

Business & Economic Article Links (June 2015)

1.

Title: [Health-care expenditure, GDP and share of the elderly in Japan: a panel cointegration analysis](#)

Author: Tamakoshi, T. and Hamori, S.

Source: APPLIED ECONOMICS LETTERS; Jun 2015 Vol. 22, Issue 9, Pp. 725-729. Published: Jun 13 2015

Abstract: By employing a panel data set of 47 prefectures in Japan, this article investigates the cointegrating relationship between health-care expenditure, GDP and population share of the elderly by using panel cointegration tests developed by Pedroni (1999). Our empirical result shows that there is a cointegrating relationship between the three variables. We also estimate the effects of GDP and share of the elderly on health-care expenditure by employing the group-mean fully modified ordinary least-squares (FMOLS) method of Pedroni (2001) and find that the coefficient on the share of the elderly is positively significant. These findings highlight the importance of addressing the issue of an ageing society to curb rising health-care expenditures in Japan.

Note: DOI: 10.1080/13504851.2014.972540

Database: *Web of Science*

2.

Title: [What Is Social Inequality and Why Does it Matter? Evidence from Central and Eastern Europe](#)

Author: Binelli, C, Loveless, M. and Whitefield, S.

Source: WORLD DEVELOPMENT; Jun 2015, Vol. 70, Pp. 239-248

Abstract: As distinct from income or wealth inequality, 'social inequality' is currently poorly understood and, at best, unevenly measured. We conceptualize social inequality as the relative position of individuals along a number of dimensions that measure achieved outcomes and, innovatively, expectations about future outcomes. Using data from 12 Central and Eastern European countries, we find that cross-national patterns of social inequality differ significantly from patterns derived from income inequality measures. Moreover, our measure of social inequality is much better correlated than income inequality with other country differences such as higher levels of economic performance and human development, and stronger political institutions. (C) 2015 Elsevier Ltd. All rights reserved.

Note: DOI: 10.1016/j.worlddev.2015.02.007

Database: *Web of Science*

3.

Title: [Financial Inclusion, Productivity Shocks, and Consumption Volatility in Emerging Economies](#)

Authors: Bhattacharya, Rudrani and Patnaik, Ila

Source: World Bank Economic Review; 2015. Advance Access. First published online: June 1, 2015

Abstract: How does access to finance impact consumption volatility? Theory and evidence from advanced economies suggests that greater household access to finance smooths consumption. Evidence from emerging markets, where consumption is usually more volatile than income, indicates that financial reform further increases the volatility of consumption relative to output. This puzzle is addressed in the framework of an emerging economy model in which households face shocks to trend growth rate, and a fraction of them are financially

constrained, with no access to financial services. Unconstrained households can respond to shocks to trend growth by raising current consumption more than the rise in current income. Financial reform increases the share of such households, leading to greater relative consumption volatility. Calibration of the model for pre- and post-financial reform in India provides support for the model's key predictions.

Note: doi: 10.1093/wber/lhv029

Database: *Oxford Journals*

4.

Title: [Risky Business: Political Instability and Sectoral Greenfield Foreign Direct Investment in the Arab World](#)

Authors: Burger, Martijn, Ianchovichina, Elena and Rijkers, Bob

Source: World Bank Economic Review; 2015. Advance Access. First published online: June 10, 2015

Abstract: Which foreign direct investments are most affected by political instability? Analysis of quarterly greenfield investment flows into countries in the Middle East and North Africa during the period from 2003 to 2012 shows that adverse political shocks are associated with significantly reduced investment inflows in the non-resource tradable sectors. By contrast, investments in natural resource sectors and non-tradable activities appear insensitive to such shocks. Political instability is thus associated with increased reliance on non-tradables and aggravated resource dependence.

Note: doi: 10.1093/wber/lhv030

Database: *Oxford Journals*

5.

Title: [Wit and Greece's economic crisis: Ironic slogans, food, and antiausterity sentiments](#)

Authors: Knight, D.M.

Source: American Ethnologist; 1 May 2015, Vol 42, Issue 2, Pp 230-246

Abstract: Ironic slogans voice opposition to neoliberal austerity measures as people in western Thessaly, Greece, strive to account for dramatically increasing poverty and cultivate a sense of collective suffering in an era of economic crisis. The slogans are pinned to moments of socioeconomic turmoil in recent Greek history, such as the 1941-43 famine and the 1973 polytechnic uprising against military dictatorship. Through satire, they capture local and national attitudes toward the government's current austerity policy and neoliberalism more generally. Drawing on powerful tropes of food, the slogans critique the experiences of neoliberal reform, becoming sites of resistance and solidarity that reframe relations between local people, their government, and international creditors. Ironic slogans voice opposition to neoliberal austerity measures as people in western Thessaly, Greece, strive to account for dramatically increasing poverty and cultivate a sense of collective suffering in an era of economic crisis. The slogans are pinned to moments of socioeconomic turmoil in recent Greek history, such as the 1941-43 famine and the 1973 polytechnic uprising against military dictatorship. Through satire, they capture local and national attitudes toward the government's current austerity policy and neoliberalism more generally. Drawing on powerful tropes of food, the slogans critique the experiences of neoliberal reform, becoming sites of resistance and solidarity that reframe relations between local people, their government, and international creditors. © 2015 by the American Anthropological Association.

