy, economic growth, Lipset hypothesis

Péter Quittner: Economic stimulus effects of the Hungarian Lending for Growth Scheme

This paper examines the impacts of the Hungarian Lending for Growth Scheme (LFS), focusing primarily on its effects on GDP in the short and medium run. Since such a tool has not been applied before in Hungary, the Hungarian literature on its effects is narrow. Accordingly, the point of reference could only be the international experience, which considers these tools effective. The empirical analysis presented in this paper also underpins this conclusion. That is, according to the results, the LFS may significantly stimulate both aggregate demand and aggregate supply. On the other hand, the LFS implies an asymmetric intertemporal trade-off as a result of which there is a negative effect in the long run. This is, however, considerably smaller than are the positive effects in the short-run.
Journal of Economic Literature (JEL) codes: E51, E52
Key words: National Bank of Hungary, Hungarian Lending for Growth Scheme, unconventional monetary policy tools

Balázs Bakosi –Ákos Szűcs: Market efficiency in relation to the financial crisis of 2008

After the financial crisis of 2008 many scholars criticised the validity of the market efficiency hypothesis of the modern financial literature. The purpose of this paper is to investigate the adequacy of market efficiency based on Hungarian, and as a reference, on American securities. Besides classical statistical tools (autocorrelation function, Ljung-Box test, Augmented Dickey-Fuller test), we also used new approaches of the literature (Variance Ratio test). In addition to the simple hypothesis tests we tried to separate the different type of time series and explain the reasons for the different behaviours.
Journal of Economic Literature (JEL) codes: G140
Key words: weak-form of market efficiency, random walk, change point, autocorrelation, unit root test, variance ratio tests

Zsuzsanna Bényei: How do informal institutions affect FDI? An assessment of the literature

A number of studies have examined the determinants of foreign direct investments (FDI). Institutions can be seen as an immobile location advantage, which can influence FDI flows. The aim of this study is to summarise the empirical literature on the growing importance of institutions in FDI decisions, especially that of informal institutions. The study also suggests using another measure as a proxy for informal institutions when analyzing the impact of informal institutions on FDI.
Journal of Economic Literature (JEL) codes: E02, F02
Key words: foreign direct investment, informal institutions