

## Business & Economic articles Links (January 2013)

1.

**Title:** [The Porter Hypothesis at 20: Can Environmental Regulation Enhance Innovation and Competitiveness?](#)

**Authors:** [Ambec](#), Stefan, [Cohen](#), Mark A., [Elgie](#), Stewart and [Lanoie](#), Paul

**Source:** *Review of Environmental Economics and Policy*; 2013, Advance Access. First Published Online: January 4, 2013

**Abstract:** Some twenty years ago, Harvard Business School economist and strategy professor Michael Porter challenged conventional wisdom about the impact of environmental regulation on business by declaring that well-designed regulation could actually enhance competitiveness. The traditional view of environmental regulation held by virtually all economists until that time was that requiring firms to reduce an externality like pollution necessarily restricted their options and thus by definition reduced their profits. After all, if profitable opportunities existed to reduce pollution, profit-maximizing firms would already be taking advantage of them. Over the past twenty years, much has been written about what has since become known simply as the Porter Hypothesis. Yet even today, we continue to find conflicting evidence concerning the Porter Hypothesis, alternative theories that might explain it, and oftentimes a misunderstanding of what the Porter Hypothesis does and does not say. This article examines the key theoretical foundations and empirical evidence concerning the Porter Hypothesis, discusses its implications for the design of environmental regulations, and outlines directions for future research on the relationship between environmental regulation, innovation, and competitiveness.

**Note:** First Published Online on January 4, 2013

**Database:** *Oxford Journals Online*

2.

**Title:** [The Impact of the Global Food Crisis on Self-Assessed Food Security](#)

**Authors:** [Headey](#), Derek D.

**Source:** *World Bank Economic Review*; 2013, [Advance Access](#). First Published Online: January 7, 2013

**Abstract:** We provide the first large-scale survey-based evidence on the impact of the global food crisis of 2007–08 using an indicator of self-assessed food security from the Gallup World Poll. For the sampled countries as a whole, this subjective indicator of food security remained the same or even improved, seemingly owing to a combination of strong economic growth and limited food inflation in some of the most populous countries, particularly India. However, these favorable global trends mask divergent trends at the national and regional levels, with a number of

countries reporting substantial deterioration in food security. The impacts of the global crisis therefore appear to be highly context specific.

**Note:** *First Published Online: January 7, 2013*

**Database:** *Oxford Journals Online*

3.

**Title:** [Central banks and financial stability: rediscovering the lender-of-last-resort practice in a finance economy](#)

**Authors:** [Le Maux](#), Laurent and [Scialom](#), Laurence

**Source:** *Cambridge Journal of Economics*; January 2013, Volume 37, Issue 1, Pp.1-16

**Abstract:** The purpose of our paper is to assess whether central banks have adopted new practices of lending in last resort during the 2007–09 financial crisis. We compare the current period with the classical period, both featured by a finance economy with developed financial markets and unregulated institutions. Beyond the differences determined by the monetary regime and concerning the central bank rate policy, we find similarities such as the enlargements of the set of counterparties and eligible collateral assets. Since the credit system is based on financial markets and innovations, central banks have a wider involvement that goes beyond a narrow conception of the lender of last resort that prevailed under a regulated banking system. We conclude that the historical roots of financial stabilisation by central banks in a finance economy have just been rediscovered, and that the functions of lender of last resort and market maker of last resort may be analytically integrated.

**Database:** *Oxford Journals Online*

4.

**Title:** [The King and I: monarchies and the performance of business groups](#)

**Authors:** [Herzog](#), Jeffrey Owen, [Munir](#), Kamal A. and [Kattuman](#), Paul

**Source:** *Cambridge Journal of Economics*; January 2013, Volume 37, Issue 1, Pp.171-185

**Abstract:** Large, highly diversified business groups are a prominent feature of the industrial landscape of most emerging economies. Their competitiveness has been the topic of much debate in the international business literature. This paper intervenes in this debate by utilising data from Thailand and demonstrating that whereas business groups create value by filling institutional voids, the political context of a country and the investment of powerful actors in particular groups can cause great variance across business groups' performance.

**Database:** *Oxford Journals Online*

5.

