



BOOK OF ABSTRACTS

EconWorld2025@Prague

23–25 July 2025

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Ambassador Zlata Husa Hotel



WELCOME



The 17th EconWorld conference (International Conference on Economics) was held in Prague, Czech Republic on 23–25 July 2025 at Ambassador Zlata Husa Hotel.

PROGRAMME AT A GLANCE



THURSDAY, 24 JULY 2025

09:30–10:30	T1C – Labor Economics (Cocktail Meeting Room)
11:00–12:20	T2C – Energy Economics and Technology (Cocktail Meeting Room)
14:00–15:20	T3C – Entrepreneurship and Digital Economy (Cocktail Meeting Room)
15:50–17:10	T4C – Economic Development (Cocktail Meeting Room)

FRIDAY, 25 JULY 2025

13:30–14:50	F1Z – Economic Policy (Zoom Room)
15:10–16:10	F2Z – Labor Markets and Housing (Zoom Room)

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ABSTRACTS



T1C – Labor Economics · Thursday 24 July, 09:30–09:50, Cocktail Meeting Room

Do Female Members of Parliament Boost Women's Electoral Participation in Türkiye?

Ali T. Akarca¹, Aysıt Tansel², Şenay Üçdoğruk Birecikli³

¹University of Illinois at Chicago, USA

²Middle East Technical University, Turkey

³Dokuz Eylül University, Turkey

ABSTRACT

We investigated whether presence of female parliament members raise women's electoral participation in Türkiye, using the probit procedure. This issue was not studied for Türkiye or for other Muslim-majority countries. Another novelty of our study is the use of both micro-level and macro-level variables simultaneously, unlike other turnout studies on Türkiye. Furthermore, we control a wider range of variables in each of these categories than them. Our results show that women's propensity to vote is related to residing in an electoral district with large number of female members of parliament, age (at least until 49), and being married positively, and to being an ethnic minority, having children under 6, living in an urban area, living in an electoral district with a large number of parliament members and large effective number of parties, negatively. Education and household wealth have inverted-U shaped relationships with women's probability to vote. Being a migrant reduces likelihood of voting unless it occurs in a province with heavy migrant concentration and large number of parliament members.

KEYWORDS Türkiye; election turnout; voter behavior; political participation by women; women's descriptive representation; internal migration

JEL

D72, J16

T1C – Labor Economics · Thursday 24 July, 09:50–10:10, Cocktail Meeting Room

Labor market institutions and entrepreneurship: the case of European Union countries

Irina Bilan¹, Sebastian Lazăr¹

¹Alexandru Ioan Cuza University of Iasi, Romania

ABSTRACT

Labor market institutions significantly shape entrepreneurial activity by influencing wage structures, labor costs, and employment conditions. This paper examines the impact of labor taxation and labor unions on entrepreneurship across 27 European countries from 2002 to 2021. These countries provide a unique context, characterized by high labor taxes and strong union presence. Using a panel dataset compiled from multiple sources, including the Global Entrepreneurship Monitor, Eurostat, ILOSTAT, and the World Bank, we explore how these institutions affect different stages and types of entrepreneurship. Our study makes three key contributions. First, we use the labor tax wedge (a comprehensive measure of employer labor costs) as a novel proxy for labor taxation. Second, we assess entrepreneurial activity across various lifecycle stages (nascent to established) and motivations (opportunity- vs. necessity-driven). Third, we investigate the interplay between labor taxation and union strength, a dimension largely overlooked in the literature. We find that high labor taxes reduce entrepreneurial activity, especially among opportunity-driven and later-stage entrepreneurs. While strong labor unions generally discourage entrepreneurship, they can moderate the adverse effects of labor taxation for established businesses. These findings offer important insights for policymakers aiming to balance revenue generation with support for entrepreneurship and job creation.

