

BOOK OF ABSTRACTS

EconWorld2019@Seville

23–25 January 2019

Seville, Spain

University of Seville, Facultad Ciencias del Trabajo

WELCOME



The 9th EconWorld conference (International Conference in Economics) was held in Seville, Spain on 23–25 January 2019 at University of Seville, Facultad Ciencias del Trabajo.

PROGRAMME AT A GLANCE

WEDNESDAY, 23 JANUARY 2019

THURSDAY, 24 JANUARY 2019

09:30–11:10	T1S2.5 – Finance (Seminario 2.5)
	T1S2.7 – Poverty, Employment and Tax / Pobreza, Empleo y Impuesto (Seminario 2.7)
	T1S2.9 – Studies on Turkish Economy / Türkiye Ekonomisi Çalışmaları (Seminario 2.9)
12:00–13:40	T2S2.5 – Labour Market Studies -1 (Seminario 2.5)
	T2S2.7 – Emerging Country Studies (Seminario 2.7)
	T2S2.9 – Poverty, Inequality and the State (Seminario 2.9)
15:30–17:10	T3S2.5 – Education (Seminario 2.5)
	T3S2.7 – Macro Economies -1 (Seminario 2.7)
	T3S2.9 – Country Studies (Seminario 2.9)

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	F1S2.7 – Labour Market Studies -2 (Seminario 2.7)
	F1S2.9 – Gender Studies (Seminario 2.9)
12:00–13:40	F2S2.5 – Macro Economies -2 (Seminario 2.5)
	F2S2.7 – Macro Economies -2 (Seminario 2.7)

KEYNOTE SPEAKERS



Şule Akkoyunlu

University of Suffolk, United Kingdom

“Social Remittances”

SESSIONS

T1S2.5 – Finance

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09:50	The effect of Brexit on the European stock market <i>Maria Gaia Soana</i>	p. 12
10:10	The relation between aggregate earnings and stock returns for factor-based portfolios <i>Vaibhav Lalwani</i>	p. 13
10:30	Market Concentration and Banking Financial Performance: Moderating Effect of Market Share <i>Nihed Fezai</i>	p. 14

T1S2.7 – Poverty, Employment and Tax / Pobreza, Empleo y Impuesto

Thursday, 24 January 2019 • 09:30–11:10 • Seminario 2.7 • Chair: Teresa Rojo

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09:50	Employment of the future and automation. The case of Seville/ Empleos del futuro y la automatización. El caso de Sevilla <i>Ana Herrera</i>	p. 16
10:10	Are the "Blacklists" really effective against Tax Havens?/ Las "Blacklists", ¿son realmente eficaces ante los Paraísos Fiscales? <i>Jose Mauro Gonzalez Martin</i>	p. 17
10:30	Efectos de la digitalización de la economía en el empleo del sector cultural: una perspectiva desde la Unión Europea <i>Asunción Rodríguez-Ramos</i>	p. 18

T1S2.9 – Studies on Turkish Economy / Türkiye Ekonomisi Çalışmaları

Thursday, 24 January 2019 • 09:30–11:10 • Seminario 2.9 • Chair: Gökhan Önder

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Thursday, 24 January 2019 • 12:00–13:40 • Seminario 2.5 • Chair: Yılmaz Kılıçaslan

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12:20	Methodology for evaluating technological innovations impact on unemployment <i>Akvile Karaliute</i>	p. 23
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T2S2.7 – Emerging Country Studies

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T3S2.9 – Country Studies

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16:30	Market capitalization and growth linkage in economy under default: The case of Pakistan <i>Areeba Khan</i>	p. 46

F1S2.5 – Gender Studies

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F1S2.7 – Labour Market Studies -2

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F1S2.9 – Gender Studies

Friday, 25 January 2019 • 09:30–11:10 • Seminario 2.9 • Chair: Daniel Coq

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F2S2.5 – Macro Economies -2

Friday, 25 January 2019 • 12:00–13:40 • Seminario 2.5 • Chair: İsmail Onur Baycan

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12:40	Legacy of the Reconstruction of International Labour Movement in the Post Second World War Period within the Context of 'Economic Growth' and "Politics of Productivity" and Emerging Social Movements <i>Tolga Tören</i>	p. 61
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F2S2.7 – Macro Economies -2

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ABSTRACTS



T1S2.5 – Finance · Thursday 24 January, 09:30–09:50, Seminario 2.5

Insurance companies: A System-to-Industry Risk Perspective

Tristan Jourde¹, Madhumita Chakraborty¹

¹Paris- Dauphine University, France

ABSTRACT

Since the Global Financial Crisis, the literature has proposed different market-based measures of systemic risk, mainly designed to capture banks or insurers' potential to destabilize the financial system, i.e. to contribute to the systemic risk. These measures mainly focus on (tail) dependence of (individually-systemic) institutions within the financial sector but ignore the common vulnerability of the whole insurance industry to financial and economic shocks. Hence, this article contributes to the literature by using a system-to-industry risk measure (i.e. systematic risk) to examine insurers' exposures to common risks. To better assess the (relative) vulnerability of the insurance industry, we compare insurers' systematic risk with two benchmarks (banks/other industries' systematic risk). To that end, we use a multiple factor model on a sample of domestic equity indices, belonging to 33 developed and emerging markets over a long-term perspective (1973-2018). The results indicate that (i) systematic risk is significantly higher for banks than for insurers and (ii) the gap between them has been widening over time. Moreover, we show that insurers are approximately equally vulnerable to common shocks than the average of other industries. These results are of interest to regulators and investors.

KEYWORDS Insurance; Risk; Systemic; Systematic

JEL G22, G15

The effect of Brexit on the European stock market

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²University of Milan Bicocca, Italy

ABSTRACT

The paper analyses market reaction to three different events related to Brexit, i.e. the announcements of the referendum date (20 February 2016), the referendum result (23 June 2016) and the election of Theresa May as Prime Minister (11 July 2016). We study the impact of these announcements on stock prices of UK companies belonging to export- and import-oriented industries. We also investigate the influence of previous events on stock prices of European companies belonging to the same sectors. Our results show that the announcement of the referendum date and the election of Theresa May as Prime Minister were not perceived by financial markets as elements of political uncertainty. However, in the days before the referendum, a high level of uncertainty on the result emerged, and investors priced it as an uncertain political event. Stock market performance around these events depends more on industry factors than on firm-specific characteristics, both for UK and EU companies. The only exception is company size, which positively affects investor reaction.

KEYWORDS Brexit; event study; stock market reaction; import; export

JEL G1, L1

T1S2.5 – Finance · Thursday 24 January, 10:10–10:30, Seminario 2.5

The relation between aggregate earnings and stock returns for factor-based portfolios

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ABSTRACT

Accounting literature has a long tradition of studying the impact of earnings information on stock price. Recently, this strand of literature has been given a new twist by exploring the dynamics of earnings – returns at the aggregate level. The knowledge about this relationship is particularly useful for investors who hold diversified portfolios. In this study, we test for the relationship between aggregate earnings and returns in ten countries. We specifically test if the aggregate earnings - returns relationship is dissimilar when stocks are aggregated according to different characteristics such as size, value, profitability, investment and leverage. The results of our fixed effects panel regressions suggest that the relation between aggregate earnings and stock returns is relatively weak for small cap portfolios as well as for stocks with high value, growth and operating profitability. These findings are valuable for investors and fund managers who use factor based investing strategies to manage their portfolios.

