

Business & Economic Article Links (June 2014)

1.

Title: [The impact of social identity on trust in China: experimental evidence from cross-group comparisons](#)

Authors: Weng, Weiwei and Yang, Fanzheng

Source: Applied Economics; Jun 2014, Vol. 46, Issue 16, Pp. 1855-1860

Abstract: Social identity tends to bias decision making in favour of in-group members with whom one shares a common social membership. This article investigates the trust behaviour of mainland Chinese when interacting with nonmainlanders in a two-party decision-making situation. Our experimental results reveal that, relative to their Hong Kong brethren who tend to be insensitive to their potential partner's background of origin, the decisions of mainland Chinese are significantly impacted by sharing a common background. This suggests mistrust may limit the effectiveness of China's policy of promoting international cooperation.

Note: DOI: 10.1080/00036846.2014.887196

Database: *Taylor & Francis Online Journals*

2.

Title: [Benefits and costs of biodiversity in agricultural public policies](#)

Authors: Mouysset, Lauriane, et al.

Source: European Review of Agricultural Economics; 2014. Advance Access. First published online: May 29, 2014

Abstract: This paper examines the role played by biodiversity goals in the design of agricultural policies. A bio-economic model is developed with a dynamic and multi-scale perspective. It combines biodiversity dynamics, farming land-uses selected at the micro level and public policies at the macro level based on financial incentives for land-uses. The public decision-maker identifies optimal subsidies or taxes with respect to both biodiversity and budgetary constraints. These optimal policies are then analysed through their private, public and social costs. The model is calibrated and applied to metropolitan France at the small agricultural region scale, using common birds as biodiversity metrics. First results relying on optimality curves and private costs stress the bio-economic trade-off between biodiversity and economic scores. In contrast, the analysis of public costs suggests that accounting for biodiversity can generate a second benefit in terms of public budget. Social costs defined as the sum of private and public costs also show possible bio-economic synergies.

Note: DOI: 10.1093/erae/jbu005

Database: *Oxford Journals Online*

3.

Title: [Decentralised innovation systems and poverty reduction: experimental evidence from Central Africa](#)

Authors: Pamuk, Haki, et al.

Source: European Review of Agricultural Economics; 2014. Advance Access. First published online: May 27, 2014

Abstract: We use experimental data to investigate whether a decentralised approach to promoting innovation in central African agriculture outperforms conventional extension approaches. Our main result is that this decentralised approach, based on so-called innovation platforms, is effective in reducing poverty – more effective than conventional

extension approaches. However, we also document considerable heterogeneity in terms of platform performance.

Note: DOI: 10.1093/erae/jbu007

Database: *Oxford Journals Online*

4.

Title: [Economic crisis and the employee: The effects of economic crisis on employee job satisfaction, commitment, and self-regulation](#)

Authors: Markovits, Y., Boer, D., and Van Dick, R.

Source: European Management Journal; Jun 2014, Vol. 32, Issue 3, Pp. 413-422

Abstract: Greece has been suffering a severe crisis starting in about 2009. This paper examines the impact of the recent economic crisis in Greece on employee work-related attitudes via changes in regulatory focus. We collected data in a large and heterogeneous sample of employees (N=1024) during the crisis and compared them with a matched sample of employees surveyed (N=882) half a decade earlier, i.e., before the crisis. Participants reported their job satisfaction, organizational commitment and their self-regulatory focus. Results show, as expected, that participants after start of the crisis were lower in extrinsic job satisfaction, affective organizational commitment and were also (unexpectedly) lower in normative commitment, while these attitudinal changes were explained by decreased promotion orientation and increased prevention focus. Rather unexpectedly, pre-crisis and crisis samples did not differ in levels of continuance commitment. This paper makes a relevant contribution by showing that the threatening crisis event does not only have negative effects on work-related outcomes, but also that changes in regulatory foci occur and explain attitudinal change indicating an adaptive mechanism to the threatening situation of an economic crisis. © 2013 Elsevier Ltd.

Note: DOI: 10.1016/j.emj.2013.09.005

Database: *Scopus*

5.

Title: ["Economic Development as Opportunity Equalization"](#)

Authors: Roemer, John E.

Source: World Bank Economic Review; 2014, Vol. 28 Issue 2, Pp. 189-209

Abstract: Economic development should be conceived of as the degree to which an economy has implemented an efficient and just distribution of economic resources. The ubiquitous measure of GDP per capita reflects a utilitarian conception of justice, where individual utility is defined as personal income, and social welfare is the average of utilities in a population. A more attractive conception of justice is opportunity-equalization. Here, a two-dimensional measure of economic development is proposed, based upon viewing individuals' incomes as a consequence of circumstances, effort, and policy. The first dimension is the average income level of those in the society with the most disadvantaged circumstances, and the second dimension is the degree to which total income inequality is due to differential effort, as opposed to differential circumstances. This pair of numbers is computed for a set of 22 European countries. No country dominates all others on both dimensions. The two-dimensional measure induces a partial ordering of countries with respect to development.

Note: DOI: 10.1093/wber/lht023

Database: *Oxford Journals Online*

6.