KEYWORDS labor taxation; labor unions' power; entrepreneurial motivation; entrepreneurial lifecycle

JEL H24, J30, L26

T1C – Labor Economics · Thursday 24 July, 10:10–10:30, Cocktail Meeting Room

Mediation - Effective Form of Dispute Resolution for Labor Economics and Entrepreneurship

Irakli Kandashvili¹

¹Grigol Robakidze University, Georgia

ABSTRACT

In current years the most important challenges for labor economics and Entrepreneurship is how to deduct the expenditure and costs associated with internal operational system of the company and general company management. It should be underlined that the internal labor disputes within companies are associated not only with monetary expenditure such like lawyer's fee, court dues and possible decrease of internal effectiveness but at the same time with the company reputational risks in the society that as well generates possible financial loss in the long term proceedings of the company, therefore it is of utmost importance for any company to create mechanisms within company or to use mechanisms in case of created dispute that will decrease above challenges like reputational risks or not necessary financial loss. Currently the new dispute resolution mechanism - Mediation is becoming more and more popular in European countries as well as worldwide, moreover, the Mediation Directive 2008/52/EC caused mandatory creation of this form of dispute resolution in all European jurisdictions and accordingly business and associated disputes are currently subject of use. Awareness raising in this direction and making labor market and companies aware about the characteristics and advantages of mediation will make latter operational system more effective and settlement friendly rather involving in lengthy and expensive court proceedings in case of disputes that are often in companies. Therefore, the paper will be dedicated to the advantages and rules of mediation that should be used to decrease unnecessary publicity of reputation risks and financial expenditure of the labor economics.

KEYWORDS Mediation; Decrease of financial loss; reputational risks

T2C – Energy Economics and Technology · Thursday 24 July, 11:00–11:20, Cocktail Meeting Room

Scope of the Environmental Corporate Social Responsibility of Firms

Amagoia Sagasta Elorza¹, Juan Carlos Bárcena-Ruiz¹, Hamid Hamoudi²

¹University of the Basque Country UPV/EHU, Spain

²Universidad Rey Juan Carlos URJC, Spain

A B S T R A C T

This paper analyzes whether firms specialize in specific dimensions of environmental corporate social responsibility (ECSR). We assume that their ECSR covers their investment in emission reductions and analyze whether it should also be considered in production decisions. The results depend on the extent of their ECSR concern and on the existence of strategic interaction between governments. In the case of a single country and therefore no strategic interaction, firms in equilibrium do not consider ECSR in their production decisions, meaning that the ECSR is narrow. However, the above result may change when strategic interaction exists between governments. In the latter case, when the ECSR concern is low, firms also consider ECSR when making production decisions and the ECSR is therefore broad, but firms choose a narrow ECSR when the concern is high. Thus, the existence of strategic behavior between governments increases the extent of awareness resulting in firms opting for a broad ECSR compared to the case of a single country. Moreover, in a single-country and two-country scenario, joint social welfare is maximized when firms adopt a narrow ECSR. Therefore, international scenarios require a stronger commitment to ECSR in order to align the interests of governments and firms.

KEYWORDS Environmental corporate social responsibility; environmental tax; imperfect competition

JEL D43, L13, L22, Q56

T2C – Energy Economics and Technology · Thursday 24 July, 11:20–11:40, Cocktail Meeting Room

Pro-Environmental Habits in a Simple Growth Model

Kristina Mozgovaia¹

¹CERGE-EI, Czech Republic

ABSTRACT

Policies aimed at supporting the transition to a sustainable society are subject to extensive debate. We study how habits in human behavior affect the efficiency of environmental policies. We theoretically investigate the potential link between habit formation in human behavior and how the maintenance of environmental quality, and how habitual behavior affects the steady-state growth rate in the context of a growth model. We demonstrate that once the economy possesses high environmental quality, maintaining or improving this high quality can be more easily achieved via environmental policy efforts than when environmental quality is low. Optimal policy efforts depend on the persistence of the behavior of agents. We demonstrate this by calibrating the model on the real data from the U.S. We assess the impact of human habits on the environment through routine activities, such as food and service consumption, which contribute to carbon emissions by driving production in polluting sectors.