KEYWORDS aggregate earnings; factor investing; stock prices

JEL G12, G14, M41

T1S2.5 – Finance · Thursday 24 January, 10:30–10:50, Seminario 2.5

Market Concentration and Banking Financial Performance: Moderating Effect of Market Share

Nihed Fezai¹, Belkacem Lotfi¹

¹University of Sousse, Tunisia

ABSTRACT

This paper investigates the relationship between banking concentration and financial performance, using financial ratio as an endogenous indicators of bank performance. It also investigates the influence of the moderator role of market share to alter the effect of concentration on bank performance. The study used panel data of 92 banks in the MENA countries, 21 of them are Islamic and the remaining 71 are conventional during the period 2005 – 2015. The empirical findings reveal that the relationship between concentration and profitability was not confirmed in Islamic banks and then the moderating effect of market shares was a significant determinant to affect the performance of banking system.

KEYWORDS Banking concentration; Islamic Banks; conventional banks; market share; financial performance

JEL G21, D40

T1S2.7 – Poverty, Employment and Tax / Pobreza, Empleo y Impuesto · Thursday 24 January, 09:30–09:50, Seminario 2.7

Competitiveness and poverty in Colombian regions (2013-2016) / Competitividad y pobreza en las regiones de Colombia. (2013 -2016)

Karina Manrique Lopez¹, Javier Fuentes¹, Nicolas Marciales Parra²

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²Universidad Santo Tomas, Colombia

ABSTRACT

This work explains the relation between the variables that defined the multidimensional poverty and the competitiveness measure, understanding the competitiveness as economic, social and politic conditions in a specific region and time. This work develops over the center, east, coast and cafetera region for the period 2013-2016. Data are taken from the statistic national administrative department (DANE), competitive studies of Rosario University and world bank data bank, using a data panel estimation. The results shown an inverse relation between competitiveness and informal work, access barriers to health system, extreme and monetary poverty. Also a positive relation between inequality measure by GINI coefficient and competitiveness has found.

KEYWORDS Competitiveness; Multidimensional poverty; GINI coefficient

JEL I31, I32

T1S2.7 – Poverty, Employment and Tax / Pobreza, Empleo y Impuesto · Thursday 24 January, 09:50–10:10, Seminario 2.7

Employment of the future and automation. The case of Seville/ Empleos del futuro y la automatización. El caso de Sevilla

Ana Herrera¹, Teresa Rojo¹

¹Universidad de Sevilla, Spain

A B S T R A C T

The organization of work and structure of employment is being affected in the second decade of the 21st century by an intelligent automation of work with digital technologies applied to robotics. They are called "works of the future" and the process is part of the so-called fourth industrial revolution (4R) that affects all productive sectors transversally. From the institutions of the European Union, digitalisation is promoted, industry 4.0. and the environmental sector, as part of the 2020 strategy, to increase the international competitiveness of its economy. National and regional governments design strategies to adapt their labor markets to innovations. The objective of this research is to study the impact of automation on the labor market (demand and supply of jobs, training and retraining of workers); and the accompanying public policies. For this, the case of Seville (Andalusia, Spain) is addressed. Among the results, the following stand out: that robotic automation theories advocate massive job losses as an inevitable destination and the neglect of public policies to offer training in design, installation and robotic maintenance for professionals in traditional technologies still hired.

KEYWORDS robotization; works of the future; automation; labor market; Andalusia

JEL E24, R23, J2

T1S2.7 – Poverty, Employment and Tax / Pobreza, Empleo y Impuesto · Thursday 24 January, 10:10–10:30, Seminario 2.7

Are the “Blacklists” really effective against Tax Havens?/ Las “Blacklists”, ¿son realmente eficaces ante los Paraísos Fiscales?

Jose Mauro Gonzalez Martin¹

¹Universidad Autonoma De Madrid, Spain

A B S T R A C T

KEYWORDS Blacklist; Paraísos Fiscales; Centros Financieros Offshore; Evasión fiscal; Blanqueo de capitales

JEL F55, H26, H87

T1S2.7 – Poverty, Employment and Tax / Pobreza, Empleo y Impuesto · Thursday 24 January, 10:30–10:50, Seminario 2.7

Efectos de la digitalización de la economía en el empleo del sector cultural: una perspectiva desde la Unión Europea

Asunción Rodríguez-Ramos¹, José Luis Martín-Navarro¹, Inmaculada Martínez-Camacho²

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²Junta de Andalucía, Spain

A B S T R A C T

*T1S2.9 – Studies on Turkish Economy / Türkiye Ekonomisi Çalışmaları · Thursday 24 January, 09:30–09:50,
Seminario 2.9*

During the Political Stability Period Effect of External Debt on Inflation: Empirical Analysis on Turkey/ Politik İstikrar Döneminde Dış Borçların Enflasyon Üzerindeki Etkisi: Türkiye Üzerine Ampirik Analiz

Aslı Yenipazarlı¹, Emre Demir¹

¹Adnan Menderes University, Turkey

ABSTRACT

In this study, the effects on inflation of the foreign debt in Turkey vector autoregression (vector Autoregression: VAR) with the help of the method, 2003: Q1-2017: Q4 period was tested using quarterly data. According to the results obtained, the increase in external debt was found to cause anti-inflationary effects in the short term. But in the long run this conjuncture is reversed. The binders of this result concern the field of use of external resources. Turkey, the overall outsourcing of previous debt or to finance the current account deficit is seen that apply.

KEYWORDS External Debt; Inflation; VAR Analysis; Example Of Turkey

JEL C01, E31, F3

*T1S2.9 – Studies on Turkish Economy / Türkiye Ekonomisi Çalışmaları · Thursday 24 January, 09:50–10:10,
Seminario 2.9*

Does Exchange Rate Volatility affect Consumption? Evidence from Turkey/ Döviz Kuru Oynaklığı Tüketim Harcamalarını Etkiler mi? Türkiye Örneği

Hakan Demirgil¹, Süha Çelikkaya¹

¹Süleyman Demirel University, Turkey

ABSTRACT

The consumption expenditures have been considered among the main factors affecting the economic growth. These consumption expenditures of the public, household and private sector areas are also becoming more important in the consumption-based economic growth countries such as Turkey. In the meantime, the effect of the consumption on growth influences the shortterm monetary policy decisions. For the short-term consumptions several differences have been emerging due to the decisions taken for monetary policy. It also seems essential to comprehend the factors that affect the consumption in terms of the policy makers' implementations. In this context the study examines the effect of the recent rapidly changing uncertainty exchange rate on the consumption expenditures. Among the studies done in the literature only a few of them have been focusing the effect of the exchange rate on the consumption. The studies conducted generally examined the relations between exchange rate uncertainty and export. In this study, it has been discussed the effects of uncertainty exchange rate on the real consumption expenditures both in the short and long term in Turkey. Data have been gathered between the years 1998 and 2017 using quarterly periods. To obtain the values of the uncertainty exchange rate the GARCH has been used and for the next stage the effects have been examined by using the temporary and permanent co-integration tests. In addition to this, Todo- Yamamoto Test (1995) has been used to analyze the causality relationship between the real consumption expenditures and uncertainty exchange rate.

