

## Business & Economic Article Links (July 2014)

1.

**Title:** [Japan's deflation: the role of wage costs](#)

**Authors:** Urasawa, Satoshi

**Source:** Applied Economics Letters; Jul 2014, Vol. 21, Issue 11, Pp. 742-746

**Abstract:** Is weak demand pressure alone sufficient to explain Japan's long-standing deflation? The empirical evidence, based on a structural VAR model consisting of productivity, wage costs and prices, provides the robust facts for understanding Japan's deflation. It suggests that sluggish wage growth since the mid-1990s, along with productivity recovery from the collapse of the Japanese asset price bubble, contributed to the persistence of deflation, while weak demand pressure had a large negative implication for Japan's inflation. Going forward, the result implies that the translation of productivity gains into adequate wage growth, in addition to boosting demand, is important to help bring a definitive end to Japan's deflation.

**Note:** DOI: 10.1080/13504851.2014.887184

**Database:** *Taylor & Francis Online*

2.

**Title:** [Interlinkages between credit, debt and the labour market: evidence from Turkey](#)

**Authors:** Karacimen, Elif

**Source:** Cambridge Journal of Economics; 2014, Advance Access. First published online: May 14, 2014

**Abstract:** This article examines workers' use of credit in the context of a developing country, Turkey, based on empirical material collected through questionnaires and interviews with workers in the metal sector. The results provide evidence of a link between workers' debt and the type of wage employment in two ways. First, I demonstrate that insecurity of employment and income is important in determining the increased tendency to borrow and increasing the vulnerability of workers to debt service problems. Second, I reveal that debt adds new dimensions to capital labour relations by functioning as a disciplining mechanism.

**Note:** DOI: 10.1093/cje/beu016

**Database:** *Oxford Journals Online*

3.

**Title:** [New trends in mergers and acquisitions: Idiosyncrasies of the European market](#)

**Authors:** Moschieri, Caterina and Campa, José Manuel

**Source:** Journal of Business Research; Jul 2014, Vol. 67 Issue 7, Pp. 1478

**Abstract:** While policy makers link the recent increase of M&A activity in Europe to the benefits of European legislation and European institutions to create a fertile ground for acquisitions in Europe, others deny the benefit of regional integration. This study evaluates the characteristics and the key determinants of the likelihood of completion of M&As in the European Union between 1997 and 2007. The results of this study suggest that M&As in Europe feature unique characteristics, while still suffering from country-specific challenges. In Europe the deal attitude and the presence of competing bids are more important for the completion of a deal than the deal origin, the payment method, or industry regulation. The reported idiosyncrasies of M&A in Europe seem to arise not merely from European

regulations about acquisitions, but mostly from the structural characteristics of the European business environment. [PUBLICATION ABSTRACT]

**Note:** URL: <http://search.proquest.com/docview/1525957026?accountid=15637>

**Database:** *ABI/INFORM Complete*

4.

**Title:** [Whistleblower laws and exposed corruption in the United States](#)

**Authors:** Goel, Rajeev K. and Nelson, Michael A.

**Source:** Applied Economics; Jul 2014, Vol. 46, Issue 20, Pp. 2331-2341

**Abstract:** This research creates a unique internet-based measure of awareness about state-level whistleblower laws and provisions to examine their effects on observed corruption in the United States. Are whistleblower laws complementary or substitutes for other, more direct, corruption control measures? Placing the analysis within the corruption literature, the findings show that greater whistleblower awareness results in more observed corruption and this finding holds across specifications. Internet awareness about whistleblower laws seems relatively more effective at exposing corruption than the quantity and quality of state whistleblower laws themselves.

**Note:** DOI: 10.1080/00036846.2014.894633

**Database:** *Taylor & Francis Online*

5.

**Title:** [What is capital? Economists and sociologists have changed its meaning: should it be changed back?](#)

**Authors:** Hodgson, Geoffrey M.

**Source:** Cambridge Journal of Economics; 2014. Advance Access. First published online: April 4, 2014

**Abstract:** This article traces the historical usages of the term *capital* and the explosion of different types of supposed 'capital' in the twentieth century, including 'human capital' and 'social capital'. In medieval and early modern times, *capital* meant money investable or invested in business. This meaning persists in business circles today. In contrast, Adam Smith treated physical assets, machines and people as 'capital' and this different usage has dominated economics since. The pre-Smithian meaning referred to money or other saleable assets that could be used as collateral. This article questions the change in meaning by economists and sociologists and highlights the importance of collateralisable property for capitalism. 'Human capital' can only be collateral if the humans involved are slaves. 'Social capital' can never be used as collateral and it is not even owned. These important issues are masked by the broadened notion of 'capital'. Given the conceptual problems involved, economists and sociologists should consider returning to the pre-Smithian and surviving business usage of the term.

