Business & Economic Article Links (August 2014)

1.

Title: The crisis of intellectual monopoly capitalism
Authors: Pagano, Ugo
Source: Cambridge Journal of Economics; 2014. Advance Access. First published online: August 4, 2014
Abstract: The last three decades have witnessed the emergence of a new species of capitalism. In spite of marked differences between its national varieties, a common characteristic of this species can be found in the global monopolisation of knowledge. This monopolisation involves hierarchical relations among firms and between capital and labour, because the capital of some firms includes the exclusive ownership of much of the knowledge used in production. Since the 1994 Trade-Related Aspects of Intellectual Property Rights agreements, the growing commoditisation of knowledge has extended the role of closed science and closed markets at the expense of open science and open markets. The intrinsic long-term dynamics of this species of capitalism is increasingly characterised by financialisation, inequality and stagnation. In order to exit from the current crisis, we must change many features of intellectual monopoly capitalism and rely on an eclectic approach that draws insights from liberal, Keynesian and Marxian traditions.
Note: *doi: 10.1093/cje/beu025*
Database: Oxford Journals Online

2.

Title: Macroeconomic policy in recessions and unemployment hysteresis
Authors: Sturn, Simon
Source: Applied Economics Letters; Sep 2014, Vol. 21, Issue 13, Pp. 914-917
Abstract: I adopt Ball's (1999) cross-sectional approach to test for unemployment hysteresis to panel data. Long-run unemployment is explained with standard institutional controls, and proxies for monetary and fiscal policy reactions in recessions. The sample consists of 20 OECD countries for the period 1985 to 2008. The results indicate that fiscal consolidation in recessions has long-lasting effects on unemployment. No significant impact of monetary policy is found. However, tentative evidence suggests that the effects of fiscal spending are stronger when accommodated by expansionary monetary policy.
Note: DOI:10.1080/13504851.2014.899660
Database: Taylor & Francis Online

3.

Title: Economic growth and financial liberalization in the EU accession countries
Authors: Özdemir, Durmus
Source: Applied Economics Letters; Sep 2014, Vol. 21 Issue 15, p. 1036.
Abstract: This article investigates the impact of financial liberalization on aggregate productivity growth. Based on a sample of the EU accession countries and using quarterly longitudinal panel data between 1995 and 2007, the static robust and dynamic panel data estimates indicate clear evidence of a link between the long-run growth and a number of indicators of financial liberalization. The empirical results illustrate that financial liberalization is negatively related to economic growth significantly. The results imply that higher levels of post-EU-membership growth are not caused by liberalized financial markets.
Note: URL: http://search.proquest.com/docview/1550134869?accountid=15637

Database: ABI/INFORM Complete

4.

Title: Identity economics meets financialisation: gender, race and occupational stratification in the US labour market
Authors: Arestis, Philip, Charles, Aurelie and Fontana, Giuseppe
Source: Cambridge Journal of Economics; 2014. Advance Access. First published online: July 23, 2014
Abstract: Throughout his career Geoff Harcourt has constantly and consistently highlighted the role of social norms and collective decisions in his study of modern economies. In doing so he has put a great deal of emphasis on the distribution of income between different social groups, especially so when concerned with the labour market. This article attempts to celebrate this particular aspect of his numerous contributions to economics by highlighting the role of social norms in influencing earnings across occupations and demographic groups in the USA. Social norms generate hierarchy, economic and non-economic inequalities amongst ascriptively distinguished groups. Drawing on the stratification and identity economics literatures, this article proposes a novel theoretical and empirical framework for analysing the effects of financialisation on the earnings dynamics of gender and race groups, a framework that is consistent with discrimination as a source of racial and gender inequality. The empirical methodology used in the form of long-run cointegrating relationships of groups' earnings across occupations assesses whether a pattern of social norms on wage distribution emerges over time. The results of this study show that over the past 30 years social norms have exacerbated the stratification of the US labour market.
Note: doi: 10.1093/cje/beu024
Database: Oxford Journals Online

5.

Title: The Impact of the Fiscal Crisis on Greek and Portuguese Welfare States: Retrenchment before the Catch-up?
Authors: Zartaloudis, S.
Source: Social Policy and Administration; August 2014, Vol. 48, Issue 4, Pp. 430-449
Abstract: This article examines the impact of the ongoing (2008-13) economic crisis on Greek and Portuguese welfare state reforms in a comparative perspective with a particular focus on the public sector, labour markets and social protection. It is argued that the recent crisis caused 'shock and awe' in Greece and Portugal resulting in an unprecedented wave of cuts, tax rises and labour market reforms. In particular, public sector remuneration and jobs were cut, pensions were significantly curtailed and pension rights significantly restricted, successive tax hikes were implemented and welfare benefits became less generous and more conditional. It is argued that these reforms constitute a critical juncture and a considerable effort towards welfare retrenchment, which is which is implemented before converging with the more advanced welfare states of the EU15. Both countries appeared to be significantly more vulnerable to the crisis than the richer countries of Northern Europe (e.g. Germany, Austria, Sweden, Finland and the Netherlands) and their larger Southern counterparts (Italy and Spain). Yet, the latter had to implement similar measures, albeit in a less abrupt and extensive fashion. In other words, it may be that size is less important than economic and political power for coping with the effects of the current crisis. © 2014 John Wiley & Sons Ltd.
Note: DOI: 10.1111/spol.12069
Database: Scopus

6.