KEYWORDS environmental quality; habit formation; optimal policy; economic growth

JEL Q51, E71, Q58, O44

T2C – Energy Economics and Technology · Thursday 24 July, 11:40–12:00, Cocktail Meeting Room

Challenges and Opportunities for SMEs in Implementing Energy-Efficient Technologies in Georgia's Tourism Sector

Maia Gogiashvili¹, Tamar Gamsakhurdia¹

¹Grigol Robakidze University, Georgia

ABSTRACT

In 2024, Georgia's tourism revenue exceeded four billion dollars, surpassing pre-COVID-19 levels by 26%. This underscores the tourism industry's crucial role not only in generating income but also in creating employment opportunities. The COVID-19 pandemic demonstrated that innovation and technological advancements offer unprecedented opportunities for the development of small and medium-sized enterprises (SMEs). In this context, adopting energy-efficient technologies and solar energy solutions is particularly important, as these reduce operational costs and contribute to both environmental and economic sustainability. According to Georgia's 2030 Climate Strategy, the share of wind and solar power in the country's total installed energy capacity is projected to increase to 18.2% over the next eight years, up from just 0.5% in 2019. However, the widespread adoption of these technologies faces significant challenges, particularly in terms of scalability and access to financing. Therefore, a thorough analysis of key barriers and opportunities in this field is essential. This study examines the challenges and opportunities SMEs encounter in securing green financing for solar energy projects. Through a combination of literature review, empirical analysis, and an assessment of the current landscape, this research explores solar energy adoption among SMEs in Georgia's ecotourism sector, identifying key prerequisites, financing challenges, and potential opportunities. By integrating both qualitative and quantitative research methods, the study provides a comprehensive understanding of solar energy adoption in Georgia's ecotourism sector, as well as key drivers, financing constraints, and growth opportunities. The findings confirm that solar energy adoption in Georgia's ecotourism sector supports sustainable development by reducing costs, enhancing energy independence, and promoting environmental responsibility. While SMEs acknowledge the benefits of green technologies, widespread adoption is hindered by high initial costs, long payback periods, limited financing, and low awareness. Overcoming these barriers is crucial for fostering energy-efficient innovations and ensuring the industry's long-term sustainability.

KEYWORDS Georgia; Green financing; Small and Medium Enterprises (SMEs); Banks; Tourism; Solar energy; Sustainable development

T2C – Energy Economics and Technology · Thursday 24 July, 12:00–12:20, Cocktail Meeting Room

Exploratory Data Analysis for Digital Maturity Level Analysis: A Case Study of Türkiye

Aliye Atay¹, Duygu Aghazadeh¹

¹University of Turkish Aeronautical Association, Turkey

A B S T R A C T

Digital transformation is a critical enabler of innovation, productivity, and competitiveness in the service industry. This study applies exploratory data analysis (EDA) to examine the digital maturity level of Türkiye's service sector, offering a data-driven perspective on its current state and developmental needs. Using data sourced from the Turkish Statistical Institute (TÜİK), industry reports, and digital maturity indices, the study explores the structural and contextual factors influencing the sector's digital transformation. Employing EDA techniques such as descriptive statistics, correlation analysis, and data visualization, the research identifies key patterns and relationships between digital infrastructure, workforce capabilities, technology adoption, and institutional support. The analysis reveals both strengths and gaps in the digital readiness of the service industry, with attention to regional variations and latent trends that are not immediately visible through conventional evaluation methods. Findings indicate that while progress has been made in areas such as connectivity and the adoption of digital tools, challenges persist in the workforce digital skills, innovation capacity, and consistent policy implementation. These insights are crucial for informing strategic decisions by policymakers, industry stakeholders, and researchers aiming to accelerate digital transformation in the service sector. This case study contributes to the broader discourse on digital maturity by showcasing how EDA can serve as a powerful tool for extracting actionable insights from complex datasets. The approach is replicable and adaptable, making it useful for comparative studies or longitudinal monitoring of digital progress in other sectors or countries.