**Note:** DOI: 10.1093/cje/beu013

**Database:** *Oxford Journals Online*

6.

**Title:** [Patents as options: path-dependency and patent value](#)

**Authors:** Richards, Timothy J. and Rickard, Bradley J.

**Source:** European Review of Agricultural Economics; 2014. Advance Access. First published online: April 21, 2014

**Abstract:** Despite the growing importance of licence revenue to cash-strapped universities and research institutions, there has been no formal attempt to develop pricing models for

patent licences. We recognise that patents are options on the stream of future revenues, and apply option-valuation techniques to determine licence prices. We find that accounting for path-dependency in licence revenue streams generates prices that more nearly approximate observed patent prices. While non-path-dependent prices yield conventional sensitivities to volatility, mean-reversion and returns-growth, path-dependent prices show highly non-linear comparative statics. These results are important both for patent licensees and for licensors seeking to maximise licence revenue.

**Note:** DOI: [10.1093/erae/jbu001](https://doi.org/10.1093/erae/jbu001)

**Database:** *Oxford Journals Online*

## 7.

**Title:** [Trade rules, food security and the multilateral trade negotiations](#)

**Authors:** Matthews, Alan

**Source:** European Review of Agricultural Economics; 2014. Advance Access. First published online: June 19, 2014

**Abstract:** This paper makes the case that an open and predictable trading system plays an essential role in promoting global food security by making the international food system more efficient and more responsive to sudden shocks which might threaten food security. It argues that the draft Doha Round agricultural modalities would do much to improve the governance of global food security and examines those areas where agreement remains elusive. It calls for more engagement by economists with an increasingly sceptical civil society to help build momentum for a successful conclusion to the Doha Round.

**Note:** DOI: [10.1093/erae/jbu017](https://doi.org/10.1093/erae/jbu017)

**Database:** *Oxford Journals Online*

## 8.

**Title:** [Framing the issue of ageing and health care spending in Canada, the United Kingdom and the United States](#)

**Authors:** Gusmano, Michael K. and Allin, Sara

**Source:** Health Economics, Policy and Law; Jul 2014, Vol. 9 Issue 3, Pp. 313-328

**Abstract:** Political debates about the affordability of health care programmes in high-income countries often point to population ageing as a threat to sustainability. Debates in the United States, in particular, highlight concerns about intergenerational equity, whereby spending on older people is perceived as a threat to spending on the young. This paper compares how the problem of health spending is defined in Canada, the United Kingdom and the United States by presenting the results of a content analysis of print media during the period 2005-2010. We found that population ageing was cited as an important source of health care cost increases in all three countries but was cited less frequently in Canadian newspapers than in the UK or US papers. Direct claims about intergenerational equity are infrequent among the articles we coded, but newspaper articles in the United States were more likely than those in Canada and the United Kingdom to claim that of high health care spending on older people takes resources away from younger people. In Canada a much larger percentage of articles in our sample either claimed that high health care spending is crowding out other types of government expenditure. Finally, we found that almost no articles in the United States challenged the view that population ageing causes health care spending, whereas in both Canada and the United Kingdom a small, but steady stream of articles challenged the idea that population ageing is to blame for health care spending increases. [PUBLICATION ABSTRACT]

**Note:** DOI: <http://dx.doi.org/10.1017/S1744133114000115>

**Database:** *ABI/INFORM Complete*

9.

**Title:** [The cultural roots of corruption in Greece](#)

**Authors:** Danopoulos, C.P.

**Source:** Mediterranean Quarterly; Spring 2014, Vol. 25, Issue 2, Pp.105-130

**Abstract:** Despite periods of growth, modern Greece is no stranger to severe and prolonged economic crises. Analyses of Greece's current economic crisis have stayed clear of the seminal importance of culture as a key variable responsible for widespread and persistent corruption that has deprived the country of a viable and sound economic foundation. This essay seeks to fill the void by concentrating of the cultural roots of corruption and the sources and factors that generate, nurture, and maintain high levels of corruption in the Greek setting. Borrowing from anthropological literature, the essay utilizes nine cultural dimensions of corruption: uncertainty avoidance, future orientation, institutional/societal collectivism, individual/in-group collectivism, human orientation, performance orientation, power distance, assertiveness, and gender egalitarianism.

