

## Business & Economics articles (May 2013)

1.

**Title:** [The role of foreign direct investment in the relation between intellectual property rights and growth](#)

**Authors:** Kashcheeva, Mila

**Source:** Oxford Economic Papers; 2013, Advance Access, First published online: April 24, 2013

**Abstract:** The theory predicts that the welfare implications of intellectual property rights (IPR) reform are ambiguous, and depend on the extent of foreign direct investment (FDI) in the IPR-reforming country. However, previous research finds that stricter IPR increase development, especially among multinational firms in technology-intensive industries. I examine whether the impact of IPR on growth is different depending on a level of FDI, because previous research either looked at a few episodes of IPR reforms, or a specific source or a recipient of FDI, thus potentially overlooking the global effect. Using dynamic panel data techniques and a sample of 103 countries over 1970-2009, I find that although FDI and IPR have positive effects on growth for most of the countries, stronger IPR mitigates the growth effect of FDI for developing countries. Moreover, at the highest levels of FDI, lax IPR increase growth. The effect works through capital accumulation and TFP improvements.

**Database:** *Oxford Journals Online*

2.

**Title:** [A variety of capitalism ... with Chinese characteristics?](#)

**Authors:** Peck, Jamie and Zhang, Jun

**Source:** Journal of Economic Geography; May 2013, Vol. 13, Issue 3, Pp. 357-396

**Abstract:** The 'varieties of capitalism' framework represents an influential methodological innovation in the field of comparative political economy. It seeks to account for enduring spatial variations in national economic performance by recourse to macroinstitutional analysis, drawing ideal-type distinctions between liberal market economies, modeled on USA, and coordinated market economies, modeled on Germany. Moving beyond critiques of varieties literature—for instance, its methodological nationalism; its preoccupation with limited, formal registers of (national) institutional variety; its growing reliance on rational-choice, firm-centric methods; its failure to account for the pronounced interpenetration and mutual dependence of capitalist economies and its tendency to privilege typological elaboration over causal explanation—this article explores the critical (counter?) case of Chinese capitalism. It considers the extent to which the Chinese economy can be meaningfully characterized as capitalist; the character of its state form and recent development path and its position within—or beyond—conventional understandings of capitalist variety.

**Database:** *Oxford Journals Online*

3.

**Title:** [Experiments in Open Innovation at Harvard Medical School](#)

**Authors:** Guinan, Eva, Boudreau, Kevin J and Lakhani, Karim R

**Source:** MIT Sloan Management Review; Spring 2013, Vol. 54, Issue 3, Pp. 45-52

**Abstract:** Harvard Medical School seems an unlikely organization to open up its innovation process. By most measures, the more than 20,000 faculty, research staff and graduate students affiliated with Harvard Medical School are already world class and at the top of the medical research game, with approximately \$1.4 billion in annual funding from the U.S. National Institutes of Health (NIH). But in February 2010, Drew Faust, president of Harvard University, sent an email invitation to all faculty, staff and students at the university (more than 40,000 individuals)

encouraging them to participate in an ideas challenge that Harvard Medical School had launched to generate research topics in Type 1 diabetes. Eventually, the challenge was shared with more than 250,000 invitees, resulting in 150 research ideas and hypotheses. The goal of opening up idea generation and disaggregating the different stages of the research process was to expand the number and range of people who might participate. Today, seven teams of multi-disciplinary researchers are working on the resulting potential breakthrough ideas. In this article, we describe how leaders of Harvard Catalyst an organization whose mission is to drive therapies from the lab to patients' bedsides faster and to do so by working across the many silos of Harvard Medical School chose to implement principles of open and distributed innovation.

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

4.

**Title:** [Economic relations between Germany and southern Europe](#)

**Authors:** Simonazzi, Annamaria, Ginzburg, Andrea and Nocella, Gianluigi

**Source:** Cambridge Journal of Economics; 2013, Advance Access, First published online: April 16, 2013

**Abstract:** Two interpretations have been advanced to account for persistent German current account surpluses that translate into equally persistent deficits of countries in the European periphery. According to the first, the German surplus is the expression of a 'virtuous' savings behaviour, to be extended to the periphery. The second maintains that the increase in net exports reflects the stagnation of German domestic demand. The paper argues that differences in price competitiveness are only part of the explanation of the disequilibria and that an expansion of German internal demand, albeit necessary, would not suffice to provide a viable response to the long-term sustainability of the euro area. Adopting a multilevel perspective, the paper argues that to understand the persistence of deficits in the European periphery, the main features of the reorganisation of the German economic system, including its income redistribution and demand implications, should be considered. Three elements are singled out: the effects of eastward enlargement, the impoverishment of the productive matrix of peripheral countries and the quality composition of trade flows. This analysis, it is argued, is a crucial premise for devising trade and industrial policies targeted on redressing the increasing skewness of EU trade, especially through greater trade among the deficit countries.

