

Business & Economic Article Links (January 2014)

1.

Title: [NEW EVIDENCE FROM S&P 500 INDEX DELETIONS](#)

Authors: Kamal, Rashiqa

Source: The International Journal of Business and Finance Research; 2014, Vol.8, Issue 2, Pp. 1-10.

Abstract: Kamal, Lawrence, McCabe, and Prakash (2012) argue that information asymmetry exists in the financial markets and additions to S&P 500 Index convey new information about the added firms to the uninformed investors. They further argue that because of important changes and regulations in the financial markets, like, Regulation Fair Disclosure, Sarbanes-Oxley Act, and Decimalization of the exchanges, in or after the year 2000, information asymmetry has decreased. In support of their arguments, they find that for additions, the positive abnormal returns on announcement day have decreased, and added stocks' liquidity changes have become marginal in the post-2000 period. We extend their work and for a sample of deletions between October 1989 and December 2011, we find that the negative abnormal returns on the announcement day are not significantly different in the post-2000 period, but the negative returns are reversed earlier in the post-2000 period. Contrary to our expectation, liquidity changes after deletion are significant in the post-2000 period. However, when we divide our sample into optioned versus non-optioned stocks and control for other factors that affect liquidity, we find that liquidity changes after deletion are insignificant in the post-2000 period. [PUBLICATION ABSTRACT]

Note: URL: <http://search.proquest.com/docview/1444640823?accountid=15637>

Database: *ABI/INFORM Complete*

2.

Title: [The Economics of Dead Zones: Causes, Impacts, Policy Challenges, and a Model of the Gulf of Mexico Hypoxic Zone](#)

Authors: Rabotyagov, S. S., et al.

Source: Review of Environmental and Economic Policy; 2014. Advance Access. First published online: January 5, 2014

Abstract: This article reviews and analyzes the issues related to worldwide hypoxic zones and the range of economic questions sorely in need of answers. We begin by describing the extent and causes of hypoxic zones worldwide, followed by a review of the evidence concerning ecological effects of hypoxic zones and their impacts on ecosystem services. We describe what is known about abatement options and cost-effective policy design, and then focus on the large seasonally recurring hypoxic zone in the Gulf of Mexico. We offer a simple econometric model to estimate the relationship between pollutants (nutrients) and the size of the hypoxic zone. This "production function" relationship suggests that both instantaneous and historical nutrient contributions affect the size of the zone. Our results support concerns that ecologists have raised about lags in the recovery of the ecosystem and confirm the importance of multiple nutrients as target pollutants. We conclude with a discussion of the types of research and cooperation across disciplines that are needed to support the development of policies to address this important ecological and economic issue.

Note: doi: 10.1093/reep/ret024

Databases: *Oxford Journals Online*

3.

Title: [How important is the family? Evidence from sibling correlations in permanent earnings in the USA, Germany, and Denmark](#)

Authors: Schnitzlein, Daniel D.

Source: Journal of Population Economics; Jan 2014, Vol. 27 Issue 1, Pp. 69-89

Abstract: This paper is the first to analyze the impact of family background on permanent earnings based on sibling correlations in Germany and to provide a cross-country comparison of Germany, Denmark, and USA. The main findings are that family and community background has a stronger influence on permanent earnings in Germany than in Denmark, and a comparable influence is found in USA. This holds true for both male and female siblings. A deeper analysis of Germany shows that family background also plays an important role in explaining variations in family income, wages, education, and risk attitudes.

Database: *ABI/INFORM Complete*

4.

Title: [Supporting health systems in Europe: added value of EU actions?](#)

Authors: Clemens, Timo, Michelsen, Kai and Brand, Helmut

Source: Health Economics, Policy and Law; Jan 2014, Vol. 9 Issue 1, Pp. 49-69.

