

BOOK OF ABSTRACTS

EconWorld2023@Tbilisi

14–16 June 2023

Tbilisi, Georgia

Grigol Robakidze University and East European University

WELCOME



The 15th EconWorld conference (International Conference on Economics) was held in Tbilisi, Georgia on 14–16 June 2023 at Grigol Robakidze University and East European University.

PROGRAMME AT A GLANCE



WEDNESDAY, 14 JUNE 2023

11:20–12:40	W2A – Firms, Innovation and Capital (Atrium)
14:00–15:00	W3A – Health, Tourism and Labor (Atrium)
15:20–16:20	W4A – Innovation (Atrium)

THURSDAY, 15 JUNE 2023

10:00–11:00	T1M – Markets and Marketing (Main Conference Room)
11:20–12:20	T2M – Labor, Wealth and Inflation (Main Conference Room)
14:00–15:20	T3M – Markets and Marketing (Main Conference Room)

FRIDAY, 16 JUNE 2023

10:00–11:00	F1Z – Örgütsel Davranış ve Havayolu (Zoom Room Tbilisi)
11:20–12:20	F2Z – Labor (Zoom Room Tbilisi)
14:00–15:20	F3Z – Money and Finance (Zoom Room Tbilisi)

SESSIONS

W2A – Firms, Innovation and Capital

Wednesday, 14 June 2023 • 11:20–12:40 • Atrium • Chair: Lana Ebrulidze

11:20	On the Inflation and its Modifications during the Global Pandemic: Case of ADB Countries <i>Vakhtang Charaia</i>	p. 8
11:40	Impact of Non-interest Income of Commercial Banks on Non-interest Margin, Exchange Rate (Probability of Speculative Scenarios) <i>Giorgi Tsutskiridze</i>	p. 9
12:00	Shadow banking system and financial stability in Georgia <i>David Sikharulidze</i>	p. 10
12:20	Determinants of Board structure and its impact on performance of bank sector of Georgia <i>David Sikharulidze</i>	p. 11

W3A – Health, Tourism and Labor

Wednesday, 14 June 2023 • 14:00–15:00 • Atrium • Chair: Natia Dagbelishvili

14:00	Government Support and Incentives of Medical Tourism <i>Gigi Kuperadze</i>	p. 12
14:20	Employment Issues in Georgian Hospitality Industry <i>Maia Meladze</i>	p. 13
14:40	State Policy of Labor Safety in Georgia - Decent Job The Goal of Sustainable Development <i>Guguli Turmanidze</i>	p. 14

W4A – Innovation

Wednesday, 14 June 2023 • 15:20–16:20 • Atrium • Chair: Tengiz Taktakishvili

15:20	Entrepreneurial Incentives among University Students in Georgia <i>Tengiz Taktakishvili</i>	p. 15
15:40	The Fintech Impact on Financial Institutions in Georgia <i>Mariam Lashkhi</i>	p. 16
16:00	Financial Crisis and Financial Innovation <i>Tamar Gamsakhurdia</i>	p. 17

T1M – Markets and Marketing

Thursday, 15 June 2023 • 10:00–11:00 • Main Conference Room • Chair: Vasil Kikutadze

10:00	Development of Antimonopoly Policy in Georgia <i>Slava Fetelava</i>	p. 18
10:20	Permission Marketing Strategy Shaping Consumer Behaviour Through Online Communication Channels <i>Irakli Abashidze</i>	p. 19
10:40	Marketing Strategy of Wine Tourism in Georgia <i>Maka Phiranashvili</i>	p. 20

T2M – Labor, Wealth and Inflation

Thursday, 15 June 2023 • 11:20–12:20 • Main Conference Room • Chair: David Sikharulidze

11:20	Postponement, career development and fertility rebound <i>Thomas Seegmuller</i>	p. 21
11:40	The Causes of the Inflation Problem in Türkiye After the Covid-19 Pandemic and Strategies to Combat Inflation <i>Betül Gür</i>	p. 22
12:00	Distributional Effects of Monetary Policy on Income and Wealth Inequality in Developing Asia <i>Warawut Ruankham</i>	p. 23