KEYWORDS Digital Maturity; Exploratory Data Analysis; Digital Transformation; Data Visualization

JEL O14, O32, O33, M15, C88, D83

T3C – Entrepreneurship and Digital Economy · Thursday 24 July, 14:00–14:20, Cocktail Meeting Room

Digital Twin-Enabled Strategic Innovation in Chinese Startups: Pathways to Competitive Advantage

Arthur William¹

¹Sanya University, China

ABSTRACT

Based on previous research demonstrating how Digital Twins supported operational efficiency in Chinese startups, the present research explored how the ongoing adoption of Digital Twins may shape strategic innovation and, ultimately, competitive advantage. The research used a longitudinal study methodology, with case studies and performance metrics of 12 startups over two years. The research explored how Digital Twins enhance ongoing and dynamic decision-making, accelerate product generation, and promote proactive risk management. The research found that continued Digital Twin use improves operational performance, but equally importantly, digital twin capability significantly impacts innovation capability, market responsiveness, and longevity. The critical enabling factors leading to these outcomes were technological maturity, agility within the organization, and supportive public policy. This research provides a substantial contribution to how emerging economies can use digital twin technology to improve operational efficiency immediately, and subsequently, in a more strategic sense, it can be used for resilient and innovative entrepreneurial ecosystems. The results suggest that Digital Twins can be transformational for the future of entrepreneurial development in China.

T3C – Entrepreneurship and Digital Economy · Thursday 24 July, 14:20–14:40, Cocktail Meeting Room

Do Local Budgets Support Entrepreneurship? Evidence from Romanian Counties

Elena Suman¹, Irina Bilan¹

¹Alexandru Ioan Cuza University of Iasi, Romania

A B S T R A C T

The role of sub-national authorities in fostering a supportive local business environment and advancing community development has gained increasing attention in recent years. Against this background, this paper seeks to investigate the impact of local government expenditure on entrepreneurial activity, measured by the number of new firm registrations. Using panel data for the 42 Romanian counties (NUTS 3 level) over the period 2008-2022, the analysis draws on data from Eurostat, the Romanian National Institute of Statistics, and the Ministry of Development, Public Works and Administration. A fixed effects panel model is employed to control for unobserved heterogeneity across counties. The results indicate that overall local government spending tends to have a negative effect on new firm creation, with the most significant adverse impact coming from personnel and social assistance expenditures. Surprisingly, interest payments show a positive influence, likely due to the conditionality associated with using borrowed funds, for investments or co-funding of projects supported by European Union programs and funding instruments. The findings suggest a need for more efficient public spending at the local level, with a particular focus on reducing the share of personnel costs and prioritizing expenditures that directly support entrepreneurship and local economic development.

KEYWORDS local governments; new firms; Romanian counties; public expenditure

JEL H72, L26, R58

T3C – Entrepreneurship and Digital Economy · Thursday 24 July, 14:40–15:00, Cocktail Meeting Room

Business Analytics Competencies for Data-Driven E-commerce.

Bahjat Fakieh¹

¹King Abdulaziz University, Saudi Arabia

ABSTRACT

Business Analytics encompasses a broad spectrum of knowledge focused on the analysis and interpretation of data to aid enterprises and decision-makers in enhancing their decision-making processes and achieving superior business outcomes. These enterprises span public, private, and non-profit sectors, irrespective of their size, revenue, or other factors. E-commerce stands to benefit significantly from the application of business analytics due to the inherent nature of automated systems and the abundance of available data. This study seeks to investigate the capabilities and potential research directions within the realm of business analytics to advance the maturity of data-driven e-commerce. It also underscores the prevalent challenges that could impact the optimization of this process. Initially, the study delineates the broad categories of business analytics to encapsulate the primary research directions in this field. Subsequently, it briefly examines the applications of business analytics to illustrate its potential in driving enterprises. Following this, it explores business analytics practices within the e-commerce context to illuminate possible research trajectories, culminating in a discussion of the common challenges that researchers should be cognizant of. The study concludes that business analytics can be leveraged either independently or in conjunction with other knowledge areas to provide valuable insights and drive business outcomes. Additionally, it identifies several challenges that researchers may encounter, with the availability of the requisite data being one of the foremost challenges.