Abstract: Since the start of the economic crisis, the European Union's (EU's) predominant discourse has been austerity and fiscal consolidation. The detrimental effects on Europe's health systems and the health status of its citizens are well described. However, little is known about the emerging EU-level initiatives to support national health systems handle the challenges of efficient care provision and system reorganisation aimed to meet their future needs. This review analyses the manner, conditions and prospects of such EU support. First, health system objectives are increasingly entering the EU health policy agenda. Second, professional and patient mobility provisions may support member states (MS) in coping with crisis related health challenges but can potentially exacerbate them at the same time. Third, in recent initiatives health system goals are more closely tied to the EU's economic growth narrative. And fourth, health system issues are taken up in existing EU-level structures for debate and exchange between MS. In addition, the design of some policies may have the potential to intensify socioeconomic and health inequalities rather than ameliorate them.

Database: *ABI/INFORM Complete*

5.

Title: [Can Firms Learn by Observing? Evidence from Cross-Border M&As](#)

Authors: Francis, Bill B., et al.

Source: Journal of Corporate Finance. Advance Access. Available online 11 December 2013

Abstract: In the presence of high uncertainty and limited experience, can observing the actions of other acquiring predecessors help firms make better acquisition decisions? Using

a sample of cross-border M&As conducted by US acquirers in developing countries, we document a positive and significant relationship between an acquirer's performance and its predecessors' acquisition activity. This relationship is especially pronounced in the prevalence of news events about the outcome of predecessors' acquisitions, when predecessors consist of US peers from the same industry and/or when targets are based in culturally distant countries. Our findings shed light on one channel through which information spillovers across industries and acquiring firms could be a key driver of value creation in developing market cross-border M&As.

Note: <http://dx.doi.org/10.1016/j.jcorpfin.2013.11.018>

Databases: *ScienceDirect*

6.

Title: [Aggregate structural macroeconomic analysis: a reconsideration and defence](#)

Authors: Setterfield, Mark and Suresh, Shyam Gouri

Source: Cambridge Journal of Economics; 2013. Advance Access. First published online: December 26, 2013.

Abstract: Aggregate structural macroeconomic analysis (ASMA) is frequently criticised for being ad hoc and justified (if at all) only as a pragmatic expedient. This paper argues instead that ASMA is consistent with the principles of well-established bodies of social theory. Appeal to these principles reveals that ASMA is adequate and likely even necessary for the successful prosecution of macroeconomic inquiry.

Note: doi: 10.1093/cje/bet071

Databases: *Oxford Journals Online*

7.

Title: [Has Europe Been Catching Up? An Industry Level Analysis of Venture Capital Success over 1985-2009](#)

Authors: Kraussl, Roman, Krause, Stefan

Source: European Financial Management; Jan 2014, Vol. 20 Issue1, Pp. 179-205

Abstract: After nearly two decades of US leadership during the 1980s and 1990s, are Europe's venture capital (VC) markets in the 2000s finally catching up regarding the provision of financing and successful exits, or is the performance gap as wide as ever? Are we amid an overall VC performance slump with no encouraging news? We attempt to answer these questions by tracking over 40,000 VC-backed firms stemming from six industries in 13 European countries and the USA between 1985 and 2009; determining the type of exit - if any - each particular firm's investors choose for the venture.

Database: *ABI/INFORM Complete*

8.

Title: [Money, Margins and the Motors of Politics: The EU and the Development of Party Politics in Central and Eastern Europe](#)

Authors: Haughton, Tim

Source: Journal of Common Market Studies; Jan 2014, Vol. 52 Issue 1, Pp. 71-87

Abstract: In line with expectations EU membership has only a limited impact on party politics in the new Member States of Central and Eastern Europe (CEE); even the economic crisis has not altered this level of impact. An examination of party positioning, party appeals and party competition indicates the EU plays the role of a boundary keeper, a reference point and a weapon to be invoked in domestic competition, particularly to lambast opponents for their incompetence, especially when it comes to the ability to access and manage EU funds. Underlying parties' stances on European integration are the deep-rooted vulnerabilities which help explain why the CEE states recognize the necessity of co-operation and a pooling of sovereignty at the European level.