KEYWORDS Real Consumption; Exchange Rate Uncertainty; Turkey

JEL F31, C58

*T1S2.9 – Studies on Turkish Economy / Türkiye Ekonomisi Çalışmaları · Thursday 24 January, 10:10–10:30,
Seminario 2.9*

The Impact of Logistics Sector on Economic Growth: Examination of BRICS Countries and Turkey/ Lojistik Sektörünün Ekonomik Büyümeye Etkisi: Brics Ülkeleri ve Türkiye İncelemesi

Sevgi Sezer¹

¹Balıkesir University, Turkey

ABSTRACT

Since the 1980s, as logistics activities of a large number of manufacturing companies have devolved on professional logistics firms, logistics sector have grown rapidly as a service industry and have played a more crucial role in economic growth. In this study, it is examined whether or not any causal relationship exists between logistics sector and economic growth. BRICS countries (Brazil, Russia, India, China, South Africa) and Turkey are included in the analyses performed over the period from 1993 to 2017 using the annual data of GDP growth rate and airline freight transportation transaction volume in metric tons. The obtained results of the study reveal that no causal relationships exist between airline freight transportation and gross national product growth for BRICS countries and Turkey.

KEYWORDS Logistics Sector; Econmic Growth; Airline Freight Transportation

JEL R41, R11, L91

T2S2.5 – Labour Market Studies -1 · Thursday 24 January, 12:00–12:20, Seminario 2.5

The Socio-Demographic Determinants of Youth Unemployment in Italy: Evidences from National Labor Force Survey

Giuseppe Terzo¹, Cinzia Giaconia¹

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ABSTRACT

Italy is one of the European countries with the highest youth unemployment rate. According to Eurostat, in 2017 the unemployment rate of young people between 15 and 29 stood at 26,7% corresponding to over one million people - a datum that is only slightly lower than those recorded in Spain (29,4%) and Greece (35,6%). A long-term permanence in a state of unemployment might generate a "scarring-effect" at the individual level, making the employment inclusion progressively more difficult. In fact, keeping young people at the margins of the labour market represents a waste of human potential (Brain Waste) that can negatively impact on Italy's economic development prospective. Given these premises, the present contribution intends to analyze the socio-demographic factors (gender, age group, marital status, citizenship, educational qualification, family conditions, etc.) that affect the unemployment within the Italian youth population (ages 15 to 29). This analysis will lead to the creation of an econometric models of logistic regression referred to 2017 micro-data of the "Labour Force Survey" produced by the Italian National Institute of Statistics (ISTAT) and will allow some reflections on how policy-makers can act in order to promote youth employment.

KEYWORDS Youth Unemployment; Labour Market; Brain Waste; Scarring Effect

JEL J64, J13, E24

Methodology for evaluating technological innovations impact on unemployment

Akvile Karaliute¹

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A B S T R A C T

The global economy has been moving forward due to new technologies more than two centuries. Each new technological wave has a positive effect on economic growth, productivity and opportunities for new business types. The researchers in many ways define the impact of innovations on labor market parameters: (un)employment, labor demand, wages, etc. One approach (Say 2009; Schumpeter 2017) suggests that technological progress leads to process and product innovation (it means, it leads to job creation). According to others (Wood 2004; Feldmann 2013), technological change can increase unemployment. Technological innovation and its impact on labor market is a topic of great interest because it reveals the tendencies and the problems labor market encounters due to technological change. There are relatively very few research on the impact of technological innovations on labor market parameters at macro level. Reviewing research concerning particularly the issues of unemployment, the variables that influence unemployment and that have to be controlled in a model while examining technological innovation impact on unemployment must be distinguished. Methodology is based on dynamic panel data regression model and two-step generalized method of moments (GMM) to estimate it.

KEYWORDS Unemployment; innovations

JEL E24, O33

The Time Use of Working Students: Evidence from Turkey

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²Başkent University, Turkey

ABSTRACT

The purpose of this study is to investigate time-use tradeoffs between work and study among employed students and compare it with those of non-employed ones. Data comes from the Turkish Statistical Institute (TurkStat) Time-use Survey (TUS) 2006 and 2014-2015. Data set provides information for detailed time-use on educational activities of all 15-17 age group in the sample. 3.2% of children in this age group were attending school engaged in an economic activity in 2012 whereas it was slightly higher in 2006. OLS is conducted for both years in order to analyze the question whether paid employment during high school education crowds out the time students spend in educational activities. Results of the analysis show that employment while attending school displaces the time students spend in their educational activities and working students perform more poorly than do full-time students.

KEYWORDS Youth employment; Time-use; Comparative analysis; Turkey

JEL I20, J22

Labour Dynamics and Sustainable Development Goal on Poverty Eradication: Micro Evidence from Rural Nigeria

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¹Federal University Birnin Kebbi, Nigeria

ABSTRACT

This paper examines the effect of labour dynamics on poverty reduction among farm households in rural Nigeria with a view to proffer possible suggestions on how to achieve sustainable development goal on poverty eradication. The paper used data of the third wave of the Nigerian General Household Survey conducted by the Nigerian Bureau of Statistics in collaboration with the World Bank in 2015/2016 for its empirical analysis. Propensity score matching approach was used to compare the economic wellbeing of farm household that depend on only farming activity with those that diversified into non-farm activities. The results revealed that non-farm economy has a positive and significant effect on consumption expenditure of the households irrespective of their poverty status. However, it contributes more to the wellbeing of non-poor households than the poor ones. This implies that sustainable development policies seeking to address rural poverty should not only focus on agricultural development. They should also consider enhancing the ability of poor households to diversify into high return non-farm activities. Further, they should also focus on the development of nonfarm economy in the region through promoting nonfarm investment opportunities, rural banking scheme, cooperative societies, educational programmes and community infrastructures.

KEYWORDS Labour dynamics; Sustainable Development Goal; Poverty reduction; Rural household

JEL J21, J24

T2S2.7 – Emerging Country Studies · Thursday 24 January, 12:00–12:20, Seminario 2.7

FDI inflows and institutional quality in emerging markets.

Marwa Troudi¹

¹Faculté des sciences économiques et de gestion de Tunis, Tunisia

ABSTRACT

In this article we try to analyze the impact of corruption and political stability on foreign direct investment flows in emerging markets between 1996-2016. The results of the Dynamic Panel Model (GMM) prove that the control of corruption and political stability boost positively the attractiveness of foreign direct investment in emerging countries. The results of this study have several implications for policy makers to improve their attractiveness for foreign investors and subsequently stimulate their economic and financial development.

KEYWORDS FDI inflows; corruption; political stability; emerging markets

Empirical Analysis of the Capital Inflows and Real Exchange Rate Nexus in Developing Countries

Kongchheng Poch¹

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ABSTRACT

Despite potentially growth-enhancing benefits, capital inflows carry the risk of real exchange rate appreciation that could reduce the competitiveness of the capital-recipient country's export industries; thereby jeopardizing macroeconomic stability and economic growth in developing countries. Against this backdrop, this study empirically investigates the impacts of capital inflows on real exchange rate for a sample of 113 developing countries from 1991-2015. The study employs the two-step system generalized method of moment technique to estimate dynamic panel data models. The results show that the increase in gross capital inflows causes real exchange rate appreciation. When the gross capital inflows are disaggregated into foreign direct investments (FDI) and non-FDI, only the FDI causally appreciate the real exchange rate. However, the empirical results also show that the improved mobilization and allocation of financial resources help reduce the exchange rate appreciation effects of the capital inflows. The findings are highly relevant for policymakers, particularly in developing countries, who are gravely concerned with the rising capital inflows. The study suggests that financial sector development plays a crucial role to help dampen the real exchange rate appreciation impacts of capital inflows in developing countries.