Title: [Survival Through Networks: The 'grip' of the administrative links in the Russian post-Soviet context](#)

Authors: Afanassieva, Marianne

Source: Public Management Review; 2014, Latest article. Published online: 22 Apr 2014

Abstract: Based on an analysis of the post-Soviet transformation experience of four defence sector organizations in a Russian region where the defence sector occupies a substantial part of the local economy, this article develops a typology of network relationships: *Grooved Inter-relationship Patterns (Gr'ip)* networks and *Fluid Inter-relationship Patterns (Fl'ip)* networks. This typology can be applied to a range of transition/emerging market and low system trust contexts. *Gr'ip* networks, in this case, represent the persisting legacy of the Soviet command-administrative system. *Fl'ip* networks are here an attempt by the defence companies to link into the civilian supply chains of a developing market economy. This article argues that *Gr'ip* networks had and still have a crucial role to play in Russian enterprises' survival and development.

Note: DOI: 10.1080/14719037.2014.906964

Database: *Taylor & Francis Online Journals*

7.

Title: [Japan-India civil nuclear energy cooperation: prospects and concerns](#)

Authors: Nakanishi, Hiroaki

Source: Journal of Risk Research; 2014, Latest Article. Published online: 05 Jun 2014

Abstract: India is a non-party to the Nuclear Non-Proliferation Treaty. However, India argues its impeccable non-proliferation record shows the country as a *responsible state with advanced nuclear technology* that should be allowed to acquire the same benefits and advantages of nuclear energy cooperation under the existing global nuclear non-proliferation regime. This statement needs careful analysis of whether or not the Japan-India civil nuclear energy cooperation agreement could be successfully concluded and acceded to. This paper elaborates on the possibilities and concerns related to the matter from a politico-legal point of view, in order to materialise a mutually satisfactory and legitimate bilateral agreement. The scope of possible civil nuclear energy cooperation may be limited, probably not exceeding the level that the US has agreed with India, right now. It is, however, a necessary initial step for dramatically reconstructing our relationship, which may allow for greater cooperation in the near future.

Note: DOI:10.1080/13669877.2014.913666

Database: *Taylor & Francis Online Journals*

8.

Title: [Trade Integration and Business Cycle Synchronization in the EMU: The Negative Effect of New Trade Flows](#)

Authors: Pentecôte, J.-S., Poutineau, J.-C., and Rondeau, F.

Source: Open Economies Review; Jun 2014, Latest Article.

Abstract: This paper questions the impact of trade integration on business cycle synchronization in the EMU by distinguishing increase of existing trade flows (the intensive margin) and creation of new trade flows (the extensive margin). Using a DSGE model, we find that synchronization is weakened when new firms are allowed to export as a response to productivity gains. Consistently with our model and using disaggregated data over 1995–2007 for the 11 founding members of the EMU, we find that trade intensity has a positive direct effect while new trade flows have a negative effect on business cycle synchronization.

Furthermore, new flows play essentially an indirect role by intensifying specialization and explain 60 % of the overall effect of trade intensity and specialization on synchronization.

Note: DOI: 10.1007/s11079-014-9318-8

Database: *SpringerLink*

9.

Title: [Did Business Development Reduce Poverty in China?](#)

Authors: Kesavan, Ram, and et al.

Source: International Management Review; 2014, Vol. 10 Issue 1, Pp. 21-30

Abstract: This paper is primarily a case study of how post-Mao China reduced the poverty rates among its people. We believe that the main architect behind the efforts of poverty reduction is Deng Xiaoping who lead China towards market economy after Mao passed away. Deng had a different vision for China. He envisioned a society where business competition and communism coexisted. Post-Deng China, now, has a poverty level of 20 percent as compared to the 60 percent during Mao's time. Ironically, the Gini Income Inequality Coefficient for China was low under Mao (everyone was equally poor) as compared to the current Gini Coefficient which is as high as the U.S. China's economic revival is truly a "miracle" since it achieved significant poverty reduction while creating a huge middle class at the same time. India has created a middle class of 100 million people, though its poverty rate is still high (still at 40%). We try to explain this phenomenon in this paper. [ABSTRACT FROM AUTHOR]

Database: *Business Source Complete*

10.

Title: [Bank Credit Risk Management and Migration Analysis; Conditioning Transition Matrices on the Stage of the Business Cycle.](#)

Authors: Gavalas, Dimitris and Syriopoulos, Theodore

Source: International Advances in Economic Research; May 2014, Vol. 20 Issue 2, Pp. 151-166

Abstract: Credit risk has been one of the most active areas of recent financial research. It is driven by advances in portfolio risk measurement and management techniques, growth in credit derivatives trading, the Basel II implementation, and regulatory concerns stemming from the commercial credit crunch that initially took place in 2001 and 2002 in the USA. Within this broader literature, a growing body of research analyzes the meaning, role, and influence of credit ratings that quantify credit risk. This paper examines the two-way links between credit risk measurement and the macroeconomic conditions, interpreted through phases of business cycles. We propose a methodology applied on bank internal rating data, which estimates ratings migration probabilities while integrating the state of the economy. We first discuss the issue of whether credit risk is low or high in different economic scenarios. In order to evaluate this prospect, we examine each year in four quarters that represent different scenarios throughout the year. We then review how macroeconomic considerations are incorporated into credit risk models and the risk measurement approach that underlies Basel II and Basel III. [ABSTRACT FROM AUTHOR]

Note: DOI: 10.1007/s11294-014-9459-y

Database: *Business Source Complete*

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