Title: Does Financial Liberalisation Affect the Relationship Between the Stock-Market and Economic Growth in Singapore?
Authors: Seet, Min Kok
Source: Journal of American Business Review, Cambridge; Summer 2014, Vol. 2 Issue 2, Pp. 218-224
Abstract: The study analyzed the impact of financial liberalization on the relationship between the stock-market and the real economy in Singapore. As a longitudinal study, it examined whether the relationship between stock-market activities and economic growth could change over time, particularly when subjected to major shocks. The research employed vector auto-regression analysis of time series data over the period 1978-2006, with in-depth analyses in the sub-periods 1978-1996 and 1998-2006 which are separated by the 1997 Asian financial crisis. Impulse response functions were also utilized to assess the dynamic inter-relationships between the stock-market and economic development in Singapore. From the perspective of stock-market development, the study indicated positive bi-directional causality between stock-market activities and economic growth in Singapore, with the mutually beneficial linkages between the stock-market and the real economy becoming less persistent after the 1997 Asian financial crisis. The implications for policy and research were also examined in the study.
Note: URL: http://search.proquest.com/docview/1528489515?accountid=15637
Database: ABI/INFORM Complete

7.

Title: Low-energy development in China
Authors: Sheng, Pengfei and Yang, Jun
Source: Applied Economics Letters; Sep 2014, Vol. 21, Issue 9, Pp. 617-621
Abstract: Energy is a nonrenewable resource. Hence, long-term sustainable development cannot be guaranteed by an increase in energy efficiency but to use the least energy as possible. Therefore, this article builds an index of low-energy development (LEDI) to describe the shift from high-energy development to LEDI. This research, which uses Chinese provincial data set, reveals that the LEDI of China is at the low level, but has a significant upward trend after 2005.
Note: DOI:10.1080/13504851.2013.879276
Database: Taylor & Francis Online

8.

Title: The Supply of Environmentalism: Psychological Interventions and Economics
Authors: Glaeser, Edward L.
Source: Review of Environmental Economics and Policy; Summer 2014, Vol. 8, Issue 2, Pp. 208-229
Abstract: Long before behavioral economists began to combine economic theory with discoveries from psychology, environmentalists were nudging and framing and pushing their cause through psychological interventions. These interventions appear to have changed behavior by altering beliefs, norms, and preferences. However, because psychological interventions are often coarse, they have also resulted in inadvertent, offsetting side effects. This article discusses the interactions between environmental preference-making and economics, and then it examines three areas of environmental interest —electric cars, recycling, and local conservation efforts—where psychological interventions have created strong, widespread, and simple environmental views. However, in all three cases, simple

environmental rules of thumb can lead to significant adverse environmental side effects. Local environmentalism, for example, may increase carbon emissions by pushing development from low emission areas, like coastal California, to high-emission areas elsewhere in the United States. I conclude with a discussion of a fourth issue: how economic analysis of the political supply of ideas can be helpful in understanding the remarkable disparity of views concerning climate change.
Note: DOI: 10.1093/reep/reu005
Database: Oxford Journals Online

9.

Title: Solar Geoengineering's Brave New World: Thoughts on the Governance of an Unprecedented Technology
Authors: Barrett, Scott
Source: Review of Environmental Economics and Policy; Summer 2014, Vol. 8, Issue 2, Pp. 249-269.
Abstract: Due to the failure of international efforts to limit atmospheric concentrations of greenhouse gases, consideration is now being given to solar geoengineering—a deliberate intervention to limit global warming without altering the atmospheric concentration of greenhouse gases. In contrast to emission cuts, geoengineering is expected to be cheap, quick to lower temperature, and feasible through the use of a single intervention. However, geoengineering is an imperfect substitute for emission reductions and will likely have undesirable side effects, only some of which can be anticipated before geoengineering is deployed. Most importantly, because geoengineering can be undertaken unilaterally, it creates issues of governance: Who gets to decide if, when, and how geoengineering should be attempted? This article provides an introduction to the key issues surrounding the governance of this unprecedented technology.
Note: DOI: 10.1093/reep/reu011
Database: Oxford Journals Online

10.

Title: Climate Engineering: Economic Considerations and Research Challenges
Authors: Klepper, Gernot and Rickels, Wilfried
Source: Review of Environmental Economics and Policy; Summer 2014, Vol. 8, Issue 2, Pp. 270-289.
Abstract: Climate engineering measures are designed to either reduce atmospheric carbon concentration (by growing trees or spreading iron in the ocean, for example) or directly influence the radiation reaching or leaving the earth (by injecting sulfur into the stratosphere or modifying cloud formations, for example) to compensate for greenhouse gas–induced warming. The former measures are termed carbon dioxide removal (CDR), which we characterize as a low-leverage causative approach, and the latter are termed radiation management (RM), which we characterize as a high-leverage symptomatic approach. There are similarities between CDR and emission control. Accordingly, benefit-cost analysis can be used to assess certain CDR measures. By contrast, high-leverage RM represents a genuinely new option in the climate change response portfolio, at first glance promising insurance against fat-tail climate change risks. However, the persistent intrinsic uncertainties of RM suggest that any cautious climate risk management approach should consider RM as a complement to (rather than a substitute for) emission control at best. Moreover, the complexity of the earth system imposes major limitations on the ability of research to reduce these uncertainties. Thus we argue that a research strategy is needed that focuses on increasing our basic understanding of the earth system and conducting

comprehensive assessments of the risk(s) associated with both climate change and the deployment of climate engineering.

Note: DOI: 10.1093/reep/reu010
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