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EVALUATION OF THE USE OF METHODS FOR THE TIME VARYING NAIRU AND ECONOMIC CYCLE ESTIMATION FROM THE PERSPECTIVE OF THE V4 COUNTRIES REAL ECONOMY DATA

Abstract:

The aim of the paper is to apply a set of internationally used methods to estimate NAIRU in countries of the Visegrad Group. The analysis is focused on estimation of the time varying NAIRU that best describes development in the countries during a period of transition from one political-economic system to another and development in a period of major fluctuations in the economy as well as those caused by the financial, economic and debt crisis. Our attention was paid to localization of unstable period, the reasons for their creation, their way of expression and the duration on the labour market. The Stochastic method in the Czech Republic point the remarkable negative unemployment gap in period from the 4th quarter of 1996 to the 1st quarter of 1998. The authors analysed the ability of the methods to estimate the influence of V4 countries economy transformation in accordance with the real data.

Keywords:

Phillips curve; NAIRU; HP filter; Kalman filter; Stochastic trend; Unemployment gap.