Database: *ABI/INFORM Complete*

9.

Title: [SURVEY OF SOCIAL AND ECONOMIC GROWTH IN SE EUROPE - A NEW CONCEPTUAL FRAME FOR SUSTAINABILITY METRICS](#)

Authors: Golusin, Mirjana, et al.

Source: Journal of Economic Surveys; Feb 2014, Vol. 28 Issue 1 , Pp. 152-168

Abstract: The practice so far has indicated that there is a sensitive relationship that exists between social and economic subsystem of sustainable development, therefore this research suggests comparison of the states of these two subsystems as a new conceptual frame which is essential for strategic conceptualization of development. The research pointed out a rather visible collision between the achieved degree of economic and social development in the countries of South Eastern Europe in respect to Germany and France, which were taken into consideration as two of the most developed countries in the European Union and in the entire world. The indicators which are given in this research point to the necessity of further scientific and practical consideration of strategic conceptualization of relationship between economics and society.

Database: *ABI/INFORM Complete*

10.

Title: [The Political Economy of State Capture in Central Europe](#)

Authors: Innes, Abby

Source: Journal of Common Market Studies; Jan 2014, Vol. 52 Issue 1, Pp. 88-104

Abstract: This article demonstrates that most new EU Member States experience serious problems of state capture. It argues that central European states cluster around two dominant modes of party competition. In the first, predominantly ideologically committed elites (Poland, Hungary, Estonia, Slovenia and Estonia) established relatively 'electoral professional' party competitions, only to face deepening fiscal constraints on mainstream ideological competition. Following the collapse of the social democratic left, both Hungary and Poland experienced attempts to reassert political monopoly, i.e., 'party state capture'. In the second group (Czech Republic, Slovakia, Romania, Bulgaria and Latvia), more entrepreneurial political elites established 'brokerage' party systems, in which public policy remains a side-product of an essentially economic competition. All five states show high levels of 'corporate state capture' in which public power is exercised primarily for private gain. These findings contest the more optimistic expectations of the institutionalist literature on state-building and democratic consolidation.

Database: ABI/INFORM Complete

11.

Title: [MACROECONOMIC DETERMINANTS OF WORKERS' REMITTANCES AND COMPENSATION OF EMPLOYEES IN SUB-SAHARAN AFRICA](#)

Authors: Adenutsi, Deodat E.

Source: The Journal of Developing Areas; Winter 2014, Vol. 48 Issue 1, Pp. 337-360

Abstract: In this paper, an attempt has been made to identify the macroeconomic determinants of migrant remittances received in Sub-Saharan Africa (SSA) at the disaggregated level. The underlying motivation is that, given their unique characteristics, permanent and temporary migrants are likely to respond differently to macroeconomic conditions in migrant-host countries and their native or migrant-home countries. For the empirical analysis, the system Generalized Method of Moments (GMM) approach was used to estimate a dynamic panel-data model involving 36 SSA countries over the period, 1980-2009. It was found that the inflows of compensation of employees and workers' remittances to SSA are influenced by host-country macroeconomic conditions in a similar way, whereas these two forms of remittances are driven by contrasting home-country macroeconomic conditions. Remittances from permanent migrants are less altruistic than remittances from temporary migrants. To attract higher remittances on a more permanent basis, the implementation of stable macroeconomic and pro-growth policies are inevitable in labor-exporting SSA countries.

Database: ABI/INFORM Complete

12.

Title: [Integration risk in cross-border M&A based on internal and external resource: empirical evidence from China](#)

Authors: Chen, Feiqiong and Wang, Yin

Source: Quality and Quantity; Jan 2014, Vol. 48 Issue 1, Pp. 281-295.