T3M – Markets and Marketing

Thursday, 15 June 2023 • 14:00–15:20 • Main Conference Room • Chair: Vakhtang Charaia

14:00	Assessment of cooperation between higher education institutions and employers in Georgia <i>Vasil Kikutadze</i>	p. 24
14:20	China and the S. Caucasus Economic Interests <i>Shota Gulbani</i>	p. 25
14:40	Prospects for the economic development of Georgia and the importance of energy and transport potentials <i>Demur Giorgkbelidze</i>	p. 26
15:00	Comparative Analysis of the Economic Environment of Georgia and the United States of America in a Global Context <i>Shota Shaburishvili</i>	p. 27

F1Z – Örgütsel Davranış ve Havayolu

Friday, 16 June 2023 • 10:00–11:00 • Zoom Room Tbilisi • Chair: Gökhan Önder

10:00	Bir Örgütsel İkiyüzlülük Hikâyesi: Greenwashing <i>Hayat Ebru Erdost Çolak</i>	p. 28
10:20	Türkiye’de Havayolu Sektöründe Kural Dışı Yolcular: Zorluklar, Eksiklikler ve Daha Etkin Bir Düzenleme Sistemi İçin Öneriler <i>Selen Atsan</i>	p. 29

10:40	Investigation of Applicability of Activity-Based Costing in the Airline Industry: An Empirical Research <i>Yaşar Köse</i>	p. 30
-------	--	-------

F2Z – Labor

Friday, 16 June 2023 • 11:20–12:20 • Zoom Room Tbilisi • Chair: Yılmaz Kılıçaslan

11:20	Job satisfaction of healthcare workers after Brexit <i>Cristina Vilaplana-Prieto</i>	p. 31
11:40	Domestic Violence as a Role Model Behavior: A Machine Learning Approach <i>Cemal Öztürk</i>	p. 32
12:00	Factors determining fuel choice and health of under-five child: Evidence from three-decade household responses in India <i>Priyandu M Bajpayee</i>	p. 33

F3Z – Money and Finance

Friday, 16 June 2023 • 14:00–15:20 • Zoom Room Tbilisi • Chair: Vakhtang Charaia

14:00	Following a new tax leader: the urge to implement Formulary Apportionment in the European Union <i>Joana Vicente</i>	p. 34
14:20	Overbuilding and Recession: A new Drawback of Housing Market Boom-and-Bust Cycle <i>Xiang Shi</i>	p. 35
14:40	What Moves the Cryptocurrency Market? A Causality and Wavelet Coherence Analysis <i>George Morcerf</i>	p. 36

ABSTRACTS



W2A – Firms, Innovation and Capital · Wednesday 14 June, 11:20–11:40, Atrium

On the Inflation and its Modifications during the Global Pandemic: Case of ADB Countries

Vakhtang Charaia¹, Vladimer Papava²

¹Grigol Robakidze University, Georgia

²Tbilisi State University, Georgia

A B S T R A C T

W2A – Firms, Innovation and Capital · Wednesday 14 June, 11:40–12:00, Atrium

Impact of Non-interest Income of Commercial Banks on Non-interest Margin, Exchange Rate (Probability of Speculative Scenarios)

Giorgi Tsutskiridze¹

¹Grigol Robakidze University, Georgia

ABSTRACT

Title Impact of Non-interest Income of Commercial Banks on Non-interest Margin, Exchange Rate (Probability of Speculative Scenarios)

KEYWORDS Entrepreneurship; Education; Georgia; Professional Orientation

W2A – Firms, Innovation and Capital · Wednesday 14 June, 12:00–12:20, Atrium

Shadow banking system and financial stability in Georgia

David Sikharulidze¹, Otar Anguridze²

¹East European University, Georgia

²Georgian Aviation University, Georgia

ABSTRACT

W2A – Firms, Innovation and Capital · Wednesday 14 June, 12:20–12:40, Atrium

Determinants of Board structure and its impact on performance of bank sector of Georgia