**Title:** [Technology, distribution and the rate of profit in the US economy: understanding the current crisis](#)

**Authors:** [Basu](#), Deepankar and [Vasudevan](#), Ramaa

**Source:** *Cambridge Journal of Economics*; January 2013, Volume 37, Issue1, Pp.57-89

**Abstract:** This paper offers a synoptic account of the state of the debate among Marxist scholars regarding the current structural crisis of capitalism, identifies two broad streams within the literature dealing, in turn, with aggregate demand and profitability problems, and proceeds to concentrate on an analysis of issues surrounding the profitability problem in two steps. First, evidence on profitability trends for the non-farm non-financial corporate business, the non-financial corporate business and the corporate business sectors in post-war USA are summarised. A broad range of profit rate measures are covered and data from both the US Bureau of Economic Analysis (NIPA and Fixed Assets Tables) and the Federal Reserve (Flow of Funds Account) are used. Second, the underlying drivers of profitability, in terms of technology and distribution, are investigated. The profitability analysis is used to offer some hypotheses about the current structural crisis.

**Database:** *Oxford Journals Online*

6.

**Title:** [A Preliminary Assessment of the American Recovery and Reinvestment Act's Clean Energy Package](#)

**Authors:** [Aldy](#), Joseph E.

**Source:** *Review of Environmental Economics and Policy*; 2013. Advance Access. First Published Online: January 4, 2013

**Abstract:** The American Recovery and Reinvestment Act included more than \$90 billion in strategic clean energy investments intended to promote job creation and deployment of low-carbon technologies. In terms of spending, the clean energy package has been described as the nation's "biggest energy bill in history." This article provides a preliminary assessment of the Recovery Act's clean energy package through a review of the act's rationale, design, and implementation. The article first surveys the policy principles for a clean energy stimulus and describes the process of crafting the clean energy package during the 2008–9 presidential transition. Then the article reviews the initial employment, economic activity, and energy outcomes associated with these energy investments, and it provides a more detailed case study of the Recovery Act's support for renewable power through grants and loan guarantees. The article concludes with a discussion of lessons learned.

**Note:** *Policy Monitor*. First Published Online: January 4, 2013

**Database:** *Oxford Journals Online*

7.

**Title:** [Academic and industrial R&D: are they always complementary? A theoretical approach](#)

**Authors:** [Spinesi](#), Luca

**Source:** *Oxford Economic Papers*; 2013, Volume 65, Issue 1, Pp. 147-172

**Abstract:** Two strategies have largely been adopted by the US government to enhance the scientific academic contribution to industrial innovations and growth: financing academic research and granting academic ideas the same intellectual property rights (IPR) as industrial innovations. In distinguishing the stages of R&D within a dynamic general equilibrium model, it is found that academic government expenditures spur industrial R&D when academia and industry are almost equally efficient in their research capabilities and when firms have a high enough market size. Moreover, it is found that the softer IPR regime granted to academia increases the *per capita* growth rate of the economy.

**Database:** *Oxford Journals Online*

8.

**Title:** [Ecological macroeconomics: An application to climate change](#)

**Authors:** [Rezai](#), Armon, [Taylor](#), Lance and [Mechler](#), Reinhard

**Source:** *Ecological Economics*; January 2013, Volume 85, Pp. 69-76

**Abstract:** Ecological economics has not paid sufficient attention to the macroeconomic level both in terms of theory and modeling. Yet, key topics debated in the field of ecological economics such as sustainable consumption, reduction in working time, the degrowth debate, the energy–exergy link, and the rebound effect require a holistic and macro perspective. While this deficiency has been identified before and Keynesian economics has been generally suggested as a potent vehicle to establish economic systemic thinking, very little concrete theorizing and practical suggestions have been put forward. We give further credence to this suggestion and demonstrate the value of tackling key concerns of ecological economics within a Keynesian growth framework. Contextualized by an application to climate change we suggest that policy relevant recommendations need to be based on a consistent view of the macroeconomy. We end with laying out key building blocks for a Keynesian model framework for an ecological macroeconomics.

**Database:** *ScienceDirect*

9.