Abstract: This paper concerns the high failure rate during the integration phase of cross-border M&A from the resource-based view. This integration risk in cross-border M&A comes from both firm's internal resource and external resource integration. On this basis, we clearly analyze the relationship between resource similarity and firm's internal resources integration risk, as well as resource complementarity and firm's external resource integration risk. Then, we put forward the main conclusion: stronger external resource complementarity and stronger internal resource similarity between the acquirer and target firms will make integration in cross-border M&A less risky. For this study's empirical stage, we collect a large amount of questionnaire data from Chinese firms with cross-border M&A experiences. We use the logistic regression method to verify hypothesis. This paper provides both the acquirer and target firms with fresh ideas of how to avoid the integration risk of cross-border M&A. We hope to help firms from developing country to achieve more outstanding results through cross-border M&A in an intense global competitive environment.

Database: ABI/INFORM Complete

13.

Title: [The Role of the EU in Shaping FDI Flows to East Central Europe](#)

Authors: Medve-Balint, Gerg

Source: Journal of Common Market Studies; Jan 2014, Vol. 52 Issue 1, Pp. 35-51

Abstract: East Central Europe's (ECE) recent record in accumulating FDI stock is notable even from a global perspective. While most scholarly works downplay the role of the European Union (EU) in this process, this article claims that in an attempt to manage the economic opportunities and threats that ECE posed after the regime change, the EU has actively shaped foreign capital inflows to the region. First, the EU triggered a liberal shift in ECE's FDI policies. Second, after enlargement, the EU has reinforced ECE's locational advantages through its practice of approving most of the incentive schemes offered to foreign investors. While investors mainly coming from the old EU Members began to dominate ECE economies, the region's heavy reliance on FDI has also produced a reverse effect: ECE investments have enhanced the global competitiveness of western European firms. To a certain extent, FDI has therefore transcended the traditional east-west divide.

Database: *ABI/INFORM Complete*

14.

Title: [On the sustainability of external debt: is debt relief enough?](#)

Authors: Vaggi, Gianni and Prizzon, Annalisa

Source: Cambridge Journal of Economics; 2013, Advance Access. First published online: December 4, 2013.

Abstract: Elaborating on Pasinetti (1998), the 'geometry of debt sustainability' (GDS) represents an analytical tool for the analysis of the long term sustainability of foreign debt. The paper focuses on debt sustainability in low-income countries, which face several major challenges simultaneously: achieving economic growth, consolidating human development goals and meeting regular debt service payments. The GDS reveals how the 'structural' aspect of debt sustainability—as indicated by trends in the non-interest current account—is closely interlinked with sustainability from a 'financial' point of view—as indicated by the relationship between the growth and the interest rate. The GDS shows why both debt cancellation and additional aid are necessary to give indebted low-income economies a chance to improve their long term economic viability.

Note: doi: 10.1093/cje/bet039

Databases: *Oxford Journals Online*

15.

Title: [The Analysis of Stock Market Development Indicators: Evidence from the ASEAN-5 Equity Markets](#)

Authors: Sukcharoensin, Pariyada and Sukcharoensin, Sorasart.

Source: International Journal Trade, Economics and Finance; Dec 2013, Vol. 4 Issue 6, Pp. 343.

Abstract: This paper proposes indicators to assess the development of the stock markets in ASEAN-5 countries, namely Indonesia, Malaysia, the Philippines, Singapore and Thailand. The results show the distinctions among these equity markets. The indicators in this research separate these stock markets into two tiers. The results indicate that SGX, SET, and

BM have higher level of development comparing to other stock markets in the same region. Their main strengths are in their accessibility. SGX has higher level of development in most aspects, specifically in size when measured by market capitalization. BM gains its advantage on access dimension. SET is outstanding in stability dimension. The other group is IDX and PSE. The latter equity markets need to improve in most aspects. These findings convey important messages to less-developed stock markets to establish the well-planned strategy and policy to build up the development before full participation of ASEAN Economic Community in 2015.

Database: ABI/INFORM Complete

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