David Sikharulidze¹

¹Ivane Javakhishvili Tbilisi State University, Georgia

ABSTRACT

After gaining independence, the banking system has made a significant contribution to the Georgian economy. The financial sector of Georgia is fully represented by banks. The profitability of the banking sector is one of the best in the region. According to the data of the first and second quarters of 2021, ROE was 16.5%, and ROA - 1.8%. The high rate of profitability ensures stability in the banking sector. Despite the stability of the Georgian banking sector, compared to other companies, banks face a more competitive and volatile global environment. In general, the banking sector is very sensitive to public scrutiny and the risks associated with management and stakeholder failure. Governance issues in banks are gaining enormous importance. The purpose of this research is to study the determinants of the structure of the Board of Directors and their impact on the profitability of the banking sector in relation to Georgia. The study identifies the structure of the board of directors as an alternative function of the management mechanism, the characteristics of the board, and the control variables. The banking sector of Georgia is represented by 15 banks, whose empirical research was conducted quarterly for 2017-2021. The study found that firm size and age of the supervisory board were negatively correlated with ROE, while the size, duality, concentration of ownership, corporate insiders and institutional ownership were positively correlated with ROE. However, these variables are not statistically significant. The study also examined the relationship between board of directors parameters and net interest margin. The study found that the size of the supervisory board, the size of the board of directors, corporate insiders are statistically significant. Of these variables, blockholders, supervisory board size, and corporate insiders are negatively correlated with net interest margin, while board size and duality are positive.

KEYWORDS Agency Theory; Principal; Agent; board of directors; institutional ownership; ownership concentration; CEO duality; Leverage; ROA; ROE

JEL B26, D21, D22, D23, G30, L30

W3A – Health, Tourism and Labor · Wednesday 14 June, 14:00–14:20, Atrium

Government Support and Incentives of Medical Tourism

Gigi Kuparadze¹

¹Grigol Robakidze University, Georgia

ABSTRACT

W3A – Health, Tourism and Labor · Wednesday 14 June, 14:20–14:40, Atrium

Employment Issues in Georgian Hospitality Industry

Maia Meladze¹

¹Grigol Robakidze University, Georgia

A B S T R A C T

W3A – Health, Tourism and Labor · Wednesday 14 June, 14:40–15:00, Atrium

State Policy of Labor Safety in Georgia - Decent Job The Goal of Sustainable Development

Guguli Turmanidze¹, Levan Meskhishvili¹

¹Grigol Robakidze University, Georgia

A B S T R A C T

W4A – Innovation · Wednesday 14 June, 15:20–15:40, Atrium

Entrepreneurial Incentives among University Students in Georgia

Tengiz Taktakishvili¹

¹Grigol Robakidze University, Georgia

A B S T R A C T

W4A – Innovation · Wednesday 14 June, 15:40–16:00, Atrium

The Fintech Impact on Financial Institutions in Georgia

Mariam Lashkhi¹, Lana Ebralidze¹

¹Grigol Robakidze University, Georgia

ABSTRACT

W4A – Innovation · Wednesday 14 June, 16:00–16:20, Atrium

Financial Crisis and Financial Innovation

Tamar Gamsakhurdia¹, Ketevan Maisuradze¹

¹Grigol Robakidze University, Georgia

A B S T R A C T

T1M – Markets and Marketing · Thursday 15 June, 10:00–10:20, Main Conference Room

Development of Antimonopoly Policy in Georgia

Slava Fetelava¹

¹Grigol Robakidze University, Georgia

A B S T R A C T

T1M – Markets and Marketing · Thursday 15 June, 10:20–10:40, Main Conference Room

Permission Marketing Strategy Shaping Consumer Behaviour Through Online Communication Channels

Irakli Abashidze¹

¹Grigol Robakidze University, Georgia

ABSTRACT

T1M – Markets and Marketing · Thursday 15 June, 10:40–11:00, Main Conference Room

Marketing Strategy of Wine Tourism in Georgia

Maka Phiranashvili¹

¹Grigol Robakidze University, Georgia

ABSTRACT

T2M – Labor, Wealth and Inflation · Thursday 15 June, 11:20–11:40, Main Conference Room