KEYWORDS Capital inflows; real exchange rate; system generalized method of moments; developing countries

Forecasting Tourist Arrivals with Mixed Frequency Data: Google Econometrics

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ABSTRACT

It is reasonable to assume that what people search for online today is predictive of what they have done recently or will do in the near future, which is why Google has become one of the world's most valuable companies. This study analyzes the reliability of Google Trends data in predicting tourist arrivals and overnight stays in Prague during January, 2010 - December, 2016. Firstly, the study analyzes whether Google Trends offers significant forecasting improvements. Secondly, it assesses whether a higher frequency variable (weekly Google trends) is better for accurate forecasting of low frequency variable (monthly tourist arrivals) using Mixed-data sampling (MIDAS). The results of the study indicate an undeniable potential of Google Trends to offer more accurate forecasting, particularly for tourism: the results indicate that two months and one week ahead of arrivals Google Trends information is useful for assessing actual numbers of tourist arrivals. The forecasting of the indicators using weekly MIDAS models outperformed both monthly Google Trends and models without Google Trends.

KEYWORDS Google trends; mixed frequency data; forecasting; tourism

JEL C53, L83, Z32

Organized Industrial Zones Efficiency Evaluation Considering Economic Factors

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A B S T R A C T

Organized industrial zones (OIZs) object to orient private sector investments to specific regions to augment existing investment incentives. They began to be established and supported by the Turkish government since 1960s and actually, there are one or more OIZs in all cities of Turkey (except Artvin). The average occupancy rate (Number of Assigned Parcels/Number of Parcels) of the Turkey's OIZs is 68% and cannot be said to be a high rate. On the other hand, the rate of parcels in production (Number of Parcels in Production/Number of Parcels) is lower and only 43%. Considering these ratios, it is an issue to be questioned whether the OIZs reach the desired level of activity. In this study, the efficiencies of OIZs located in the Aegean Region of Turkey is evaluated considering economic factors such as “employment”, “net sales (TL)”, “research and development expenditures (\$)”, and “export volume (\$)”. The evaluation is conducted employing a data envelopment analysis (DEA) based common weight decision model, which is a powerful method to measure the relative efficiencies of decision making units.

KEYWORDS Data Envelopment Analysis; Decision support systems; Economic factors; Organized industrial zones; Performance evaluation

JEL C6

T2S2.9 – Poverty, Inequality and the State · Thursday 24 January, 12:00–12:20, Seminario 2.9

Minimum Government, Maximum Governance- Evidence from the Indian States

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ABSTRACT

This paper studies the link between government size, institutions and economic growth for the Indian economy using a panel of 23 states from 2005-06 to 2013-14. This is the first attempt to study the interplay between the public sector, institutions, and growth in the Indian context, especially at a disaggregated level. We have employed different proxies for government size in the form total government expenditure, total development as well as total non-development expenditure as a percentage of state GDP as well as new dataset Social Progress Index to measure institutional quality. Our results state that Indian states suffer from an oversized government i.e. bigger governments tend to hamper the economic growth of states irrespective of different proxies for government size due to higher inefficiencies. The negative effect of government size on GDP is stronger at lower levels of institutional quality. The positive effect of institutional quality on output increases with smaller government sizes.

KEYWORDS Public Sector; Institutions; GMM

JEL C23, E62, H72

Simplification of the common agricultural policy – is it possible?

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A B S T R A C T

The common agricultural policy (CAP) conducted by the European Union is the key support mechanism for the EU farmers. With each consecutive reform it gets more complicated which creates costs and administrative burden both for farmers and member state administration. At the same time, farmers and their organizations as well as member states call for simplifying the rules and making them easier to comprehend and apply. Currently, the call for simplification is also part of the European Commission's agenda. Yet, the progress is slow and the new proposals for CAP 2020+ seem to bring the contrary of simplification. The paper is based on desk research. Analyzed are EU regulations and literature review. The analysis covers the reforms and changes in the CAP implemented in the 21st century as well as the proposals for the CAP 2020+. The results show that there is still some room for simplifying the rules and procedures under the CAP. Yet, it must be borne in mind that safeguarding the correctness of spending public money is a top priority for the regulations governing the CAP as the public interests must be protected.

KEYWORDS common agricultural policy; simplification; policy implementation

JEL Q18, K49, H77

T2S2.9 – Poverty, Inequality and the State · Thursday 24 January, 12:40–13:00, Seminario 2.9

Poverty and Inequality in India

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ABSTRACT

Poverty and Inequality have been on an indefinite strike in India. Since the ancient times to the present era, India has been fighting to evolve its denounced name in poverty and inequality. Despite taking various measures to combat this problem India is still behind numerous countries and the major causes for which are, the rapidly increasing population, illiteracy, culture, and unemployment. To meet the objectives of reducing inequality and poverty in India, the Indian government from the 1980s adopted market-oriented economic reforms, later in the 1990s, India adopted the neoliberal reforms programmes, making the period of intensive liberalization. India during this period focused more on globalization, liberalization, and privatization. The Indian government has taken various measures to accelerate the economic growth and alleviate poverty and in the past two decades, there has been economic progress which has resulted in providing various opportunities to the middle class and poor people. A broad comparison between India and the rest of the South Asian countries clearly speaks that India is moving ahead by combating the problems of poverty and inequality. This paper talks about the nature of poverty and inequality and the evolution of India from it.

KEYWORDS Poverty; Inequality; India

T2S2.9 – Poverty, Inequality and the State · Thursday 24 January, 13:00–13:20, Seminario 2.9

The fall and rise of income inequality in OECD countries: Evidence from fourteen decades

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A B S T R A C T

We investigate the down-and-up trajectory in income inequality in 21 OECD countries over the period 1870–2011. While our findings support the conjectured homogeneous decline in inequality before the 1970s, we find support for growing inequality afterwards is rather limited. We find also that the observed U-turn pattern in inequality may be explained by the change in the social values with regards to inequality, at least to a certain extent. The advanced societies place less emphasis on combatting the inequality in the last few decades, which shifts public and private sectors policies towards higher income disparity. Thus, we impose, advanced societies should consider the inequality rebound as being self-inflicted.

KEYWORDS Inequality; Income distribution; income inequality; social values

JEL O15, D31, E71

Dynamics of Domestic Debt and the Growth of Nigeria's Economy

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A B S T R A C T

This study examines the dynamics of domestic debt and economic growth in Nigeria over the period 1981-2016. To achieve the objective of the study, annual time series data on Gross Domestic Product (GDP) at current prices, domestic debt outstanding on Treasury Bills (TRB), Treasury Certificates (TRC) and Development Stock were collected from the publications of the Central Bank of Nigeria and analyzed using the Johansen co-integration and Autoregressive Distributed Lag (ARDL) models. The result of Johansen co-integration suggests that the variables have a long-run equilibrium relationship. The ARDL model reveals that most of the variables that are statistically significant have negative impact on GDP. Only TRC has a positive impact on GDP. It is therefore recommended that the government should reduce the level of domestic debt it raises over time because of its negative impact on economic growth process in Nigeria.