KEYWORDS Information and Communication Technology; Information Systems; Knowledge Management; Mobile Business; Data Estimation

T3C – Entrepreneurship and Digital Economy · Thursday 24 July, 15:00–15:20, Cocktail Meeting Room

Technological Change and Its Effects on the Economy

Ayhan Aydoğdu¹

¹Konya Food and Agriculture University, Turkey

ABSTRACT

Technological developments have been a key driving force behind economic transformations throughout human history. Since the Industrial Revolution, advancements such as mechanization, information technologies, and artificial intelligence have shaped productivity, labor, wages, and income distribution. This article examines the major economic effects of technological change by evaluating evidence from the literature, theoretical models, and policy suggestions. Within the scope of the study, data were obtained from the Web of Science database using the keywords “technological change” and “economy.” A total of 1,985 articles (covering the years 1981–2025) were identified by selecting all fields and filtering for studies containing both terms. According to the analysis, the most cited authors were Otmar Edenhofer, David I. Stern, and Pierre Alexandre Balland. The countries with the most cited publications were the United States, the United Kingdom, and Germany, respectively. The most cited organizations/institutions were the National Bureau of Economic Research (NBER), Cambridge University, and Boston University. In conclusion, articles involving the topics of technological change and the economy emphasize that technological change supports economic growth while also deeply affecting labor markets and income distribution. Theoretical and empirical evidence shows that this process can be shaped through appropriate policy interventions. Therefore, a holistic and interdisciplinary approach is essential to ensure that the benefits of technological progress are broadly distributed.

KEYWORDS Technology; Technological Change; Innovation; Economy

T4C – Economic Development · Thursday 24 July, 15:50–16:10, Cocktail Meeting Room

The Course of the Informal Economy in Turkey

Mehmet Oğuz Arslan¹

¹Anadolu University, Turkey

ABSTRACT

The informal economy, which refers to all legal and illegal economic activities that are not recorded, is one of the most fundamental problems of many countries today. Especially the idea that the development of informal economic activities is faster than the development of formal economic activities and therefore the informal economy may become the most important sector of the general economy has increased the importance of the issue even more. In this framework, determining the reasons for the emergence of the informal economy is very important for the economy administrations of countries to develop appropriate policies to combat the informal economy. For this purpose, the size of the informal economy should be estimated realistically. Unlike the traditional methods used in estimating the size of the informal economy such as the GNP approach, the measurement approach through tax inspections, the employment approach and the monetarist approach, fuzzy logic, one of the artificial intelligence methods, has recently come to the forefront as a new method for estimating the size of the informal economy. This study aims to contribute to the formulation of fiscal and economic policies to combat the informal economy by estimating the size of the informal economy in Turkey for the 25-year period between 2000 and 2024 using the fuzzy logic method.

KEYWORDS informal economy; fuzzy logic; Turkish economy

JEL C69, E26, O17

T4C – Economic Development · Thursday 24 July, 16:10–16:30, Cocktail Meeting Room

Financial Development, Export, FDI and Economic Growth: Panel Cointegration and MMQR Analysis in E7 Countries

Aykut Yağlıkara¹, Selim Ertan¹, İrem Binici Ertan¹

¹Zonguldak Bülent Ecevit University, Turkey

ABSTRACT

In the global economy, financial deepening, foreign trade, and capital flows play an important role among the determinants of economic growth. This study focuses on the relationship between three different financial development indicators, exports and foreign direct investments, and economic growth for 2000-2022, with the E7 (Emerging Seven) countries sample. In the analysis part of the study, the long-term relationship was presented with FMOLS and DOLS tests, and a robustness check was performed with the MMQR long-term estimator. According to the findings, a cointegration relationship was reached between financial development, exports, foreign direct investments, and economic growth. In addition, according to the FMOLS and DOLS test results showing the long-term coefficient relationship, it was revealed that financial development, exports, and foreign direct investments have a positive effect on economic growth. According to the results of the MMQR test, which is another long-term estimator, the positive impact is greater at low quantile levels of financial development, foreign direct investments, and exports, that is, in countries with low-income levels. Finally, according to the panel causality results, a bidirectional causality relationship is reached between foreign direct investments and exports and economic growth, while a unidirectional causality relationship is reached between financial development and economic growth.