**Note:** DOI: 10.1215/10474552-2685785

**Database:** *Scopus*

10.

**Title:** [Corporate Environmental Strategies in Emerging Economies](#)

**Authors:** Earnhart, Dietrich H., Khanna, Madhu and Lyon, Thomas P.

**Source:** Review of Environmental Economics and Policy; 2014. Advance Access. First published online: June 27, 2014

**Abstract:** Many companies are adopting environmentally friendly management practices in developed countries. However, the benefits of a corporate environmental strategy are less clear in emerging (developing and transition) economies, where environmental regulations may be poorly enforced and social pressures to comply are weak. Thus it is important for business leaders, policymakers, and environmental activists to understand the causes and consequences of corporate environmental strategy in these economies so that they are able to implement effective strategies, develop useful policies, and promote meaningful activities, respectively. Drawing on both the theoretical and empirical literature, this article examines a broad array of drivers behind corporate environmental strategies including internal characteristics of firms, market pressures, and pressures from government and civil society. The empirical findings for developing economies (i.e., those whose physical and human resources, along with institutions, are still developing) suggest that government and civil society provide weak incentives for corporate environmental compliance, foreign ownership and foreign customer pressure improve environmental management practices, and information disclosure programs offer some promise for improving corporate environmental performance. The empirical findings for transition economies (i.e., those transitioning from reliance on the government's allocation of resources to market-based allocations) also suggest a positive, albeit weaker, role for foreign ownership and foreign customer pressure in improving firms' environmental performance. However, the findings also indicate that government policies, such as stricter enforcement, granting of permits, and higher rates for emission charges, are more effective in transition economies than in developing economies.

**Note:** DOI: 10.1093/reep/reu001

**Database:** *Oxford Journals Online*

11.

**Title:** [Are you smart enough to know what to eat? A critique of behavioural economics as justification for regulation](#)

**Authors:** Lusk, Jayson L.

**Source:** European Review of Agricultural Economics; Jul 2014, Vol. 41, Issue 3, Pp. 355-373

**Abstract:** With the rise of behavioural economics has come the belief that decision-making biases justify paternalistic policies. Such views challenge the notion of consumer sovereignty and the validity of traditional approaches of economic welfare analysis. While behavioural economics might improve the effectiveness of policies that are already justified on some other market-failure grounds, this article argues that the existence of cognitive failures, alone, do not justify government regulation. If one abandons the idea that consumers know what is in their best interest, judging the merits of policies becomes arbitrary and reflects only what a paternalist wants for others. The typical behavioural economic experiment occurs with college students devoid of real-world context. The biases found in such setting may not extrapolate well to conditions where people have more experience and knowledge, and where they can learn from past mistakes. Even when behavioural biases persist in the 'real world', consumers face incentives to engage in activities that protect them from the adverse consequences of the biases, and public policies that shield people from such consequences reduce incentives to self-regulate. The article concludes with some ideas for future research and a discussion of the merits of freedom of choice.

**Note:** DOI: 10.1093/erae/jbu019

**Database:** *Oxford Journals Online*

## 12.

**Title:** [Long-Run Demand for Energy Services: Income and Price Elasticities over Two Hundred Years](#)

**Authors:** Fouquet, Roger

**Source:** Review of Environmental Economics and Policy; 2014. Advance Access. First published online: June 27, 2014

**Abstract:** This article investigates how the demand for energy services has changed since the Industrial Revolution. It presents evidence on the income and price elasticities of demand for domestic heating, passenger transport, and lighting in the United Kingdom over the last two hundred years. As the economy developed and energy service prices fell, income elasticities have generally followed an inverse U-shape curve, and price elasticities have generally followed a U-shape curve. However, these general trends also appear to have been affected by energy and technological transitions, which boosted demand (by either encouraging poorer consumers to fully enter the market or offering new attributes of value to wealthier consumers). The evidence presented offers insights that will be helpful for identifying likely future trends in energy use and carbon dioxide emissions, and for developing long-term climate policies.

