

## Business & Economics articles Links (December 2012)

1.

**Title:** [China at the Crossroads](#)

**Author:** Lane, Jan-erik

**Source:** *International Journal of Social Economics*. 2013, Vol. 40, Issue 2, *EarlyCite Article*

**Abstract:** *Purpose* - China has become a most dominant player in the global economy with immense political repercussions, for instance in Africa. The extremely rapid Chinese economic transformation has been accomplished through strong globalisation with e.g. entrance into the WTO framework. Now it faces the challenges of accepting the other side of the globalisation coin, namely institutional transparency, ecological sustainability and foreign policy integration into the international community. *Design / methodology / approach* - Macro approach using country indicators on economic growth, institutional transparency, rule of law and ecology pressure. It relates these index scores to the overall social transformation of the country. *Findings* - China has performed well on economic globalisation but lags on political modernisation, i.e. institutional transparency as well as on ecological sustainability for a post-modern society. *Research limitations / implications* - China must address the challenges of the post-modern society with its call for transparency, sustainability and peaceful accomodation with neighbours. *Practical implications* - Turning the focus upon domestic challenges for the Chinese leadership. *Originality/value* - Putting economic globalisation against political modernisation and ecological globalisation in a clear manner for China.

**Note:** *EarlyCite Article*

**Database:** *Emerald Management*

2.

**Title:** [THE FINANCIAL CHARACTERISTICS OF U.S. COMPANIES ACQUIRED BY FOREIGN COMPANIES](#)

**Authors:** Uygur, Ozge; Meric, Gulser; Meric, Ilhan

**Source:** *Global Journal of Business Research (GJBR)*. 2013, Vol. 7, Issue 1, p1-8

**Abstract:** The number of cross-border mergers and acquisitions has increased considerably after the 2007-2008 financial crisis. However, the post-crisis M&A market has not been studied sufficiently. In this paper, we compare the financial characteristics of the U.S. companies acquired by foreign companies with a matched sample of non-acquired U.S. companies during the post-crisis period. Supporting the findings of the prior literature, we provide evidence that acquiring companies tend to target mismanaged firms with low profitability. We also find that liquidity is not a

significant factor in the acquisition decisions of foreign buyers. This paper is one of the first attempts to empirically examine the post-crisis M&A market, which may encourage more future research on the subject. [ABSTRACT FROM AUTHOR]

**Database: *Business Source Complete***

3.

**Title:** [Growth and Planning Strategies within Women-led SMEs](#)

**Authors:** Mitchelmore, Siwan; Rowley, Jennifer

**Source:** *Management Decision*. 2013, Vol. 51, Issue 1, *EarlyCite Article*

**Abstract:** *Purpose* - This paper explores the planning strategies of female entrepreneurs who have indicated a desire to grow their businesses, the time horizons of planning strategies and the relationship between planning horizons and number of employees and annual sales as measures of business performance. *Design/methodology/approach* - In order to gather data for this exploratory study, a questionnaire was sent by e-mail to members of networks of female entrepreneurs across England and Wales. Questionnaires were selected for analysis on the basis of an indication from the respondent that they wished to grow their business. Data was entered into SPSS to generate descriptive statistics, and conduct hypothesis testing. *Findings* - The most preferred business growth strategies were: improving existing products or services; and, expanding advertising and promotion. Planning horizons are very short (often under 3 months), although the planning horizons associated with new products and entry into new markets were in some instances a little longer. Such short planning horizons could have serious consequences for business performance and growth. The planning horizons for cashflow, and investment in infrastructure showed a correlation with number of employees, whilst the planning horizons for cashflow, new product development, and expenditure showed a correlation with annual sales. *Practical implications* - Female entrepreneurs need to be encouraged to extend their planning horizons, especially in terms of financial indicators such as expenditure, cash flow, and investment. *Originality/value* - This research contributes to the growing literature on female entrepreneurs and their business, by providing further insight into their growth strategies and planning horizons.

**Note:** *EarlyCite Article*

**Database: *Emerald Management***

4.