KEYWORDS Domestic Debt; ARDL; GDP

Impact of Conflict on Degree Choices: Evidence from Pakistan

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ABSTRACT

This paper tries to estimate the impact of conflict on degree choices at university level. By using admission data from 2014 till 2016 from a university in Pakistan, we estimate whether students exposed to conflict applied to university degrees differently compared to students not exposed to conflict. By using a linear probability model, and instrumenting for incidence of conflict to the distance between each district to the militant headquarters, we find that violence witnessed during higher secondary schooling led to a decline in the likelihood that a student applied to a maths degree by 10 per cent compared to a non-maths degree. Similarly, we find that violence witnessed during early years of schooling also led to a decline in the likelihood that a student applied to a maths degree by 38 per cent compared to a non-maths degree. A gender wise breakup shows that degree choices of only boys were impacted, whereas no significant impact was found on degree choices of girls. This disproportional impact of conflict on degree choices of boys but not girls is potentially attributed to the change in labor market prospects associated with each gender due to a violence-prone environment unfavorable for employment opportunities.

KEYWORDS Education; Conflict; Degree

JEL C26, H56, I21

T3S2.5 – Education · Thursday 24 January, 15:50–16:10, Seminario 2.5

University as a hub for projects that foster employability and entrepreneurship. Case study on the Alexandru Ioan Cuza University of Iasi

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ABSTRACT

The role of universities in our society has changed over time and currently represents the topic for an increasing number of debates (both within academic circles as well as at policy level). In their activity, most universities make use of projects as instruments to achieve their aims and attain the changes they forward. In this context, our paper aims to highlight how organizational adaptability occurs within universities, so that it directly connects the results of the above mentioned projects with the strategic requirements these higher institutions have to follow. The paper basically follows the steps of project development within universities, from managerial practices to management models. Moreover, the sustainability of these projects is also considered, as a direct link to various aspects relevant to the labor market - employability and entrepreneurship. Methodologically, our approach is based on a case study - an university that is representative at a national level (Alexandru Ioan Cuza University of Iasi). The research is based on qualitative research and semi-structured interviews with project managers and departmental representatives involved in project management.

KEYWORDS University; project management; employability; entrepreneurship

JEL I23, J24

T3S2.5 – Education · Thursday 24 January, 16:10–16:30, Seminario 2.5

Long Run View of the Returns to Education in Colombia

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ABSTRACT

This article shows that the returns to education in Colombia were around 10% in the period 2007–2016 with eight age cohorts, which is similar to the economic returns to education achieved in high-income national economies in 2014 (10%). High private returns to education suggest opportunities for cost-sharing and new financing models of education in Colombia, providing policy makers an opportunity to improve the quality of education in Colombia.

KEYWORDS Human Capital; Education; labor economics

JEL J24, I26, I20, J01

T3S2.5 – Education · Thursday 24 January, 16:30–16:50, Seminario 2.5

The Role of Maternal Education on Child Care

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A B S T R A C T

Human capital theory suggests that higher education means a pull to work that the greater the investment a person has made in their marketable skills, the higher the wage rate they will command, and the stronger will be their attachment to the paid workforce. Therefore, educated women are expected to allocate more time to market work and are likely to spend less time to child care. However, education may also imply a pull to the home. There are substantial evidence that maternal child care increases by level of education. Using data from the Turkish Statistical Institute (TurkStat) Time-use Survey (TUS) 2006 and 2014-2015, this study investigates the role of these two contradicting effects in explaining the relationship between maternal education and time with children. Results suggest that more educated mothers spend more daily time with their children in physical care and developmental activities compared to their less educated counterparts.

KEYWORDS Maternal Education; Time Allocation; Childcare; Turkey

JEL C21, I21, J13

Islamic Banking and Economic Growth: New Evidence

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ABSTRACT

While extensive work has shown that conventional banking development is generally conducive to economic growth, there are only a limited number of studies that investigate the impact of Islamic banking. Importantly, the literature on conventional banking claims that a reverse causality from economy performance to banking may exist, but existing studies on Islamic banking fail to address this potential endogeneity problem. This paper tackles this problem and explores the relationship between Islamic banking development and economic performance in a sample of 32 developed and developing countries based on data spanning the 2000 to 2016 period. The findings show that, although Islamic banks are considered small relative to the total size of the financial sector, Islamic banking is positively correlated with economic growth even after controlling for financial structure, macroeconomic factors and other variables. The outcome is robust across different econometric specifications like pooling OLS, fixed effects, panel data with over-identified GMM, and dynamic difference GMM. The results are confirmed on two different indicators of Islamic banking and hold for different time periods.

KEYWORDS Islamic banking; Economic Growth; Endogeneity; Dynamic Difference GMM

JEL G0, G21, O10

Revisiting the Feldstein-Horioka Puzzle for Turkey

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ABSTRACT

The domestic saving and investment correlation as posited by Feldstein & Horioka (Feldstein & Horioka, 1980) is revisited for Turkey and tested over the periods 1950–2017, 1950–1989, and 1990–2017. The first period is characterized by restricted capital mobility and the second period represents a period of perfect capital mobility. The time series properties of the data and the presence of structural breaks are properly addressed when testing for the presence of a longrun relationship between investment and saving ratios by using the bounds testing procedure. We find saving and investments to be cointegrated for Turkey over the whole period and the sub-periods. However, the investments and savings are positively correlated during the period of restricted capital mobility (1950–1989) and negatively correlated during the period of perfect capital mobility (1990–2017). These results are in conformity with the Feldstein and Horioka hypothesis that in a closed economy domestic investments are financed with domestic savings, and under perfect international capital mobility domestic savings flow to the most attractive returns around the world.

KEYWORDS Feldstein-Horioka puzzle; Capital mobility; Turkey; Cointegration; Bounds testing procedure

T3S2.7 – Macro Economies -1 · Thursday 24 January, 16:10–16:30, Seminario 2.7

Why can't professional macroeconomic forecasters predict recessions?

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ABSTRACT

The professional forecasters' inability to anticipate macroeconomic recessions is well documented. The literature has found that aggregate or consensus forecasts are too optimistic before downturns and too pessimistic before recoveries. This paper explores whether this result also holds at the individual level or is the result of an aggregation bias. Using a Spanish survey of professional forecasters conducted by Funcas, I find that individual forecasters are indeed too optimistic before recessions. The reason is not that they become inattentive when the economy is in good shape. Instead, they put too much weight on the most recent developments when producing their forecasts. The analysis of their forecast revisions reveals that better-than-expected data makes some forecasters to revise their forecasts upwards too much. These revisions raise the consensus forecast and trigger a herd behaviour by other forecasters, who also revise up their forecasts. Both factors lead to subsequent negative forecast errors, especially when a recession occurs. Consequently, professional forecasters could improve their forecasting performance by reacting less aggressively to the latest data releases and by avoiding inefficient herding.

KEYWORDS professional forecasters; Funcas; forecast errors; revisions; expected GDP growth

JEL D84, E37

T3S2.7 – Macro Economies -1 · Thursday 24 January, 16:30–16:50, Seminario 2.7

Oil and Asset Classes Implied Volatilities: Dynamic Connectedness and Investment Strategies

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ABSTRACT

Building on the increased interest in the spillover effects among oil prices and other financial assets, this paper examines dynamic connectedness and contagion effects of their implied volatility shocks. We then proceed to the examination of the optimal hedging strategies and optimal portfolio weights for implied volatility portfolios between oil and financial assets. The results suggest that oil implied volatility (OVX) is a net volatility receiver of shocks, whereas implied volatilities indices by the stock markets (mature or emerging) are net volatility transmitters. Hedge ratios indicate that VIX is the least useful implied volatility index to hedge against oil implied volatility. Finally, we show that investors can benefit substantially by adjusting their portfolios based on the dynamic weights and hedge ratios obtained from the dynamic conditional correlation models, although a trade-off exists between the level of risk reduction and portfolio profitability.