Postponement, career development and fertility rebound

Thomas Seegmuller¹

¹Aix-Marseille School of Economics, France

ABSTRACT

We use an overlapping generations setup with two reproductive periods to explore how fertility decisions may differ in response to economic incentives in early and late adulthood. In particular, we analyze the interplay between fertility choices [related to career opportunities] and wages, and investigate the role played by late fertility. We show that young adults only postpone parenthood above a certain wage threshold and that late fertility increases with investment in human capital. The long run trend is either to a low productivity equilibrium, involving high early fertility, no investment in human capital and relatively low income, or to a high productivity equilibrium, where households postpone parenthood to invest in their human capital, with higher late fertility and higher levels of income. A convergence to the latter state would explain the postponement of parenthood and the fertility rebound observed in Europe in recent decades.

KEYWORDS fertility; postponement; reproductive health; overlapping generations

JEL J11, J13, E21

T2M – Labor, Wealth and Inflation · Thursday 15 June, 11:40–12:00, Main Conference Room

The Causes of the Inflation Problem in Türkiye After the Covid-19 Pandemic and Strategies to Combat Inflation

Betül Gür¹

¹Istanbul Ticaret University, Turkey

ABSTRACT

In Türkiye, inflation has been a significant macroeconomic issue at various times throughout history. Although stability in inflation was achieved in the 2000s, recent years have seen a tendency towards destabilization and high inflation. This study aims to compare the causes of price instability in Türkiye before and after the Covid-19 pandemic, evaluate the measures taken to ensure price stability, and assess the success of these measures. The study also aims to compare the reasons for the inflation problem in Türkiye between past and present, and compare the national and international methods for combating inflationary trends emerging after the pandemic. The results of the study show that expansionary monetary and fiscal policies, both globally and in Türkiye, have caused inflation after the Covid-19 pandemic. Therefore, the current inflation problem in the Turkish economy differs from the inflation problems of the past, which were caused by excess demand, inefficiency, or the financing of budget deficits. However, the policies adopted before the pandemic in Türkiye have increased inflationary tendencies even before the pandemic. The adoption of heterodox monetary policies for combating inflation, contrary to the orthodox macroeconomic policies and strategies of other countries, has contributed to the continuing increase of inflation.

KEYWORDS Türkiye; Inflation; Interest Rate; Monetary Policy; Covid-19

JEL E52, E43, E42

T2M – Labor, Wealth and Inflation · Thursday 15 June, 12:00–12:20, Main Conference Room

Distributional Effects of Monetary Policy on Income and Wealth Inequality in Developing Asia

Warawut Ruankham¹, Yuthana Sethapramote¹

¹National Institute of Development Administration, Thailand

ABSTRACT

Despite studies in more developed nations, this work extends the findings of monetary policy's distributional effect on income and wealth inequality in emerging countries, particularly the long run cointegration. We exhibit a longer view of monetary policy transmission and observe its distributional effects on income and wealth inequality in developing Asia using the panel data between 2000-2021 from the World Inequality Database. Based on the Panel Vector Auto Regressive and the Auto Regressive Distributed Lag model, expansionary monetary policy, which leads to lower interest rates and higher inflation, widened income and wealth disparities in both short and long run. Economic growth is a double-edged sword. It decreases income inequality while increasing wealth disparity in the long run. Our findings suggest that central banks should address the distributional effects of their policies and include inequality in the long-term monetary goals.

KEYWORDS Effect; Monetary Policy; Income Inequality; Wealth Inequality; Panel ARDL bound test

JEL C22, C32, E52, E63

T3M – Markets and Marketing · Thursday 15 June, 14:00–14:20, Main Conference Room

Assessment of cooperation between higher education institutions and employers in Georgia

Vasil Kikutadze¹, Murtaz Kvirkvaia², Natia Daghelishvili³, Givi Gujaraidze³, Tamar Tavkhelidze³

¹East European University, Georgia

²Kutaisi International University, Georgia

³Grigol Robakidze University, Georgia

ABSTRACT

T3M – Markets and Marketing · Thursday 15 June, 14:20–14:40, Main Conference Room