**Title:** [Towards a new complexity economics for sustainability](#)

**Authors:** [Foxon](#), Timothy J., [Köhler](#), Jonathan, [Michie](#), Jonathan and [Oughton](#), Christine

**Source:** *Cambridge Journal of Economics*; 2013, Volume 37, Issue 1, Pp.187-208

**Abstract:** Some of the most important and urgent topics requiring economic analysis and policy advice are the problems of climate change and environmental sustainability, and what can be done to alter corporate and individual behaviour to deal with these issues. Neoclassical economists tend to focus on market solutions such as carbon trading, drawing on ideas of perfect rationality of actors and the appropriateness of 'marginal' analysis. To link such policies to the whole range of potential actions, from legislative and regulatory to changing individual behaviours, requires the economy and society to be analysed in its full complexity, recognising that 'marginal' analysis can be not just irrelevant but positively harmful when the need is for systemic shifts in economic and social trajectories. This article draws upon a seminar series on complexity economics to consider how heterodox economic analysis can be brought to bear on the issue of the environment, to develop a realistic policy agenda for change.

**Abstract:** *Oxford Journals Online*

10.

**Title:** [Towards green trust: the influences of green perceived quality, green perceived risk, and green satisfaction](#)

**Authors:** [Yu-Shan Chen](#) and [Ching-Hsun Chang](#)

**Source:** *Management Decision*; 2013, Volume 51, Issue 1, *EarlyCite article*

**Abstract:** *Purpose* - This study combines the literature on green marketing and relationship marketing into a new managerial framework of green trust. In addition, this study elaborates the relationships among green perceived quality, green perceived risk, green satisfaction, and green trust.

*Design/methodology/approach* - The research object of this paper focuses on Taiwan's consumers who have the purchase experience of information and electronics products. This study undertakes an empirical study by means of the questionnaire survey method. The questionnaires were randomly mailed to consumers who had the purchase experience of information and electronics products. Structural equation modeling (SEM) is applied to test the research framework.

*Findings* - The empirical results indicate that green perceived quality would positively affect green satisfaction and green trust, whereas green perceived risk would negatively influence both of them. In addition, this study points out that the relationships between green trust and its two antecedents - green perceived quality and green perceived risk - are partially mediated by green satisfaction. Hence, investing resources in the increase of green perceived quality and the decrease of green perceived risk is useful to enhance green satisfaction and green trust.

*Originality/value* - Although previous research has explored the relevant issues about trust, none highlights trust about green or environmental issues from the perspectives of perceived quality and perceived risk. This study proposes a research framework which can help companies enhance their green trust via its three determinants: green perceived quality, green perceived risk, and green satisfaction.

**Note:** *EarlyCite article*

**Database:** *Emerald Management*

11.

**Title:** [A survey on bank branch efficiency and performance research with data envelopment analysis](#)

**Authors:** [Paradi](#), Joseph C. and [Zhu](#), Haiyan

**Source:** *Omega*; January 2013, [Volume 41, Issue 1](#), Pp. 61–79

**Abstract:** The banking industry has been the object of DEA analyses by a significant number of researchers and probably is the most heavily studied of all business sectors. Various DEA models have been applied in performance assessing problems, and the banks' complex production processes have further motivated the extension and improvement of DEA techniques. This paper surveys 80 published DEA applications in 24 countries/areas that specifically focus on bank branches. Key issues related to the design of DEA models in these studies are discussed. Much advice is included on how to design future experiments and studies in this domain. A number of areas where further research could be fruitful are suggested.

**Note:** *Data Envelopment Analysis: The Research Frontier - This Special Issue is dedicated to the memory of William W. Cooper 1914-2012*

**Database:** *ScienceDirect*

12.

**Title:** [Riding the merger wave: Uncertainty, reduced monitoring, and bad acquisitions](#)

**Authors:** [Duchin](#), Ran and [Schmidt](#), Breno

**Source:** *Journal of Financial Economics*; January 2013, [Volume 107, Issue 1](#), Pp. 69–88

**Abstract:** We show that acquisitions initiated during periods of high merger activity ("merger waves") are accompanied by poorer quality of analysts' forecasts, greater uncertainty, and weaker CEO turnover-performance sensitivity. These conditions imply reduced monitoring and lower penalties for initiating inefficient mergers. Therefore, merger waves may foster agency-driven behavior, which, along with managerial herding, could lead to worse mergers. Consistent with this hypothesis, we find that the average long-term performance of acquisitions initiated during merger waves is significantly worse. We also find that corporate governance of in-wave acquirers is weaker, suggesting that agency problems may be present in merger wave acquisitions.

**Database:** *ScienceDirect*

13.