KEYWORDS Dynamic Volatility Connectedness; Hedging Strategies; Volatility Portfolios

JEL C32, F3, G12, Q43

T3S2.9 – Country Studies · Thursday 24 January, 15:30–15:50, Seminario 2.9

An IV framework for combining sign and long-run parametric restrictions in SVARs

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ABSTRACT

This paper develops a method to impose a long-run restriction in an instrumental variables (IV) framework in a SVAR which is comprised of both $I(1)$ and $I(0)$ variables when the shock associated with one of the $I(0)$ variables is made transitory. This is the identification which is utilized in the small open economy SVAR that we take from the literature. The method is combined with a recently developed sign restrictions approach which can be applied in an IV setting. We then consider an alternate identification in this SVAR which makes the shocks associated with all of the $I(0)$ variables transitory. In this case, we show that another method can be used to impose the long-run restrictions. The results from both methods are reported for the SVARs estimated with Canadian data.

KEYWORDS sign restrictions; long-run parametric restrictions; IV estimation; algorithms; generated coefficients; small open economy; Canada

JEL C32, C36, C51, F41

T3S2.9 – Country Studies · Thursday 24 January, 15:50–16:10, Seminario 2.9

A report on the impact of Globalization in the Economy, Health Systems and World Welfare State: Special reference of the Spanish case

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ABSTRACT

At the end of the 70s of the last century, P. Krugman warned of the advent of a new economic phenomenon, the so-called globalization, which, if due measures were not taken, sooner or later would end up dominating the international economic concert, as finally happened. In this report, we analyze how the extreme internationalization of economies has contributed to the rethinking of the different Western Welfare State models within an analytical context, in which even macroeconomic paradigms have had to be reconsidered. Elements in principle attached to economic globalization, such as migratory movements, the progressive technification of economies, or the growing investment in research and development are highlighted, gauging their impact in relation to the sustainability of health systems in developed countries. It is true that an aura of negativity looms over economic globalization which this paper aims to demystify, insofar as several starting points are offered to reduce its effects, in the same way that we present a good number of original research lines which surely would serve as a guide in the deepening of its study.

KEYWORDS Human Capital; International Economics; Economic Impacts of Globalization; Economic Development; Government Expenditures and Welfare Programs

JEL F6, H53, O1

The Impact of Information and Communication Technologies (ICTs) on Environmental Pollution: Evidence from Developed Countries

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ABSTRACT

This study aims at analyzing the impact of internet users, employed as a proxy for information and communications technologies (ICTs), on CO₂ emissions for a panel of developed countries, spanning the period from 1990 to 2015. On one hand, information technologies (ITs) can produce more efficient economic growth with less energy demand. In this respect, using energy in a more efficient way across all sectors of the economy, IT sector provides a potential solution to reduce CO₂ emissions level. On the other hand, given that the installation and the operation of new ICT devices are characterized as highly energy intensive, air pollution may increase because of increased electricity demand. Therefore, the net impact of the ICTs on air pollution is not clear. Using panel data approaches such as unit root, cointegration and causality tests, we analyze whether internet usage alleviates CO₂ emissions level of developed countries. Relying on the result that increased Internet access results in lower levels of air pollution, we suggest some crucial policy implications to the governments of developed nations. For instance, increased investment in the ICT sector could be a plausible channel to mitigate air pollution level.

KEYWORDS Information and communication technology; air pollution; developed countries; panel data models; energy efficiency

JEL C23, L86, Q53

Market capitalization and growth linkage in economy under default: The case of Pakistan

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ABSTRACT

The classification of Pakistan Stock Exchange in MSCI's emerging market index gave the boost necessary to attract international investors to the country. However, staggering growth in recent past, money laundering allegations and the political turmoil amidst country wide war on terror has made it fairly difficult for the country to build its competency in terms of a stronger market of trade and exchange. In the overall scenario of an emerging economy under conditions of default, the relationship between stock market development and economic growth is contentious. In the overall scenario of an emerging economy under conditions of default, the relationship between stock market development and economic growth is contentious. Therefore, capacity building in an economy through stock market expansion may prove an impetus for sustainable economic growth. However, does this relationship remain same in an economy facing default on international settlements? The aim of this paper is to find an answer to this question. This paper discusses the theoretical model formulation and identification of indicators of economic growth and empirical analysis through GMM to reflect on capacity building with stock market expansion and suggests measures to improve capacity building to foster sustainable economic growth.

KEYWORDS Market Capitalization rate; Gross Domestic Product; Capacity Building; Default

JEL E44, O16

F1S2.5 – Gender Studies · Friday 25 January, 09:30–09:50, Seminario 2.5

Research projects as instruments in assuring gender equality in the academic environment

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ABSTRACT

Among the horizontal objectives of the European funding programs and of the projects implicitly, we include also the gender equality objective. The academic environment is well recognized as being dominated by gender inequality in terms of access to leadership, academic promotion, access to resources, in some areas more than in other. Although some programs have been created and implemented to improve these aspects, the existing European reports highlight the limited progress achieved over the decades. Our paper seeks to highlight to what extent gender equality issues are included in academic project management practices and models with a direct focus on research projects. The quantitative analysis, based on the existing research projects of a panel of universities, is supplemented by a qualitative approach, achieved through semi-structured interviews with project managers and project management coordinators. Our approach is an integrated one, aiming at ensuring gender equality in the formation of teams and target groups, as well as the sustainability of projects.

KEYWORDS gender equality; research projects; university; project management

JEL J16, J78, I23

F1S2.5 – Gender Studies · Friday 25 January, 09:50–10:10, Seminario 2.5

Can Education Reduce Traditional Gender Role Attitudes?

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ABSTRACT

The purpose of this paper is to identify if there is a causal relationship between education and traditional gender-role attitudes. In particular, if women have to leave the labor market to take care of the family, and if men have more rights to a job than women when jobs are scarce. In addition, I explore plausible mechanisms through which education affects these attitudes. I use data from the European Social Survey for 14 European countries. My identification strategy exploits educational reforms changing the number of years of compulsory education to obtain a source of exogenous variation that can be used as an instrument for education. The first stage results show that education reforms certainly increase years of schooling, but only for individuals from a low-educated family, in particular women. Results indicate that for this group, one additional year of education significantly reduces the probability of agreeing with women's traditional gender role in more than 11 percentage points.

KEYWORDS Education; Compulsory schooling reforms; Gender-role attitudes; Gender inequality; Europe

JEL A13, I21, I24, J16, J24

F1S2.5 – Gender Studies · Friday 25 January, 10:10–10:30, Seminario 2.5

The role of social networks in female entrepreneurship. An advance in the Spanish context

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A B S T R A C T

KEYWORDS Redes sociales; empresariado femenino; Tecnología Digital; propietarias; MiPyME

JEL B54

Added worker effect and reasons of wife's inactivity

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ABSTRACT

The recent works provide compelling evidence on the existence of the significant added worker effect, yet little is known about the heterogeneity of the effect with respect to reasons of husband's work displacement and wife's inactivity. I use data from Polish Labour Force Survey to analyse the added worker effect in a post-communist country. I find that work displacement of a husband was associated with an increase in probability of a wife's transition to labour force. The effect was homogenous with respect to the reasons of a husband's job loss. Added worker effect was characterised by the high degree of heterogeneity with respect to reasons of wife's inactivity. The response of discouraged wives was twice as strong as the response of wives, who were inactive due to family and health reasons.