China and the S. Caucasus Economic Interests

Shota Gulbani¹

¹Grigol Robakidze University, Georgia

A B S T R A C T

T3M – Markets and Marketing · Thursday 15 June, 14:40–15:00, Main Conference Room

Prospects for the economic development of Georgia and the importance of energy and transport potentials

Demur Giorgkheldze¹

¹Grigol Robakidze University, Georgia

ABSTRACT

T3M – Markets and Marketing · Thursday 15 June, 15:00–15:20, Main Conference Room

Comparative Analysis of the Economic Environment of Georgia and the United States of America in a Global Context

Shota Shaburishvili¹, Irma Lang²

¹TSU, Georgia

²TSU, USA

A B S T R A C T

The article compares Georgia's and the United States economic environments. Economic factors have a substantial impact on the macroeconomic environment of both countries. The economic exploration covers the two countries present trends, priorities, targets, and aspirations. Georgia and the United States have a long history of collaborating in the political, economic, and cultural fields. Both countries regard each other as important allies and their bilateral ties have undergone significant transformations. The article discusses the benefits of the GSP trading structure for Georgian exports, imports and the associated recommendations based on the results generated; the article suggests that a FTA is required for Georgia and the United States to progress into a mutually beneficial economic partnership. Leading international organizations' 2017–2021 reports were utilized to examine the economic, investment, and financial statistics of the countries. According to the indexes, Georgia is being confronted with a lot of challenges. Relevant inferences were drawn based on the collected results; the rating scores of Georgia and the U.S. were also investigated. Despite the implementation of a number of economic reforms in Georgia, the country's metrics in global rankings are relatively low. Improving this statistic involves further government actions focused on strengthening the economic environment.

KEYWORDS Georgia; USA; Economic Environment; Factors; Global Indexes

JEL A10, B17

F1Z – Örgütsel Davranış ve Havayolu · Friday 16 June, 10:00–10:20, Zoom Room Tbilisi

Bir Örgütsel İkiyüzlülük Hikâyesi: Greenwashing

Hayat Ebru Erdost Çolak¹

¹Ankara University, Turkey

ABSTRACT

While defining hypocrisy, which means one's words are different from his/her essence, it is necessary to underline the intention to deceive rather than inconsistency. The issue of organizational hypocrisy is examined through discussions of new institutionalism. Institutional environment is the common space where customers/consumers, suppliers, competitors, regulators and non-governmental organizations exist. By complying with the demands of the environment, organizations that provide apparent isomorphism to meet expectations gain the legitimacy that is necessary for survival. Inconsistent/conflicting demands of stakeholders cause the organization to act "as if" while gaining legitimacy, and the new standards and practices adopted remain on paper while the firm continues its previous practices. Organizations "pretending" to make themselves look better than they really are is often viewed as manipulative and unethical. Greenwashing is the presenting a brand as if it is environmentalist and making false/misleading advertisements. In other words, it is to ensure that the firm is perceived as a socially responsible and environmentally friendly firm in the market called green consumption with the increase of environmentally conscious consumers and to try to profit from it. In this study, some examples of large international companies found to be greenwashing are examined.

KEYWORDS organizational hypocrisy; greenwashing

JEL M14, M10, M30

F1Z – Örgütsel Davranış ve Havayolu · Friday 16 June, 10:20–10:40, Zoom Room Tbilisi

Türkiye’de Havayolu Sektöründe Kural Dışı Yolcular: Zorluklar, Eksiklikler ve Daha Etkin Bir Düzenleme Sistemi İçin Öneriler