KEYWORDS Financial Development; Export; Economic Growth; Panel Data

JEL C33, F43

T4C – Economic Development · Thursday 24 July, 16:30–16:50, Cocktail Meeting Room

Entrepreneurial Success and Social Network: Role of Environmental Dynamism

Muhammad Ishtiaq Ishaq¹

¹De Vinci Higher Education, France

ABSTRACT

Environmental dynamism produces swift changes that destroy entrepreneurs' ability to create long-term plans because SMEs in Pakistan encounter various difficulties from this interaction with entrepreneurs requiring innovative approaches for sustainable development. This study analyzes entrepreneurial success in social network relations while evaluating green entrepreneurial orientation and environment dynamism along with entrepreneurial competencies as moderators. A total of 358 senior managers participated in this research through simple random sampling methods before SmartPLS 4.0 conducted the analysis. The outcomes from this study demonstrate how SMEs can sustainably grow their business through social networks which enhance their fundamental business approaches and operational success levels. Results indicate that green entrepreneurial orientation and environmental dynamism create a positive indirect relationship toward entrepreneurial success. The influence of social networks on entrepreneurial success receives additional strengthening power from the moderation factor of entrepreneurial competencies. The research findings offer decision-making support for sustainable practices as well as SME development initiatives to both entrepreneurs and government authorities.

KEYWORDS Environmental Dynamism; Green Entrepreneurial Orientation; Entrepreneurial Competency; Social Networks; Resource-based View Theory

JEL

L26

T4C – Economic Development · Thursday 24 July, 16:50–17:10, Cocktail Meeting Room

Does the Inverse Interest Rate-Investment Nexus Hold in the US? A re-examination with the Dual Adjustment Approach

Mustafa İsmihan¹, Mustafa Can Küçüker², Fatma M. Utku İsmihan³

¹Eastern Mediterranean University, Northern Cyprus

²Atılım University, Turkey

³Middle East Technical University and MoAF, Turkey

ABSTRACT

The lack of cointegration may potentially arise from intrinsic misspecification issues regarding the dual adjustment of the different components of the time series variables as well as the specification of the trend. This paper presents an alternative explanation for the lack of long-run relationship observed in some empirical applications by utilizing the Dual Adjustment approach, which allows one to investigate the dual co-movements of the permanent and transitory components of time series variables. This study extends this approach by considering the critical role of the specification of dual components with an application to the private sector equipment investment in the U.S. Our results reveal that when the series are dually adjusted with each other the traditional cointegration approach may cause a structural misspecification that leads to wrong estimation results and spuriousness. This study also sheds light on the controversial findings on the interest rate-investment nexus.

KEYWORDS Dual Adjustment Approach; cointegration; equipment investment; misspecification

JEL C1, E22

F1Z – Economic Policy · Friday 25 July, 13:30–13:50, Zoom Room

Fiscal-Monetary Nexus- Insights from a Nonlinear Framework

Mathew Koshy Odasseril¹, K R Shanmugam¹, Magulsha George¹

¹Madras School of Economics, India

A B S T R A C T

The interaction between fiscal and monetary policy plays a crucial role in macroeconomic stability, particularly in emerging economies like India. This study examines the fiscalmonetary nexus using quarterly data from 2000 to 2022, with a focus on the fiscal theory of the price level (FTPL) framework. Specifically, it investigates how public debt affects the interest rates, under varying economic conditions. The findings provide robust evidence that the monetary-fiscal nexus in India exhibits nonlinear characteristics. Nonlinear modelling approaches of Markov regime switching and penalised spline regression are employed to analyse the impact of public debt while incorporating various control variables to account for broader macroeconomic dynamics. The results reveal a significant negative relationship between the lagged public debt-to-GDP ratio and the call money rate, consistent with the FTPL framework. This finding underscores the interconnect-edness of fiscal and monetary policies and suggests that fiscal dominance constrains the central bank's ability to manage interest rates independently. Policymakers must address the sustainability of public debt to allow the central bank to retain its autonomy and effectiveness in stabilizing the economy.

