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Editorial introduction

The coronavirus pandemic has blatantly reminded us that fluctuations are the unavoidable element of economic processes. This calls for even more intensified research into their nature and countermeasures. At the same time a critical reflection on economics' theoretical foundations is much needed. The current issue of *Economics and Business Review* addresses these demands by presenting the results of studies conducted by eight scholars from five countries: Hungary, India, Japan, Poland and Turkey. The authors harnessed both theoretical and empirical approaches to explore their areas of interest. It is hoped that the contributions will assist and inspire scholars for further research as well as provide policymakers with useful guidance.

The opening article **Economic fluctuations in a model with an overlapping structure of employment** by Toyoki Matsue employs a dynamic general equilibrium model to analyse the impact of a positive productivity shock on a labour market. The critical and original assumption is that based on an explicit employment period. In such circumstances it is found that a positive productivity shock induces not only positive but also negative changes in new hiring and employment. These oscillations stem from an overlapping structure of employment. The author investigates further the sensitivity of labour market fluctuations to the period of employment.

The next paper prompts a critical reflection on the current stance of an economic paradigm and its likely future changes. Jan Polowczyk in his paper **A synthesis of evolutionary and behavioural economics** endorses a view that these two economic concepts will merge over time in line with the mechanism of evolutionary cooperation processes. He argues that this synthesis has its roots in the works of the founder of economic science—Adam Smith. Furthermore the author stresses that the incorporation of the achievements of other sciences (especially psychology and neuroscience) may enrich our understanding of economic processes and serve as a nexus between evolutionary and behavioural economics.

Financial sustainability is gaining more and more attention due to the increasing complexity of financial systems. Shivam Kakati and Arup Roy in their paper entitled **Financial sustainability: An annotated bibliography** aim to fill the research gap by preparing a broad overview of this emerging strand of literature. The study depicts the sectorial, methodological and geographical dimensions of the existing literature. The key prerequisites of financial sustainability are also identified.

The following article by Peter Galbács **What did it take for Lucas to set up 'useful' analogue systems in monetary business cycle theory?** enriches the literature on the history of modern economic thought by systematizing one of Lucas's key concepts. The author identifies and discusses assumptions which must be met so that an analogue system can be considered as 'useful' in Lucas's view. This concept is presented in opposition to Keynesian macroeconometric models. The considerations are backed by some excerpts from unpublished works which may be also useful for scholars exploring the intellectual heritage of Robert Lucas.

In the paper entitled **Distortionary effects of economic crises on policy coordination in Turkey: Threshold GMM approach** Metin Tetik and Mustafa Ozan Yıldırım offer an empirical contribution to the literature on the interdependencies between fiscal and monetary policies. Special emphasis is placed on the policy mix in crises times. The empirical analysis differentiates from previous studies by estimating a non-linear Taylor rule with the use of Threshold Generalized Method of Moments (Threshold GMM) methodology. There are two main lessons for policymakers that can be drawn from the case study of Turkey. First, the contractionary fiscal policy supported the effectiveness of monetary policy with respect to inflation control. Second, in the country under analysis policy coordination failed during crisis periods.

The last paper in this issue, **Analysis of the relationship between countercyclical capital buffer and performance and risk indicators of the banking sector**, by Furkan Yıldırım provides new empirical evidence to the debate about the regulatory framework of banking activities. The article focuses on the countercyclical capital buffer (CCyB) introduced in the Basel III Accord in order to reduce the fluctuations in credit flow to the economy during the business cycle. The analysis employing the ARDL model and the Toda Yamamoto (T-Y) causality test for the Turkish banking sector suggests that, in general, the countercyclical capital buffer (CCyB) served its purpose. It proved to be an effective tool to manage macroeconomic and systemic risks. The results of the study may be of interest to policymakers responsible for macroprudential policies.

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