Selen Atsan¹, Aliye Atay¹

¹University of the Turkish Aeronautical Association, Turkey

ABSTRACT

The attitudes and behaviors of passengers, both before and during flights, are of great importance for aviation safety and security. In this context, passengers who engage in behavior that endangers the safety and security of the aircraft and equipment, disrupts order and safety, or causes material damage to the aircraft or other passengers or cabin crew, and do not comply with the rules established by civil aviation authorities, are defined as unruly passengers. The airline industry is facing increasing challenges in dealing with unruly passengers, who pose significant safety risks and create extra costs by disrupting flight operations. The aim of this study is to analyze the profile of unruly passengers in Turkey by examining the unruly passenger notification reports sent by airlines to the Directorate General of Civil Aviation (DGCA). The study aims to identify deficiencies in the regulatory system that cause delays in the process from the occurrence of incidents to the imposition of administrative fines. The data for the study was compiled from the unruly passenger complaint forms received by the DGCA in Turkey between 2019-2022. The findings of the study are important for policymakers, airlines, and passengers. Policymakers can use the recommendations to develop more effective policies and practices for dealing with unruly passengers, while airlines can use training and awareness programs to address unruly passengers and overcome operational disruptions that cause costs. Passengers can benefit from the study by better understanding the consequences of unruly behavior on flights and the importance of complying with safety regulations. The findings of the study are significant for the airline industry on both national and international levels, and are of value to policy makers, airlines, and passengers alike.

KEYWORDS Airline Passenger Transportation; Unruly Passenger; Aviation Safety

JEL C1, L93, O1, R4

Investigation of Applicability of Activity-Based Costing in the Airline Industry: An Empirical Research

Yaşar Köse¹

¹University of the Turkish Aeronautical Association, Turkey

ABSTRACT

The airline industry is a capital-intensive industry with different types of fixed and variable costs and a high degree of competition. Controlling and reducing costs in the sector is important for maintaining competitive power. The deregulations and relaxation of regulations in the sector in the 1990s intensified the current competitive environment. In order to control and reduce costs, airline companies make derivative contracts against the increase in fuel costs, include newer and low-fuel aircraft in their fleets, create human resources policies, and make strategic alliances with other airline companies.

Southwest Airlines first developed a "low-cost carrier" business model to reduce the costs of airline companies, and this business model was started to be implemented by many American, European and Asian airline companies. LCC offers simpler, reduced and standard services to customers in its business model, and customers pay extra money for additional services requested during the flight. In addition to the airline companies that determine the business model known as LCC today, there are "classical" (legacy) airlines that are not LCC but adopt to approach the LCC business model for cost reduction and control.

Controlling and reducing costs also requires a more accurate and realistic calculation of costs. Basic elements of cost is direct material, direct labor and overhead expenses. In classical costing and activity-based costing approaches, direct materials and direct labor are traced to the goods and services directly, while overheads are assigned to the goods and services produced using various cost pools and cost allocation base. While in classical costing, overhead costs are assigned to the goods and services in a rough way (that is, the characteristics of the products produced and the amount of resources used in the production process are not taken into account, and only one or two cost distribution keys are used), in Activity Based Costing, all the works done within the enterprise are determined as a rational groups and large number of cost allocation base with compatible these groups. Then activity costs are assigned on goods and services that are more precisely and accurately. Thus, the costs of different goods and services produced in the enterprise can be calculated in a more accurate and real way. Otherwise, if the cost is miscalculated (under-costing or over-costing), the business may either make a loss or lose its market share.

Airline carrier companies that adopt the LCC business model generally provide standard service to all passengers in the cabin and since there is no class distinction, it will be determined as a result of the analysis that classical costing will be appropriate in such companies. As a result of the analysis, it will be determined that Activity-based costing will be a more accurate and realistic calculation due to the differentiation of services offered in airline companies that have class distinctions (Economy, Comfort and Business) for passengers that adopt the classical business model.