KEYWORDS Fiscal Theory of the Price Level (FTPL); Monetary-Fiscal Nexus; Non-Linear Model

JEL E62, E52, C32

F1Z – Economic Policy · Friday 25 July, 13:50–14:10, Zoom Room

Harmonization of Monetary and Multidimensional Poverty through a Threshold Alignment Approach

Novi Andy Dwi Setyawan¹

¹Universitas Gadjah Mada Yogyakarta, Indonesia

ABSTRACT

At present, two predominant methods for calculating poverty are widely employed across various countries: direct (multidimensional) and indirect (monetary). However, empirical evidence has demonstrated that the simultaneous application of both methods results in substantial discrepancies in identification outcomes. This discrepancy can be attributed to the lack of a common threshold between the two approaches. The present study addresses this issue by implementing a threshold alignment method utilizing Receiver-operating-characteristic (ROC) analysis. This threshold alignment method also indirectly mitigates arbitrariness in determining the indicator thresholds commonly associated with the Alkire–Foster (AF) method. Furthermore, this study endeavors to eliminate arbitrariness in indicator weight determination through the application of Multiple-correspondence-analysis (MCA), thereby reducing potential researcher subjectivity in the calculation process. The study compared four methodologies: the AF method, ROC method, AF-MCA method, and ROC-MCA method. The findings indicate that the ROC-MCA method yields superior evaluation results compared to alternative methods.

KEYWORDS Poverty; Monetary; Multidimensional; Threshold; ROC; MCA

JEL I30, I32

F1Z – Economic Policy · Friday 25 July, 14:10–14:30, Zoom Room

Searching for an Alternative Path in the Decarbonization Process through Circularity Tools

Şebnem Arık¹, Erhan Pişkin², Ümit Seyfettinoğlu³, Mehmet Zanbak³, Selim Cagatay³

¹Alanya University, Turkey

²Giresun University, Turkey

³Akdeniz University, Turkey

ABSTRACT

The circular economy model, which is becoming increasingly important in the fight against the climate crisis, represents a critical transformation process in terms of both the protection of natural resources and the long-term sustainability of economic activities. This study analyzes the environmental and economic impacts that may arise with the implementation of circular economy principles at the sectoral level and also investigates what role circular economy practices can play in the transition to production processes compatible with the possible carbon thresholds of the European Union. The analysis employs a 75-sector circular economy-compatible input-output (CE-I/O) matrix, developed for the Turkish economy with EXIOBASE data from 2022. Through an assessment of the impact of circular economy policies on waste generation, recycling rates, material efficiency, and raw material extraction, the economic and environmental impacts of these policies on key export sectors are investigated. By assessing whether carbon emissions can be reduced through the application of circularity principles in production processes, the possibility of compliance with the Carbon Border Adjustment Mechanism (CBAM) requirements of the European Green Deal and the nationally determined contributions (NDCs) of the Paris Agreement is being explored.

KEYWORDS Circular economy; Input-output analysis; Export sectors; Carbon emissions

JEL C67, F18, Q01

F1Z – Economic Policy · Friday 25 July, 14:30–14:50, Zoom Room

Analyzing the impact of climate change on inflation in Southern Africa (1998-2023)

Regret Sunge¹, Blessing Katuka², Calvin Mudzingiri¹

¹University of the Free State, South Africa

²Reserve Bank of Zimbabwe, Zimbabwe

A B S T R A C T

This study investigates the impact of climate change on inflation in Southern Africa using mediation analysis, KAO cointegration, and PMG-ARDL methodologies. We collected and analyzed annual data for 10 Southern African countries from 1998 to 2023. Mediation analysis revealed that expected inflation is the transmission channel through which climate change impacts inflation. Our findings indicate that increasing temperatures and natural disasters result in higher headline and food CPIs, pointing to climateflation. Additionally, we document that an increase in the number of natural disasters leads to higher transport and utilities CPIs in the region. In line with the New Keynesian Phillips Curve (NKPC) theory, expected inflation and the output gap were found to significantly influence inflation. The study also confirmed the quantity theory of money's effect on inflation. (Non)renewable energy consumption was found to significantly (increase)reduce headline inflation, implying fossilflation. Our results also suggest that food CPI is more elastic to climate change than other indices. Overall, the results highlight the importance of climate resilience, renewable energy promotion, and effective climate-sensitive inflation management. Recommendations for central banks include the adoption of a green monetary policy (GMP) framework, and integrating climate risk assessments into monetary policy frameworks to anticipate climate-induced inflationary pressures in the region. Practical implications involve targeted strategies for climate resilience and renewable energy investments, while research implications suggest further exploration of non-linear climate-economy interactions.