**Title:** [Merger policy, entry, and entrepreneurship](#)

**Authors:** [Mason](#), Robin; [Weeds](#), Helen

**Source:** *European Economic Review*. January 2013, Volume 57, p23–38

**Abstract:** We assess the impact of merger policy on entry and entrepreneurship. When faced with uncertainty about its prospects, and foreseeing that it may wish to leave the market should profitability prove poor, a rational entrant considers possible exit routes. Horizontal merger reduces competition post-merger which, all else being equal, lowers welfare; but merger also provides a valuable exit route. By facilitating exit and thus raising the value of entry, more lenient merger policy may stimulate entry sufficiently that welfare is increased overall. We calculate the optimal merger policy in the form of a low, but positive, profitability threshold below which merger is permitted despite the adverse impact on post-merger competition. This may be viewed as an extension of the “failing firm defence” to include ailing, low profitability firms as well as imminently failing ones. Merger policy is compared with an entry subsidy, and the implications of strategic firm behaviour for the choice of merger policy are also examined.

**Database:** *ScienceDirect*

5.

**Title:** [CROSS-BORDER MERGERS AND ACQUISITIONS AND COUNTRY RISK RATINGS: EVIDENCE FROM U.S. FINANCIALS](#)

**Authors:** Kiyamaz, Halil

**Source:** *International Journal of Business & Finance Research (IJBFR)*. 2013, Vol. 7, Issue 1, p17-29

**Abstract:** This study reports how country risk and macroeconomic conditions influence the wealth gains of U.S. financial firms involved in international mergers and takeovers. The findings suggest that U.S. financials experience weakly significant wealth gains around announcement date. The wealth gains are significant for takeovers in Latin America. There are also differences in wealth gains of subsector affiliations of financial firms. While banks experiencing wealth loss, both insurance and investment services firms having significant wealth gains. The country risk, including economic, political, and financial risk ratings, help to explain the wealth gains to financial bidders. [ABSTRACT FROM AUTHOR]

**Database:** *Business Source Complete*

6.

**Title:** [In the increasingly global economy, are borderland regions public management instruments?](#)

**Authors:** Brunet-Jailly, Emmanuel

**Source:** *International Journal of Public Sector Management*. 2012, Vol. 25, Issue 6/7, p483-491

**Abstract:** Purpose – The twenty-first-century globalizing economy and free trade regimes in Europe and North America transform regions and their economies. This paper aims to question, in comparative perspective with European experiences, whether free trade, and particularly continental economic integration in North America, impacts the economies, and leads to forms of transboundary governance. It then seeks to complement this discussion by a review of the perceptions public managers have of those developments. Design/methodology/approach – This paper is based on a review of the literature, public policy and individual interviews, and a survey of 700 private and public policy decision makers. Findings – The evidence presented in this paper suggests that increased economic interdependence has led to the emergence of trans-boundary governance. Public managers and policy-makers view those as mechanisms that ease trade and public policy relations. Originality/value – Contrary to broad assumption, North American trans-boundary policy networks are helping trade relations and facilitate policy making. [ABSTRACT FROM AUTHOR]

**Database:** *Business Source Complete*

7.

**Title:** [A yen for global growth: The Japanese experience in cross-border M&A](#)

**Authors:** Honda, Keiko; Lostaglio, Keith; Oka, Genki

**Source:** *McKinsey Quarterly*. 2012, Issue 4, p134-139

**Abstract:** The article presents management research on management of consolidations, mergers and acquisitions (M&A) of foreign corporations by corporations in Japan. An increase in such M&As in the 21st century by Japanese corporations is noted. Interviews with executives of acquired companies are used to identify problems common to such acquisitions including poor planning, overly intrusive participation by parent company middle managers and limited prospects for foreign executives in Japanese firms. Management practices used by Japanese corporations to address those problems are examined including establishing mentoring and exchange programs for executives, creating special units to manage coordination following an acquisition and programs for management of corporate culture.

**Database:** *Business Source Complete*

8.

**Title:** [A Next Step in Debt Enforcement: the Merger of Debt Help and Debt Collection](#)

**Authors:** Huls, Nick

**Source:** *Journal of Consumer Policy*. December 2012, Vol. 35, Issue 4, p497-508

**Abstract:** Since the 1990s, each Member State of the European Union designed a policy that infused the liberal American fresh start policy into its own social institutions and legal culture. Especially in countries with a civil law tradition, the legal position of the consumer has improved. The paradigm of lifelong liability of debts has been replaced by a form of limited liability. Discharge of debts has established itself as a firm legal principle in all European jurisdictions. In most European countries, the new approach consists of a combination of legal and extrajudicial instruments. Under the umbrella of the courts, social workers, trustees, and administrators perform a broad range of activities in monitoring and helping debtors. The so-called new-chance approach has dramatically changed the playing field amongst debtors and creditors. The new legal equilibrium worked rather well in most European countries in the 1990s and 2000s. However, the systems are obviously far from perfect as almost all European governments are still fine-tuning their laws. Recently, two innovations have appeared on the European stage: Some Nordic countries have opted for a centralized state-controlled enforcement system, while in the UK, commercial debt management plans were developed, mainly by commercial suppliers. In 2005, the US Bankruptcy Code was changed in favour of the creditors. The 2008 credit crunch and its aftermath present a window of opportunity for the next step in the modernization of debt enforcement policy. I will suggest a merger of the fields of debt relief and debt collection, with a pivotal role for independent trustees. [ABSTRACT FROM AUTHOR]

**Database:** *Business Source Complete*

9.