**Database:** *Oxford Journals Online*

5.

**Title:** [Eurozone Crisis and European Integration: Functional Spillover, Political Spillover?](#)

**Authors:** Vilpišauskas, R.

**Source:** Journal of European Integration; April 2013, Vol. 35, Issue 3, Pp. 361-373

**Abstract:** This paper analyzes the decisions taken since the start of the financial and economic crisis in the European Union and assesses them in the light of the traditional debates of integration theories. It discusses the key characteristics of the process of responding to the crisis since 2008-2009 when the problems of Greece have been increasingly publicized, the main actors involved, and provides an interpretation of the key decisions dealing with the crisis and their implications in terms of further European integration. First assessing these events in the light of the neo-functional and liberal inter-governmentalist debate, it then presents a framework linking the accounts of the integration process with a domestic politics approach. In this respect it contributes to the literature on European integration as well as the changing nature of EU polity, policy-specific effects of politics and how politics in member states constrains decisions on the further deepening of the Economic and Monetary Union and efforts to move towards transfer union. The incremental process of centralizing redistributive policies accompanied by the debates about financial transfers from some EMU countries to the others have altered popular 'permissive consensus' about the process of European integration and exposed territorial cleavages which

became a key constraint in responding to the crisis and pressures for further integration.

**Database:** *Scopus*

6.

**Title:** [Merged Into One: Keystones of European Economic Governance, 1962-2012](#)

**Authors:** Andrews, D.

**Source:** Journal of European Integration; April 2013, Vol. 35, Issue 3, Pp. 315-331

**Abstract:** In this article I assess the views of the European Commission on key subjects related to Europe's economic governance. My examination is framed by a close reading of two documents, one issued in 1962 ('the Action Programme for the Second Stage') and the other in 2008 ('EMU@10: successes and challenges after ten years of Economic and Monetary Union'). The resulting comparison reveals a pattern of intellectual flexibility on certain policy issues combined with almost dogmatic commitments on others. For example, the views expressed by the Commission regarding financial liberalization have changed significantly over the past half century; at the same time the Commission has insisted tenaciously on the necessity of moving towards (or later consolidating) a European monetary union. The nature of this pattern, and especially the defense of the same policy prescription under radically different circumstances, suggests a deeply-felt commitment rather than a reasoned analysis.

**Database:** *Scopus*

7.

**Title:** [The macroeconomic effects of legislated tax changes in Germany](#)

**Authors:** Hayo, Bernd and Uhl, Matthias

**Source:** Oxford Economic Papers; 2013, Advance access, First published online: May 1, 2013

**Abstract:** This paper studies the short-term macroeconomic effects of legislated tax changes in Germany using a five-variable vector autoregression (VAR) framework. Identification of the tax shock follows a recently proposed narrative approach. Based on a historical account of German tax legislation, the timing, size, and motivation of legislated tax changes are assessed and a time series of exogenous tax shocks is constructed. The VAR results indicate a substantial and statistically significant reaction of output following implementation of a tax change. In response to a one percentage point increase in the tax-to-GDP ratio, we observe a maximum output reduction of 2.4%. These results suggest that previous estimates of the effects of tax changes on output in Germany are downward biased.

**Database:** *Oxford Journals Online*

8.

**Title:** [Social capital and self-reported general and mental health in nine Former Soviet Union countries](#)

**Authors:** Goryakin, Yevgeniy, Suhrcke, Marc, Rocco, Lorenzo, Roberts, Bayard and McKee, Martin

**Source:** Health Economics, Policy and Law; 2013, *FirstView* Article, Pp. 1-24

**Abstract:** Social capital has been proposed as a potentially important contributor to health, yet most of the existing research tends to ignore the challenge of assessing causality in this relationship. We deal with this issue by employing various instrumental variable estimation techniques. We apply the analysis to a set of nine former Soviet countries, using a unique multi-country household survey specifically designed for this region. Our results confirm that there appears to be a causal association running from several dimensions of individual social capital to general and mental health. Individual trust appears to be more strongly related to general health, while social isolation- to mental health. In addition, social support and trust seem to be more important determinants of health than the social capital dimensions that facilitate solidarity and collective action. Our findings are remarkably robust to a range of different specifications,

including the use of instrumental variables. Certain interaction effects are also found: for instance, untrusting people who live in communities with higher aggregate level of trust are even less likely to experience good health than untrusting people living in the reference communities.

**Database:** *Cambridge Journals Online*

9.