KEYWORDS PMG-ARDL; Southern Africa; Climate change; Inflation; Climateflation; Fossilflation; Greenflation; Divine coincidence hypothesis

JEL E31, E50, E51, E58

F2Z – Labor Markets and Housing · Friday 25 July, 15:10–15:30, Zoom Room

Service Sector and Women's Labor in the New Economy

Saadet Yağmur Kumcu¹

¹Uşak University, Turkey

ABSTRACT

The service sector, which significantly affects women's participation in the workforce, has become an important part of the new economy. Historically, the transition from industrial to service-oriented sectors has played a major role in women's employment. However, this change also brings new challenges. Despite higher female labor force participation rates in the service sector, women often face inequalities in wages, career opportunities, and job security. Furthermore, as the economy increasingly shifts towards technology-oriented services - especially with rapid changes in work environments and flexible working hours - women working in low-wage and temporary jobs with limited benefits face the necessity of balancing career and home life and economic insecurity. The aim of the study is to draw attention to the need to ensure gender equality in the service sector, as in all areas of life, and to the need for policies that guarantee fair wages, equal career opportunities and access to continuing education and training. To this end, taking into account the characteristics of the new economy and using the Labor - Employment Independence Model (LEIM), which argues that labor should be considered independent of employment, the study analyzes the employment of female labor force working as part-time or seasonal workers in the service sector in Turkey between 2020 and 2025. The results of the analysis reveal the economic value of part-time or seasonal work and the bidirectional nature of women's labor. The study is expected to contribute to the literature and new regulations to be implemented to ensure that these opportunities are transformed into fair, secure and fulfilling careers, even though the new economy has provided more employment opportunities for women.

KEYWORDS New economy; women's labor; labor-employment independence model (LEIM); applied microeconomics

JEL J16, J21, J24, O31

F2Z – Labor Markets and Housing · Friday 25 July, 15:30–15:50, Zoom Room

The Effect of Salary History Bans on Labor Market Re-Attachment

Zeliha Begüm Tunc¹

¹University of California, Riverside, USA

ABSTRACT

Starting in 2017, several states have passed salary history bans (SHBs) in the US. Intended to reduce wage disparities and promote equity in hiring, these laws prohibit employers from inquiring about job applicants' current or previous salary during the hiring process. Using data from the Current Population Survey (CPS) Displaced Workers Supplement (DWS), I examine the impact of these bans on unemployment duration, job mobility, weekly earnings, and gender pay gap among displaced workers, by employing a difference-in-differences approach that leverages the staggered implementation of SHBs across states. The empirical analysis shows that these policies increased unemployment durations by approximately 18 percent, with a stronger effect among women, and led to an 8 percent decline in the expected number of jobs changed. The policies also had a marginally significant negative effect on weekly earnings for previously underpaid women. These findings highlight the broader implications of transparency laws on labor market dynamics, particularly their potential effects on job-matching efficiency. I also develop a search and matching model to analyze the mechanisms through which salary history bans affect the labor market outcomes.

KEYWORDS Salary History Ban; Unemployment Duration; Wage Disparity

JEL J08, J31, J78

F2Z – Labor Markets and Housing · Friday 25 July, 15:50–16:10, Zoom Room

Home renovation and search frictions in the housing market

Yeonjoo Son¹

¹University of California, Riverside, USA

ABSTRACT

This paper develops a search and matching model of the housing market with search frictions and home renovation to examine the impact of renovation on market outcomes. The model shows that increased home renovation is positively correlated with prices, vacancies, and sales, but negatively correlated with time-to-sell. To capture these market dynamics, I construct a search and matching model with key features such as renovation channels, heterogeneous houses, match-specific utility, and free entry. A key aspect of renovation is that it increases the intrinsic value of a house. To reflect this characteristic, I introduce two renovation channels: customization, which enhances homeowners' utility, and resale, which raises the sale price. The model matches stylized facts both quantitatively and qualitatively through numerical exercises. The results highlight that while renovation strengthens market competitiveness by shortening time-to-sell and increasing sales, its effect on price is relatively weak. These findings offer insights into market dynamics and the role of renovation in market tightness and volatility.

KEYWORDS Housing market; Search and Matching; Renovation

JEL E2, E32, R21, R31

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