**Title:** [Is cultural distance a bane or a boon for cross-border acquisition performance?](#)

**Authors:** [Dikova](#), Desislava and [Sahib](#), Padma Rao

**Source:** *Journal of World Business*; January 2013, [Volume 48, Issue 1](#), Pp. 77–86

**Abstract:** Literature has offered diverse explanations of the relationship between cultural distance and acquisition performance, pointing to both positive and negative effects. In this paper, we build on these findings and attempt to reconcile the conflicting research streams. We suggest that the effect of cultural distance on cross-border acquisition performance depends on the level of acquisition experience of the acquirer. More internationally experienced acquirers are more likely to be aware of cross-border acquisition pitfalls and are more skilled at resolving acquisition related conflicts; this allows the acquirer to benefit from cultural differences, ultimately leading to higher acquisition performance. Performance of culturally distant cross-border acquisitions launched by inexperienced acquirers is lower because such acquirers are unlikely to have a culturally sensitive anti-conflict action plan, which affects the ability of the acquirer to benefit fully from cultural distances. Albeit we stipulate that experience with domestic acquisitions affects positively the relation between cultural distance and acquisition performance, we do not find support. We empirically test our model with a comprehensive database of 1223 cross-border acquisitions launched during the 2009–2010 period.

**Note:** *Original Research Article*

**Database:** *ScienceDirect*

14.

**Title:** [Volatility and return spillovers in Canadian and U.S. industry ETFs](#)

**Authors:** [Krause](#), Timothy and [Tse](#), Yiuman

**Source:** *International Review of Economics & Finance*; January 2013, [Volume 25](#), Pp. 244–259

**Abstract:** Exchange-traded funds (ETFs) are now an important source of information dissemination in Canadian and U.S. equity markets, and we provide new evidence regarding price discovery and volatility spillovers in these securities. We find that price discovery flows consistently from the U.S. to Canada for these securities, while volatility spillovers are largely bi-directional. Information is impounded more rapidly into returns through trading in U.S securities, and the combination of negative U.S. return spillovers and asymmetric volatility creates bi-directional volatility feedback effects. The results are relevant to market participants and Canadian market regulators since Canadian circuit-breakers are tied to U.S. market conditions.

**Note:** *Original Research Article*

**Database:** *ScienceDirect*

15.

**Title:** [Developing and sustaining an ethical corporate culture: The core elements](#)

**Authors:** [Schwartz](#), Mark S.

**Source:** *Business Horizons*; January–February 2013, [Volume 56, Issue 1](#), Pp. 39-50

**Abstract:** Of all the issues boards of directors, executives, and managers face, one could argue that unethical corporate activity is one of the most significant in terms of its potential negative impact and also one of the most difficult to properly address. This article argues that three key elements must exist if illegal or unethical activity within and on behalf of organizations is to be minimized through developing and sustaining an ethical corporate culture. The three elements include (1) the existence of a set of *core ethical values* infused throughout the organization in its policies, processes, and practices; (2) the establishment of a *formal ethics program*, including a code of ethics, ethics training, an ethics hotline, and an ethics officer; and (3) the continuous presence of *ethical leadership*—that is, an appropriate ‘tone at the top’ as reflected by the board of directors, senior executives, and managers. While each of these three elements is distinct, they also overlap, relate to, and reinforce each other. This article discusses each of the three key elements necessary to develop and maintain an ethical corporate culture.

**Note:** *Original Research Article*

**Database:** *ScienceDirect*

16.

**Title:** [The impact of cultural differences on technology adoption](#)

**Authors:** [Lee](#), Sang-Gun, [Trimi](#), Silvana and [Kim](#), Changsoo

**Source:** *Journal of World Business*; January 2013, [Volume 48, Issue 1](#), Pp. 20–29

**Abstract:** This study examines the impact of Type I and Type II cultural differences on mobile phone adoption patterns. We use Hofstede's cultural dimensions to examine cultural differences of two countries (Type I: the U.S.; Type II: S. Korea) and employ the Bass diffusion model to delineate innovation and imitation effects on mobile phone adoption. The results show that in Type I culture innovation factor has a significantly higher level of effect on adoption than it does in Type II culture; and in Type II culture imitation factor has a higher degree of effect on adoption than it does in Type I culture. These findings imply that in individualistic cultures, people tend to seek information on their own from direct and formal sources, whereas in collectivistic cultures, people rely more on subjective evaluation of an innovation, conveyed from other-like-minded individuals who already have adopted the innovation.

**Note:** *Original Research Article*

**Database:** *ScienceDirect*

17.