KEYWORDS added worker effect; labor supply; discouraged worker effect

JEL J22, J64

FIS2.7 – Labour Market Studies -2 · Friday 25 January, 09:30–09:50, Seminario 2.7

Pareto-superiority of Corporate Social Responsibility in unionized industries

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²Kozminski University, Italy

A B S T R A C T

Economists believe that a firm's engagement in Corporate Social Responsibility (CSR) is motivated by objectives beyond increasing profits. Using a duopoly framework with convex technology and an industry-wide union-setting wage at the central level, this work shows that, when owners cooperatively select a level of CSR engagement, profits under CSR are higher than under standard profit maximization; thus, the firms' owners' simple self-interest leads to the adoption of CSR. Moreover, the union, consumers, and the overall social welfare in the presence of CSR activities are higher than without CSR. As such, the firms' owners' social concerns yield a Pareto-superior outcome.

KEYWORDS Cournot Duopoly; Labor Union; Corporate Social Responsibility

JEL J51, L13, M14

Labour Communities of Mali Immigrants in Andalusia

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ABSTRACT

Over recent years Southern rural towns of Spain have experienced a wide arrival of migrants from rural areas of Mali who become employed in fruit farming jobs and form cohesive labour communities helping new comers to integrate. Considering the lack of rural workforce, public local authorities facilitate the regularizations of immigrants from Mali and provide provisional documents necessary to become soon hired in local labour market. This study aims at examining the system of values and attitudes of the immigrants from Mali in regards of their status of migrant population and their links and remittances to their country development as well as their role in the local host community in Spain. It draws on field research involving both qualitative and quantitative methods. Findings are presented around three axes: first, the motivation and migration pattern as well as the links and roles assumed in regards of their kinship in Mali and the country; second, the values and attitudes regarding the content of their jobs and their status and labour relations in the local labour market; and third, their use of leisure time and social relations with local populations and other immigrant groups.

KEYWORDS Labour community; immigration; Mali; Andalusia; fruit farming; remittances and savings; rural development

JEL J15, J61, J43

How the gig economy is shaping the labor market and its effects on the Welfare State

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ABSTRACT

Digitization and the so – called fourth wave of industrialization (PES, 2017), have paved the way for many previously unimaginable innovations. The new gig economy, platform economy and sharing economy are some of the obvious results. In fact, the classic structure of work that we were used to know seems to have disappeared in favor of new labour market dynamics, dictated by new production processes and the more and more personalized and individualistic consumers' needs. Despite the upside of creating new peer marketplaces, these platforms seem to act as “free riders” in terms of the Welfare State, pushing the European Union to find new ways of both regulate the labour market and re-think Welfare systems. This paper focuses the attention especially on the gig economy, aiming at: 1. Briefly underline the implications the gig economy has on the labour market 2.Describing the challenges it represents for the Welfare State 3.Identify possible scenarios for future regulations at the European Union level in terms of labour law

KEYWORDS Gig Economy; Labour Market; Welfare State

JEL I38, J49, K31

FIS2.7 – Labour Market Studies -2 · Friday 25 January, 10:30–10:50, Seminario 2.7

Labour Market of Cultural Sector: The Case Study of Turkey

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ABSTRACT

Culture is one of the core parts which shape humans' behaviours; so, it is possible to say that cultural activities exist from the beginning of time. However, the cultural activities have transformed gradually into the industry since the Industrial Revolution. As a result, today, the cultural sector is created as the labour force of the cultural industry. This study carries an exploratory aim to depict the situation of the cultural sector and to understand the effects of the Global Economic Crisis 2008 on the culture sector in Turkey. Surveying culture workers in Turkey is chosen as a methodology of the research. The results of the survey confirm that the culture sector in Turkey had a resilience during the crisis including years which were affected by the global economic crisis.

KEYWORDS Labour Market; Cultural Sector; Global Economic Crisis; Cultural Workers; Turkey

JEL J00, J40

CEOs' Debt-Based Compensation and Stakeholder Incentive Alignment: The Relationships Between CEO Inside Debt, CSR and Firm Performance

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ABSTRACT

We explore the incentive alignment qualities of CEO debt-based compensation – also known as CEO inside debt – by examining the consequences of CEO inside debt for multiple stakeholders, including employees, community, customers, suppliers, debtholders and shareholders. We argue contractual mechanisms that create long-term debt obligations to the CEO result in more investment in corporate social responsible (CSR) and that the combined effect of CSR investments and CEO inside debt accentuates the future multi-year performance, particularly in situations where firms suffer pressure from financial and/or product markets. This suggests that CEO inside debt results in greater incentive alignment between the CEO and different stakeholders in a way that enhances long-term economic value, ensuring that shareholders also benefit. This suggests CEO inside debt incentivizes the CEO to nurture multiple stakeholder relationships, delivering a balanced approach that appears to address the shortcomings attributed to other forms of incentives, such as stock and stock options. This provides the insight that CEO inside debt leads to a management approach that delivers shared value: the creation of economic value that appeases shareholders by investing in employees, community and the environment. We conclude that deserves more attention from governance scholars and boards who are attempting to incentivize a longer-term multi-stakeholder orientation.

KEYWORDS Inside debt; Incentive alignment; CSR; Executive compensation; Financial performance

JEL G32, G35

Influence of Multinational Corporations on local industry upgrading

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ABSTRACT

The growth of Multinational Enterprises (MNEs) activities through Foreign Direct Investments (FDI) in developed and developing countries have largely attracted the attention of policy makers because of the expected positive impacts they may have on receiving countries. The FDI is associated with the inflow of unique assets in the country, such as new technologies, know-how, innovations, management skills, etc. However, at the same time many empirical researches indicate that the impact of foreign direct investments may not be positive for the economy of the recipient country, especially for developing countries, which have different possibilities to absorb FDI benefits. The study provides an analysis of the impact of foreign direct investment motivations on the local industry upgrading of the recipient country. The empiric research on the example of Georgia demonstrated the main motivations of incoming foreign direct investments in Georgia, the integration degree of MNEs into local sectors and the possibilities of using foreign direct investments benefits in terms of the sector and country characteristics. The subject of research is the MNEs operating in Georgia and their transactions at the local market.

KEYWORDS Multinational Enterprises; Foreign Direct Investments; Economics

The effects of Rate & Review on E-commerce

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A B S T R A C T

Marketing is important for companies to sell their product or goods to consumers with special concepts. In an organization, research & development department creates a new product for customer needs while marketing department creates a concept or idea for the new product to reach easily to customers. However, in 21. century, marketing definition is changed in order to keep consistency in trends. Digital marketing is the marketing of products or services using digital technologies, mainly on the internet, but also including mobile phones, display advertising, and any other digital medium. As digital platforms are increasingly incorporated into marketing plans and as people use digital devices instead of visiting physical shops, digital marketing campaigns are became more prevalent and efficient. Digital platforms provide lots of e-commerce website for consumer to find best price for a product. However, the important step to make a purchasing decision is based on the comment or consumer generated rating or reviews. With digital marketing, companies encourage consumers for reading/writing reviews for the product. Thus, in this study the relation between Rate & Review, which is a new word of mouth, and purchase motivation in E-commerce will be analyzed.