KEYWORDS Airline Industry; Low Cost Carrier; Activity Based Costing

JEL M21, M40

F2Z – Labor · Friday 16 June, 11:20–11:40, Zoom Room Tbilisi

Job satisfaction of healthcare workers after Brexit

Cristina Vilaplana-Prieto¹

¹University of Murcia, Spain

ABSTRACT

We document that leaving the European Union (EU) exerted significant effects to the motivation of the health-related workforce in the United Kingdom (UK), which resulted in lower job satisfaction and a rise in working times. Such effects were driven by difference channels such as understaffing, reliance on temporary recruitment and recruitment difficulties as well as lost motivation of teams made up of European Union nationals, and other wider crowding out of pro-social motivation to work for the National Health Service (NHS) after Brexit for both European and British medical professionals. We examine longitudinal evidence of the effect of Brexit on job satisfaction of health care and other workers in the UK. Given the unexpected nature of the Brexit referendum we rely on evidence from event studies and a difference in differences strategy and longitudinal evidence to document strong robust evidence of detrimental effect of Brexit on job satisfaction, influenced by both understaffing and wider mental health effects (burnout). We document a reduction of almost 6% in job satisfaction for HC employees a 3.84% in working hours and a 3.41% real salary reduction. The effect is heterogeneous and larger for doctors and nurses than managers and other health care professionals.

KEYWORDS job satisfaction; Brexit; health care work force; workforce composition; NHS

JEL I12, J22, J45

F2Z – Labor · Friday 16 June, 11:40–12:00, Zoom Room Tbilisi

Domestic Violence as a Role Model Behavior: A Machine Learning Approach

Cemal Öztürk¹, Hakan Ulucan²

¹Pamukkale University, Turkey

²Anadolu University, Turkey

ABSTRACT

This study analyzes the paths of partner violence caused by observing the violence between father and father in childhood. This means that the study analyzes the role of both males' and females' childhood experiences of observing violence in their nuclear families on using or facing domestic violence in their current relationships via machine learning algorithms. The data used in the study is from the Turkish National Survey of Domestic violence conducted in 2008 and 2014. Preliminary results show that witnessing domestic violence in childhood increases the probability of using domestic violence in the current relationship for males. For females, on the other hand, corresponding childhood experience increases the probability of being a domestic violence victim in the current relationship with an intimate partner. The results probably stem from mimicking the role model behavior observed in childhood in older ages.

KEYWORDS D19; J12; J16

F2Z – Labor · Friday 16 June, 12:00–12:20, Zoom Room Tbilisi

Factors determining fuel choice and health of under-five child: Evidence from three-decade household responses in India

Priyandu M Bajpayee¹, Pratap Chandra Mohanty¹

¹Indian Institute of Technology- Roorkee, India

A B S T R A C T

One of the main causes of health difficulties is household air pollution. In India, the fifth National Family Health Survey report from 2022 states that 41% of the population overall and more than half of the rural population still rely on solid or dirty fuel combustions, which would result in future health risks. This paper discusses the factors affecting household's decision regarding cooking fuel. The National Family Health Survey responses from all five rounds are utilised to chart the usage of unclean fuel during the last 30 years. Cooking fuel determinants and relative likelihood of acute respiratory infection among under-five children are analysed using an integrated approach, adjusted probit and logit models respectively. The number of households using unclean fuel has declined over the years, with a slightly higher decline in the last five years. The household choice of cooking fuel is influenced by the poverty status and place of residence of households. Further, the children in households using clean fuel are less likely to suffer acute respiratory infections.

KEYWORDS Cooking fuel; Household air pollution; Health effect; Acute respiratory infection; Indoor pollution
JEL D12, I12, P28

F3Z – Money and Finance · Friday 16 June, 14:00–14:20, Zoom Room Tbilisi

Following a new tax leader: the urge to implement Formulary Apportionment in the European Union

Joana Vicente¹

¹Lisbon School of Economics and Management, Portugal

ABSTRACT

In this paper we analyse the United States' role as the current international tax leader, acting as an institutional leader incapable of pushing forward towards a new, more suitable international corporate tax regime, due to the particularities of its international taxation system and economic preferences. After assessing United States multinationals' activity in the Single Market, we find evidence of artificial profit shifting across Member States under the current method to allocate multinational enterprises' profits. Such actions challenge a fair international taxation in the European Union, distorting European internal competition and hampering tax revenues collection. Although it may not be (yet) the time for a worldwide unitary taxation approach, the analysis performed highlights the urge for the European Union to overcome the United States political power and to unilaterally adopt the Formulary Apportionment approach, overhauling a century-old set of global tax rules based in the separate entity approach.

