

Abstracts in English

PÁL CZEGLÉDI – Market institutions precede market beliefs: a test with cross-country regressions

The paper examines the literature on culture, economic growth and institutions to derive hypotheses about the relationships between market beliefs, institutions, and productivity. It then tests these hypotheses with cross-country regressions. First, it points out that each of the four cause-and-effect hypotheses of the possible relationships have an economic literature, in that market beliefs are seen as parts of culture. Second, the paper tests these hypotheses by making use of the fact that they consider different variables as exogenous ones. Measures of market beliefs are the coefficients of the country-dummies in the regressions run with individual data from the World Values Survey. The tests support the two hypotheses which hold that it is institutions, not market beliefs, that are exogenous.

Journal of Economic Literature (JEL) codes: L26, O43, P16

Key words: market institutions, market beliefs, Schumpeter

SZABOLCS PÁSZTOR – The shadow price of childbearing and the total fertility rate in Hungary

The total fertility rate has been declining sharply in Hungary since the democratic transition. Moreover, the rate has been well below the replacement level since the second half of the 1980's. It is therefore relevant to investigate the underlying factors behind the permanently low level and continuously declining trend in the rate. In this article, based on Walker (1995), I present the time series of the shadow price of childbearing in Hungary, with which I estimate the total cost incurred by the first-born child, using empirical data. I introduce the connection between the total fertility rate and the increasing mean age at birth. Subsequently, I first compare the tempo and parity-adjusted total fertility rate to the shadow price of childbearing, and then conduct a partial analysis. Based on the

results, I recommend measures for public decision-makers that could positively incentivize childbearing.

Journal of Economic Literature (JEL) codes: J11, J13

Key words: childbearing, childbearing postponement, shadow price, total fertility rate

GYÖRGY JÓNA – Regional factors affecting the rushed and balanced growth of territorial capital

Adapting the precepts of Kornai's rushed economic growth theory, this paper compares the harmonic and rushed growth of territorial capital in the Hungarian sub-regions between 2004 and 2010. In the empirical analysis, the article applies the methodology of the concept of territorial capital. The empirical results indicate that the causes of the rushed growth of territorial capital can be found in underdeveloped infrastructural capital and the simultaneous development of socioeconomic inequalities. The effects of the rushed growth of territorial capital could be controlled and eliminated by adequately integrating tools of regional development, economic development and public policy.

Journal of Economic Literature (JEL) codes:

Key words: territorial capital, equilibrium, rush growth, endogenous assets, penalty for bottleneck

ÁDÁM MÁRKUS – A review of the border effect literature – is domestic trade really biased?

The aim of this article is to give a comprehensive review of the border effect literature. The author demonstrates through a number of empirical results that state borders still obstruct commodity trade flows between countries significantly, even in the twenty first century's globalized world market. Countries' trade patterns show a massive bias toward domestic markets, which can be only partially justified by formal factors such as income differences, distances, tariffs, cultural or linguistic dissimilarities and different currencies. Controlling for all these factors does not abolish the hindering role of borders, which suggests that the preference for domestic partners is excessive. The paper analyses major gravity model specifications and estimation methods in order to shed light on solving the border puzzle.

Journal of Economic Literature (JEL) codes: F14, F15

Key words: border effect, gravity model, home bias in trade