**Title:** [Does ecological economics have a future?: Contradiction and reinvention in the age of climate change](#)

**Authors:** [Anderson](#), Blake; [M'Gonigle](#), Michael

**Source:** *Ecological Economics*. December 2012, [Volume 84](#), p37–48

**Abstract:** This paper addresses the role of neoclassical methodologies in ecological economics and the contradictions these methodologies pose to the field's critical founding principles. We first consider Robert Costanza's treatment of Nicholas Stern's Global Deal and then survey climate change-related articles published in this journal over the past five years. This survey reveals how mainstream (neoclassical) methodologies dominate discourse, an 'methodological pluralism' actually entails an ideological empiricism that renders ecological economics theoretically incoherent. This situation undermines the field's historical promise as an alternative economic paradigm. Ecological economics now faces a problematic future. Its survival in a form faithful to its founding vision will require an explicit choice to address its internal contradictions, and reinvent itself in ways relevant to our contemporary

context. Without such a choice, ecological economics will likely succumb to an implicit acceptance of the hegemony of mainstream economic methodologies and their pro-growth imperatives. It does so by marginalizing more critical (political economy) analyses. This situation imperils the field's founding vision of a no-growth 'steady state'; it also fails to address the (related) growth dynamics of capitalism. Without such a critical treatment, the field's formal embrace of

**Note:** *The Economics of Degrowth (Special issue)*

**Database:** *ScienceDirect*

10.

**Title:** [Emerging market sovereign bond spreads: Estimation and back-testing](#)

**Authors:** [Comelli](#), Fabio

**Source:** *Emerging Markets Review*. December 2012, [Volume 13, Issue 4](#), p598–625

**Abstract:** We estimate sovereign bond spreads of 28 emerging economies over the period January 1998–December 2011 and test the ability of the model in generating accurate in-sample predictions for bond spreads. The impact and significance of explanatory variables on spreads vary across regions and periods. During crisis times, good macroeconomic indicators are helpful in containing spreads, but less than in non-crisis times, possibly reflecting the impact of extra-economic forces on spreads when a financial crisis occurs. For some economies, in-sample predictions of the monthly changes in spreads obtained with rolling regression routines are more accurate than those obtained with random guessing.

**Database:** *ScienceDirect*

11.

**Title:** [International Diversification](#)

**Authors:** [Majocchi](#), Antonio; [Strange](#), Roger

**Source:** *Management International Review*. December 2012, Volume 52, [Issue 6](#), p 879-900

**Abstract:** International diversification can have both benefits and costs. In this paper, we argue that a firm's level of international diversification depends not only upon firm-specific characteristics such as its size and the industry to which it belongs, but also upon its ownership structure and the ability of its management to carry out an international strategy. We test our hypotheses using a panel of Italian

firms. Our findings show that a high level of family ownership has a negative effect on international diversification, but that an inactive market for corporate control negates this. We found too that when the board of a family-owned firm has a higher proportion of independent directors, international diversification is greater. We also found that similar to the family-ownership effect, a high level of state ownership results in less international diversification. Overall our results confirm that corporate governance variables affect international diversification.

***Database: SpringerLink***

**12.**

**Title:** [The perils of best practice: Should you emulate Apple?](#)

**Authors:** [Capozzi, Maria M.](#); [Kellen, Ari](#); [Smit, Sven](#)

**Source:** *McKinsey Quarterly*. 2012, Issue 4, p8-11

**Abstract:** The article analyzes the success of Apple consumer electronics company. Apple's growth is defined in the categories of competing in the right market, purchasing growth through mergers and acquisitions, and growing organically by gains in market share. Apple's success is attributed to the convergence of factors such as talent management, corporate leadership, strategic planning, technological innovation, and innovation adoption. The study concludes that Apple is a relevant model for other companies planning their own innovation strategies for design, brand loyalty, and retailing.

***Database: Business Source Complete***

**Selected by Ploenchan Akvanich, Research Support Services,  
December 2012.**