**Title:** [A Proposed Cross-Cultural Examination of Online Advertising Effectiveness in China and the UK](#)

**Authors:** Ju, Bei

**Source:** International Journal of Business and Management; 2013, Vol. 8, Issue 6, Pp. 34-39

**Abstract:** This paper raises a proposed cross-cultural examination of online advertising effectiveness in China and the UK setting against the background of globalization and the widespread usage of online business communication. Different from previous studies, such specific indexes of Hofstede's cultural dimensions as individualism/collectivism, uncertainty avoidance, power distance, masculinity/femininity and long-term orientation which behind the hidden relationships between culture and online advertising effectiveness are suggested to be explored and revealed in the present study based on three measurements including attitudes towards banner ads, ability to recall banner ads and frequency of clicking banner ads. Moreover, the discourse analysis is also advised to be conducted at the same time to evaluate the role of culture in banner advertisement. In this way, the marketers will be enlightened by this study when formulating their online advertising strategies. [PUBLICATION ABSTRACT]

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

10.

**Title:** [Historical sources of institutional trajectories in economic development: China, Japan and Korea compared](#)

**Authors:** Masahiko Aoki

**Source:** Socio-Economic Review; April 2013, Vol. 11, Issue 2, Pp. 233-263

**Abstract:** This article first provides a game-theoretic, endogenous view of institutions and then applies the idea to identify the sources of institutional trajectories of economies development in China, Japan, and Korea. It stylises the Malthusian phase of the East Asian economies as a peasant-based economies in which small conjugal families self-managed their working times between farming on small plots—leased or owned—and handcrafting for personal consumption and markets. It then compares institutional arrangements across these economies that sustained otherwise similar economies. It characterises the varied nature of the political states of Qing China, Tokugawa Japan and Yi Korea by focusing on the way agricultural taxes were enforced. It also identifies different patterns of social norms of trust that were institutional complements to, or substitutes for, the political states. Finally, it traces the path-dependent transformations of these state-norm combinations along subsequent transitions to post-Malthusian phases of economic growth in the respective economies.

**Database:** *Oxford Journals Online*

11.

**Title:** [Transparency and timeliness: the monitoring of agricultural policies in the WTO using OECD data.](#)

**Authors:** Josling, Tim and Mittenzwei, Klaus

**Source:** World Trade Review; 2013. *FirstView* Article, Pp. 1-15

**Abstract:** Transparency in the multilateral trade system is fundamental. Monitoring the compliance of WTO members with their obligations is an important part of that transparency, and timeliness in the notification of compliance is crucial. In the case of domestic support to

agriculture, the notifications of compliance with obligations have been slow and opaque. But another database exists that could both illuminate the extent to which policy instruments are correctly notified and provide a convenient way to ensure timely 'pre-notifications' in the event that delays occur in the future. This note shows how the OECD database can be used, for example, to shed light on the extent to which payments to producers that require production as a matter of eligibility, are presently notified to the WTO as having no effect on production. We also demonstrate the feasibility of using OECD data to construct 'pre-notifications' by calculating the (as yet un-notified) domestic support notifications for the EU for the years 2009/10 and 2010/11.

**Database:** *Cambridge Journals Online*

12.

**Title:** [The national-level energy ladder and its carbon implications.](#)

**Authors:** Burke, Paul J.

**Source:** Environment and Development Economics; 2013, *FirstView* Article, Pp. 1-20

**Abstract:** This paper uses data for 134 countries for the period 1960–2010 to document an energy ladder that nations ascend as their economies develop. On average, economic development results in an overall substitution from the use of biomass to energy sourced from fossil fuels, and then increasingly towards nuclear power and certain low-carbon modern renewables such as wind power. The process results in the carbon intensity of energy evolving in an inverse-U manner as per capita incomes increase. Fossil fuel-poor countries climb more quickly to the low-carbon upper rungs of the national-level energy ladder and so typically experience larger reductions in the carbon intensity of energy as they develop. Leapfrogging to low-carbon energy sources on the upper rungs of the national-level energy ladder is one route via which developing countries can reduce the magnitudes of their expected upswings in carbon dioxide emissions.

**Database:** *Cambridge Journals Online*

13.

**Title:** [Optimizing Your Digital Business Model](#)

**Authors:** Weill, Peter and Woerner, Stephanie L.

**Source:** MIT Sloan Management Review; Spring 2013, Vol. 54 Issue 3, Pp. 71-78

**Abstract:** Are your customers leaving you behind digitally? Are they seeking out other companies that provide great digital customer experiences? These are far from idle questions. Customers are increasingly demanding to interact with companies anytime and anywhere. Given that, enterprises must strengthen their digital business models how they engage their customers digitally to create value, via mechanisms such as websites and mobile devices. This article is based on a two-year MIT Center for Information Systems Research (CISR) research project. We began by creating a framework drawing on previous research and many conversations with chief information officers and other senior leaders about the challenges of operating in a more digital world.