Note: DOI: 10.1111/amet.12127

Database: *Scopus*

6.

Title: [Deals and Delays: Firm-level Evidence on Corruption and Policy Implementation Times](#)

Authors: Freund, Caroline, Hallward-Driemeier, Mary and Rijkers, Bob

Source: World Bank Economic Review; 2015, Advance Access. First published online: May 4, 2015

Abstract: Whether demands for bribes for particular government services are associated with expedited or delayed policy implementation underlies debates around the role of corruption in private sector development. The "grease the wheels" hypothesis, which contends that bribes act as speed money, implies three testable predictions. First, on average, bribe requests should be negatively correlated with wait times. Second, this relationship should vary across firms, with those with the highest opportunity cost of waiting being more likely to pay and facing shorter delays. Third, the role of grease should vary across countries, with benefits larger where regulatory burdens are greatest. The data are inconsistent with all three predictions. According to the preferred specifications, ceteris paribus, firms confronted with demands for bribes take approximately 1.5 times longer to get a construction permit, operating license, or electrical connection than firms that did not have to pay bribes and, respectively, 1.2 and 1.4 times longer to clear customs when exporting and importing. The results are robust to controlling for firm fixed effects and at odds with the notion that corruption enhances efficiency.

Note: doi: 10.1093/wber/lhv001

Database: *Oxford Journals*

7.

Title: [Inequality, the Great Recession and slow recovery](#)

Authors: Cynamon, Barry Z. and Fazzari, Steven M.

Source: Cambridge Journal of Economics; 2015, Advance Access. First published online: March 31, 2015

Abstract: Rising inequality reduced income growth for the bottom 95% of the US personal income distribution beginning about 1980. To maintain stable debt to income, this group's consumption-income ratio needed to decline, which did not happen through 2006, and its debt-income ratio rose dramatically, unlike the ratio for the top 5%. In the Great Recession, the consumption-income ratio for the bottom 95% did finally decline, consistent with tighter borrowing constraints, whilst the top 5% ratio rose, consistent with consumption smoothing. We argue that higher inequality and the associated demand drag helps explain the slow recovery.

Note: doi: 10.1093/cje/bev016

Database: *Oxford Journals*

8.

Title: [Fifteen Years of Bt Cotton in China: The Economic Impact and its Dynamics](#)

Author: Qiao, FB

Source: WORLD DEVELOPMENT; Jun 2015, Vol. 70, Pp. 177-185

Abstract: Even though the economic benefit of Bt cotton adoption in the short-run has been well documented, the dynamics of this benefit remain unclear. In particular, the possibility of pest resistance build-up and secondary pest outbreaks has caused concern regarding the sustainability of this economic benefit in the long run. Hence, this study analyzes the economic impact of Bt cotton and its dynamics in China. Using nationally representative long panel data for 1997-2012, we show that this economic benefit continues 15 years after the commercialization of Bt cotton. (C) 2015 Elsevier Ltd. All rights reserved.

Note: DOI: 10.1016/j.worlddev.2015.01.011

Database: Web of Science

9.

Title: [Self-enforcing international environmental agreements and trade: taxes versus caps](#)

Authors: Eichner, Thomas and Pethig, Rüdiger

Source: Oxford Economic Papers; 2015. Advance Access. First published online: May 26, 2015

Abstract: We study self-enforcing international environmental agreements (IEAs) in a model with symmetric countries, international trade, and emission tax policy and find that the first-best global IEA may be self-enforcing. This is in sharp contrast to the known case of cap-and-trade policy in which self-enforcing IEAs have fewer signatories and fail to achieve significant improvements in welfare and damage reduction compared to global non-cooperation. We provide necessary and sufficient conditions for global self-enforcing IEAs and show, amongst other things, that they are more likely with less severe climate damage. Another result is that their determinants are similar for climate coalitions playing Nash or being Stackelberg leaders.

Note: doi: 10.1093/oep/gpv037

Database: Oxford Journals

10.

Title: [Inflation targeting and macroeconomic performance since the Great Recession](#)

Authors: Andersena, Thomas Barnebeck, Malchow-Møllerb, Nikolaj and Jens Nordvigc

Source: Oxford Economic Papers; Jul 2015, Vol. 67 Issue 3, Pp. 598-613

Abstract: Has inflation targeting (IT) conferred benefits in terms of economic growth on countries that followed this particular monetary policy strategy during the crisis period 2007–13? We answer this question in the affirmative. Countries with an IT monetary regime weathered the crisis much better than did countries with other monetary regimes, particularly countries with fixed exchange rates.

Note: doi: 10.1093/oep/gpv024

Database: Oxford Journals

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