**Note:** DOI: 10.1093/reep/reu002

**Database:** *Oxford Journals Online*

## 13.

**Title:** [Trade and Cities](#)

**Authors:** Karayalcin, Cem and Yilmazkuday, Hakan

**Source:** World Bank Economic Review; 2014. Advance Access. First published online: July 7, 2014

**Abstract:** Many developing countries display remarkably high degrees of urban concentration that are incommensurate with their levels of urbanization. The cost of

excessively high levels of urban concentration can be very high in terms of overpopulation, congestion, and productivity growth. One strand of the theoretical literature suggests that such high levels of concentration may be the result of restrictive trade policies that trigger forces of agglomeration. Another strand of the literature, however, points out that trade liberalization itself may exacerbate urban concentration by favoring the further growth of those large urban centers that have better access to international markets. The empirical basis for judging this question has been weak so far; in the existing literature, trade policies are poorly measured (or are not measured, as when trade volumes are used spuriously). Here, we use new disaggregated tariff measures to empirically test the hypothesis. We also employ a treatment-and-control analysis of pre- versus post-liberalization performance of the cities in liberalizing and non-liberalizing countries. We find evidence that (controlling for the largest cities that have ports and, thus, have better access to external markets) liberalizing trade leads to a reduction in urban concentration.

**Note:** DOI: 10.1093/wber/lhu002

**Database:** *Oxford Journals Online*

#### 14.

**Title:** [Job matching across occupational labour markets](#)

**Authors:** Stops, Michael

**Source:** Oxford Economic Papers; 2014. Advance Access. First published online: June 16, 2014

**Abstract:** The article refers to job matching processes in occupational labour markets in terms of jobs that share extensive commonalities in their required qualifications and tasks. To date, all studies in this field have been based on the assumption that matching processes only transpire within distinct occupational labour markets and that no occupational changes occur. I present theoretical and empirical arguments that undermine the validity of this assumption. I construct an 'occupational topology' based on information about the ways occupational groups may be seen as alternatives in searches for jobs or workers. I then use different empirical models that consider cross-sectional dependency to test the hypothesis that job search and matching occur across occupational labour markets. The results support my hypothesis. The findings suggest that an augmented empirical model should be used that considers job and worker searches across occupational labour markets in estimating job matching elasticities.

**Note:** DOI: 10.1093/oep/gpu018

**Database:** *Oxford Journals Online*

#### 15.

**Title:** [The attractiveness of emerging market MNCs as employers of European and American talent workers: A multicultural study](#)

**Authors:** Alkire, Terry D.

**Source:** International Journal of Emerging Markets; 2014, Vol. 9 Issue 2, Pp. 333-370.

**Abstract:** Purpose - Upon entering developed markets, emerging market multinational corporations (EMNCs) from China and India must compete with both host companies and other developed nation MNCs to attract and recruit necessary local talent. The purpose of this paper is to examine to what extent EMNC firms will be perceived as less attractive employers than their developed nation counterparts due to a perceived liability of origin bias. Major demographic and psychographic factors that may affect this bias will also be identified. Design/methodology/approach - Seven hypotheses were tested on a total of 626 German, French and American respondents. Participants were randomly presented identical job descriptions from four hypothetical MNCs (American, European, Indian and Chinese) and

were asked to evaluate the perceived attractiveness of working for, as well as their intent to pursue employment with, the offering firm. Findings - Using hierarchical linear regression testing, combined with analysis of variance testing, EMNCs were found to have significantly lower organizational attractiveness than equivalent European or American owned MNCs. Mixed results were found for the various hypotheses based on the moderator variables. Research limitations/implications - Because the study included three distinct sub-groups, supplemental analyses controlling for possible variances between the sub-groups themselves are included. This multicultural study is one of the first to address the human perspective of EMNC outward foreign direct investment (OFDI) by identifying the existence of a potential liability of origin bias toward emerging market firms manifested by potential developed market job applicants. Furthermore, this study is one of the first to examine the influence of applicant age, professional status, gender and nationality with respect to the differences in the perceived level of organizational attractiveness between emerging market and developed nation firms. Originality/value - This paper extends the literature in three important research areas. First, an extension to the literature on the highly relevant topic of OFDI by Chinese and Indian firms is made. Second, traditional research in the field of organizational attractiveness is further extended by combining it with the timely subject of Chinese and Indian OFDI into developed markets. Finally, this study extends international business literature by studying the influence of demographic and psychographic moderators on the perceived level of organizational attractiveness between emerging market and developed nation firms.

**Note:** URL: <http://search.proquest.com/docview/1520636087?accountid=15637>

**Database:** *Emerald Management*

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