KEYWORDS Digital marketing; e-commerce; Rate & Review

JEL M31, M37

Wavelet Leader and Multifractal detrended fluctuation analysis of market efficiency: Evidence from WAEMU market index

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A B S T R A C T

The dimension of efficiency is of main importance in the financial markets, Fama (1965) considered as the father of this theory has defined the information efficiency in three forms (weak, semi-strong and strong). It is for this reason that the information finds its importance in this theory because the nature of the information (past, public, private) makes it possible to determine the form of efficiency. However, this theory of efficiency has long been a controversial and unresolved issue in the economic literature. Most of the work is done on developed country stock exchanges. This problematic of the informational efficient market is a hot topic and has been the subject of much study with different methods. In this paper we analyze the hypothesis of weak form informational efficiency of the market. Our empirical study focuses on the BRVM10 index of the WAEMU regional stock exchange over the period from 17/04/2000 to 23/08/2016. In this paper, we use the wavelet approach and the multifractal analysis (MF-DFT). The study revealed that the log returns of the index exhibits a persistent and multifractal procesus.

KEYWORDS Efficient market hypothesis; MF-DFA; Wavelet; Hurst exponent; BRVM10

JEL C02, C4, C12, G1, G14

At the roots of China's striking performance in textile exports: A comparison with its main Asian competitors

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A B S T R A C T

This paper analyzes the determinants of China's striking performance in textile exports in the time period 2001-2016. We integrate the analysis by Lall and Albaladejo (World Development, 2004), based only on China and its main Asian competitors' market share dynamics, by estimating an extended version of a traditional export function, derived from the imperfect substitute model, including a proxy of non-price competitiveness. The key long-run elasticities for each Asian exporter are thus computed and discussed in a panel-data framework, and the different export performances are examined taking into account the interaction between the estimated parameters and the growth rates of relative prices, world income and product quality. Lastly, we decompose the textile export growth differences between China and its rivals into the three main channels of trade competition, i.e. price, quantity and quality. Our findings show that China is crowding out most of its rivals with a competitive strategy based on a mix of low and decreasing relative prices and non-price policies aiming at stimulating export volumes. However, certain weaknesses in the Chinese trade prospects emerge when quality improvement is considered.

KEYWORDS Textile exports; Outperformance; Displacement; Competitiveness; Cross-country comparisons; Panel data analysis

JEL C23, F14, F63, L67

F2S2.5 – Macro Economies -2 · Friday 25 January, 12:20–12:40, Seminario 2.5

Meta-Analysis of the Wage-Employment Elasticity in the Long Run for Colombia

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ABSTRACT

This article analyzes the effect of a rise in salaries on the demand for employment in the Colombian case. Using the meta-analysis, we find that an increase of 1% over real wages, employment falls by 11%. These results are still maintained under the existence of publication biases

KEYWORDS Wage Employment elasticity; meta-analysis; publication bias

JEL J23, J31, C83

Legacy of the Reconstruction of International Labour Movement in the Post Second World War Period within the Context of ‘Economic Growth’ and “Politics of Productivity” and Emerging Social Movements

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ABSTRACT

As widely agreed in the literature, although international labour movement is in crisis in the last decade of the twentieth century, by the turn of the century, there has been an upswing in the form of popular uprisings. However, despite the involvement of some trade unions in the current unrests, and despite the attempts by some labour organizations to come together with the social movements or to take up a social movement orientation, it is still necessary to discuss the question of whether the trade union movement has surpassed its crisis in playing leading role in the social unrests. In comparison with the mid-1940s, during which trade union movement was the leading element of social unrests, today, international labor movement is inadequate in directing / shaping the popular backlash, although there has been some interesting experiences. From this, the paper aims to discuss the roots of the crisis of labour movement within three axis: the reconstruction of the international labour movement in the post-Second World War, the crisis of capitalism in the early 1970s and the period since the late 1990s with particular focus on the interrelations between the traditional labour movement and the emerging social movements.

KEYWORDS international labour movement; trade unions; social movement; social compact; social unrest

JEL J01, J08, J50, J51

F2S2.5 – Macro Economies -2 · Friday 25 January, 13:00–13:20, Seminario 2.5

Characterizing the Manufacturing Asymmetries in the UK

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ABSTRACT

The study utilizes expectation maximization (EM) algorithm together with nonlinear filtering to estimate model parameters and provide maximum likelihood estimates for the UK manufacturing industry. The study employs seasonally adjusted manufacturing industry production indices at monthly level that covers the periods between January 2005 and December 2015 to analyze the nonlinearities and asymmetric behaviors in the UK business cycle with changes in the industrial structure of the UK economy.

KEYWORDS Markov Switching Models; UK Manufacturing Industry

JEL C32, L60

F2S2.7 – Macro Economies -2 · Friday 25 January, 12:00–12:20, Seminario 2.7

What determines China's housing price dynamics? New evidence from a DSGE-VAR

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A B S T R A C T

We investigate what determines China's housing price dynamics using a DSGE-VAR estimated with priors allowing for the featured operating of normal and 'shadow' banks in China, with data observed between 2001 and 2014. We find that the housing demand shock, which is the essential factor for housing price 'bubbles' to happen, accounts for near 90% of the housing price fluctuation. We also find that a prosperous housing market could have led to future economic growth, though quantitatively its marginal impact is small. But this also means that, for policy-makers who wish to stabilise the housing market, the cost on output reduction would be rather limited.

KEYWORDS Housing price; Bubbles; Market spillovers; DSGE-VAR; China

JEL C11, E32, E44, R31

Price regulation in declining demand industries

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A B S T R A C T

In many countries several regulated sectors, as for instance, electricity or traditional postal communications, have been through a process of declining demand in recent years. These processes have multiple causes (technological, consumer's preferences changes, etc) but general have in common the fact they are seen as irreversible and permanent. This raises crucial questions to regulators not only regarding the adequacy of the instruments traditional used to regulate prices (in particular rate of return regulation and price cap) but also regarding the need of price regulation. In this paper we compare, through a stylized theoretical model, the welfare consequences of two alternative regulatory approaches, regulating prices by price cap or not regulating prices, in a context of declining demand. We consider two alternative vertical market structures: one with an upstream monopoly and another with a downstream monopoly. We conclude that the effects of price regulation depend on the magnitude of the demand reduction. If it is expected a weak demand reduction, price regulation contributes to welfare enhance. On the contrary, if it is expected a strong demand decrease setting no price cap will lead to better welfare results. These conclusions apply to both vertical market structures.

KEYWORDS price regulation; declining demand; vertical market structure

JEL L43, L13, L51

What Can Twitter Tell Us about the Stock Price? Evidence from the UK

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A B S T R A C T

The announcement of a certain event taking place is important and effective for the stock market and shares returns even more than the effectiveness and significance of the event itself. The aim of this thesis is to test the effect of financial events announcements via social media, specifically Twitter on share prices and returns for a sample of the top 100 companies listed in London stock exchange (FTSE 100). Our research questions had been tested on a sample of 833 event date observations retrieved from official Twitter accounts for two years (1st of January 2014 - 16th of February 2016). The test is concerned about tracking the stock return behavior around events announcements, through calculating abnormal return (AR), average abnormal return (AAR), cumulative average abnormal return (CAAR) and t-test on the event day (day 0), the pre-event window and post-event window using the event-study methodology. This study had found out that there is a significant relationship between the events announced via Twitter, the type of tweets, news categories and tweeting intensity of the company and share prices, while classifying based on the industry of the announcing company has an insignificant relationship with share returns.

KEYWORDS Abnormal returns; Events announcements; Share prices

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