KEYWORDS Country-by-Country Reporting; European Union; Formulary Apportionment; United States multinationals enterprises; tax havens

JEL F23, H25, H26

F3Z – Money and Finance · Friday 16 June, 14:20–14:40, Zoom Room Tbilisi

Overbuilding and Recession: A new Drawback of Housing Market Boom-and-Bust Cycle

Xiang Shi¹

¹Hong Kong University of Science and Technology, Hong Kong

A B S T R A C T

In this paper I unveil a new mechanism through which a housing market boom leads to a recession after the housing market bubble bursts. Overbuilding, the increased residential construction triggered by optimism or fake news instead of the economic foundation, crowds out physical investment during the boom because of general equilibrium effect. This crowded-out physical investment will induce a recession (or amplify the loss and prolong the span of the recession) via the scarcity in physical capital. Relative intratemporal elasticity of substitution (to intertemporal elasticity), financial friction and idiosyncratic shock can aggravate this crowd-out effect through consumption substitution, liquidity easing and precautionary saving. In addition to these three engines, wealth distribution also plays an important role in catalyzing these effects and causing an inequality problem.

KEYWORDS Heterogeneous Household; Consumption; Expectations; Great Recession; Business Cycle; VAR

JEL E21, E22, E30, E51, E58

F3Z – Money and Finance · Friday 16 June, 14:40–15:00, Zoom Room Tbilisi

What Moves the Cryptocurrency Market? A Causality and Wavelet Coherence Analysis

George Morcerf¹

¹IBMEC, Brazil

A B S T R A C T

This paper analyzes the traditional asset markets, to verify if these markets have the capacity to impact the cryptocurrency market. This paper also analyses the relation between the investor's attention and the cryptocurrency market. To do this, a proxy for the complete cryptocurrency market with more than 6 thousand cryptocurrencies was utilized. First, a VAR(1) model was estimated to verify how the shock of the traditional market, the internal shocks, and the investors' attention shocks impact the market. Second, the Granger causality test and Wavelet Coherence were used to test impact for each variable. The results showed that the Bitcoin price and the average price of the coins have a mild impact in a short time in the cryptocurrency market, between 1 and 4 weeks. In addition, it was possible to verify that investors' attention is generated by market growth. About the traditional asset market, it was possible to verify that the commodity has a leading relation to the cryptocurrency market in the long term. The results found in this paper reinforce the thesis of the independence of the cryptocurrency market presented by other authors and brings new information that this is a market that is most influenced by its internal dynamics and has few impacts on investors.

KEYWORDS Cryptocurrency; Investors' Attention; Wavelet Coherence; Granger Causality

AUTHOR INDEX

Abashidze, Irakli	19	Maisuradze, Ketevan	17
Anguridze, Otar	10	Meladze, Maia	13
Atay, Aliye	29	Meskhishvili, Levan	14
Atsan, Selen	29	Mohanty, Pratap Chandra	33
Bajpayee, Priyandu M	33	Morcerf, George	36
Charaia, Vakhtang	8	Öztürk, Cemal	32
Çolak, Hayat Ebru Erdost	28	Papava, Vladimer	8
Daghelishvili, Natia	24	Phiranashvili, Maka	20
Ebralidze, Lana	16	Ruankham, Warawut	23
Fetelava, Slava	18	Seegmuller, Thomas	21
Gamsakhurdia, Tamar	17	Sethapramote, Yuthana	23
Giorgkhelidze, Demur	26	Shaburishvili, Shota	27
Gujaraidze, Givi	24	Shi, Xiang	35
Gulbani, Shota	25	Sikharulidze, David	10, 11
Gür, Betül	22	Taktakishvili, Tengiz	15
Kikutadze, Vasil	24	Tavkhelidze, Tamar	24
Köse, Yaşar	30	Tsutskiridze, Giorgi	9
Kuparadze, Gigi	12	Turmanidze, Guguli	14
Kvirkvaia, Murtaz	24	Ulucan, Hakan	32
Lang, Irma	27	Vicente, Joana	34
Lashkhi, Mariam	16	Vilaplana-Prieto, Cristina	31