**Title:** [Overbidding in cross-border acquisitions: Misperceptions in assessing and valuing knowledge](#)

**Authors:** [Mukherji](#), Ananda, [Mukherji](#), Jyotsna, [Dibrell](#), Clay and [Francis](#), John D.

**Source:** *Journal of World Business*; January 2013, [Volume 48, Issue 1](#), Pp. 39–46

**Abstract:** Many firms competing across borders use acquisitions to gain the knowledge and capabilities that reside in target firms. Assessing and valuing knowledge in the international context is complex and frequently error-prone. The international acquisition literature has not adequately addressed the difficulties of valuing knowledge, the costs associated with acquiring knowledge, the factors behind escalating bids to acquire knowledge, and the impact of knowledge acquisitions on returns. We conceptually explore several key dimensions that influence the assessment and valuation of knowledge and develop propositions positing the effects of predictor variables and moderators on knowledge assessment and valuation in cross-border acquisitions.

**Note:** *Original Research Article*

**Database:** *ScienceDirect*

18.

**Title:** [A survey on bank branch efficiency and performance research with data envelopment analysis](#)

**Authors:** [Paradi](#), Joseph C and [Zhu](#), Haiyan

**Source:** *Omega*; January 2013, [Volume 41, Issue 1](#), Pp. 61–79

**Abstract:** The banking industry has been the object of DEA analyses by a significant number of researchers and probably is the most heavily studied of all business sectors. Various DEA models have been applied in performance assessing problems, and the banks' complex production processes have further motivated the extension and improvement of DEA techniques. This paper surveys 80 published DEA applications in 24 countries/areas that specifically focus on bank branches. Key issues related to the design of DEA models in these studies are discussed. Much advice is included on how to design future experiments and studies in this domain. A number of areas where further research could be fruitful are suggested.

**Note:** *Original Research Article*

**Database:** *ScienceDirect*

19.

**Title:** [CORPORATE GOVERNANCE AND INFORMATION CONTENT OF STOCK TRADES: EVIDENCE FROM S&P 100 COMPANIES](#)

**Authors:** [Fan](#), Steve

**Source:** *International Journal of Business & Finance Research (IJBFR)*; 2013, Volume 7, Issue 3, Pp.41-56

**Abstract:** This paper studies the relationship between firms' corporate governance quality and information content of stock trades. Following Hasbrouck (1991) method, a trade's information content is defined as persistent impact of trade innovation on stock price. Using firm-level governance data, we show that the information content

is negatively correlated with firms' corporate governance quality for the S&P 100 companies. Further analysis shows that board of directors is the main governance mechanism contributing to the negative correlation, while audit, anti-takeover, and compensation do not play a significant role. Our results provide empirical evidence to support the theory that corporate governance improves firms' information environment. It provides guidance on governance system design to reduce information asymmetry. [ABSTRACT FROM AUTHOR]

***Database: Business Source Complete***

20.

**Title: [MODELING OF FINANCIAL CRISES: A CRITICAL ANALYSIS OF MODELS LEADING TO THE GLOBAL FINANCIAL CRISIS](#)**

**Authors:** [Anand Tularam, Gurudeo](#) and [Subramanian, Bhuvanewari](#)

**Source:** [Global Journal of Business Research \(GJBR\)](#); 2013, Volume 7, Issue 3, Pp.101-124, 1 Chart

**Abstract:** The causes of financial crises are multiple but the models of financial crises revolve around four generational models. In this paper, the authors analyzed these models and highlighted the fact that each model was adapted to specific situations to explain the financial crises faced rather than being visionary or systematic in approach. These models suggest crises may develop without significant change in economic fundamentals, since policies usually respond to changes in economy and agents consider these when forming expectations. Therefore, any set of indicators together may not provide an over-all picture but interactions among indicators should be pursued. Common sense and guesswork is used but is not sufficient for representing real behavior. Modeling suggests that stressed or fraudulent companies should be removed to avoid further crises. While the new models handle a wider range of nonlinear behavior, little new work is in fact evident. Apart from a patchwork-like approach of the past, financial or currency crises modeling has not been dealt with systematically. A new way thinking is not emerging suggesting a visionary and dynamic robust mathematical modeling approach is needed with attention to the many possible risks. [ABSTRACT FROM AUTHOR]

***Database: Business Source Complete***

**Selected by Ploenchak Akvanich, Research Support Services,  
January 2013.**