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

14.

**Title:** [Demand for debt and equity before and after the financial crisis](#)

**Authors:** Bhaird, Ciarán Mac an

**Source:** Research in International Business and Finance; May 2013, Vol. 28, Pp. 105–117

**Abstract:** Supply and demand responses to financial crises result in fluctuations in credit flow to the private sector. Policy makers concerned with the sustainability and growth of viable firms should disaggregate these responses. Utilising firm level data, this study investigates characteristics of firms applying for external finance before and after the financial crisis, along with characteristics of successful applicants. Notwithstanding changes in credit conditions, salient



features of external financing demand endure across the period, including ownership, asset structure, age and size. Failure to secure debt in an earlier period does not deter firm owners from applying for loans in a subsequent period. Evidence suggests that the most financially distressed firms are suffering the greatest consequences of the credit crunch.

**Note:** *Original research article*

**Database:** *ScienceDirect*

15.

**Title:** [THE RELATIONSHIP BETWEEN BANK CREDIT RISK AND PROFITABILITY AND LIQUIDITY](#)

**Authors:** Berríos, Myrna R

**Source:** The International Journal of Business and Finance Research; 2013, Vol.7 Issue 3, Pp. 105-118

**Abstract:** This paper's objective is to study the relationship between bank credit risk and financial performance and the contribution of risky lending to lower bank profitability and liquidity. The sample data comes from the Mergent Online database, which stores ownership, executive, and financial information about public and private companies. This study focuses on the concept of prudent lending by public state commercial banks, insider ownership, and chief executive officer compensation and tenure, which are governance related bank characteristics. Performance variables in analysis of covariance models include net interest margin, return on assets, return on equity, and cash flow to assets. Preliminary results show a negative relationship between less prudent lending (which may be interpreted as a positive effect of more prudent lending) and net interest margin. However, findings were only statistically significant when the normality assumption was relaxed through the robust regression method. Insider holdings and longer chief executive officer tenure were negatively related to bank performance. This may be a consequence of an adverse effect of the agency problem. Further research should focus on obtaining a deeper understanding of these results and of the underlying causes of the most recent financial crisis, from the viewpoint of different market participants. [PUBLICATION ABSTRACT]

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

16.

**Title:** [Better branding: Brand names can influence consumer choice](#)

**Authors:** Hillenbrand, Philipp, Alcauter, Sarael, Cervantes, Javier and Barrios, Fernando

**Source:** Journal of Product & Brand Management; 2013, Vol. 22, Issue 4, EarlyCite Article

**Abstract:** *Purpose* - Researchers agree that the choice of brand name for a product can alter the consumers' judgment about the product and their purchase decision making process. With competition getting fiercer and product quality becoming more homogenous, a "better" brand name can be decisive in product choice if the consumers compare several products. Purpose of this research is to offer new physiological insights about how brand names are processed in the consumer's brain in order to identify potential determinants of "better" brand names.

*Design/methodology/approach* - Using valence and activation ratings, reaction time, and functional Magnetic Resonance Imaging (fMRI), we show the interaction of key brand name dimensions with the consumer purchase decision-making process, as well as the neurophysiologic basis of consumer preference for certain types of brand names.

*Findings* - Our research shows that it has a positive effect on consumer choice to include in the brand name hints at the key benefits of the underlying product.

*Practical implications* - Our results demonstrate that fMRI is able to provide important insights for brand practitioners.

*Originality/value* - Current research has neither focused on the interaction of brand name dimensions with the consumer purchase decision-making process nor provided insight about the physiological drivers of brand perception. In our research we applied for the first time

neurophysiologic methodologies and fMRI to questions related to brand names, resolving questions that have not been answered due to the methodological limitations of social sciences.

**Database: Emerald Management**

17.

**Title:** [The impact of event marketing on brand equity](#)

**Authors:** Zarantonello, Lia and Schmitt, Bernd H.

**Source:** International Journal of Advertising; 2013, Vol. 32, Issue 2, Pp.255-280

**Abstract:** Can event marketing contribute to brand equity? A field study with consumers participating in different types of events (trade shows, street events, pop-up shops and sponsored events) indicates that event attendance has a positive impact on brand equity. Our analysis reveals that brand experience, an antecedent of brand attitude, mediates the relationship between pre-event and post-event brand equity in all types of events. Brand attitude, on the other hand, mediates this relationship only in some cases (trade shows and street events). Implications of the results for event theory and practice are discussed. [ABSTRACT FROM AUTHOR]

**Database: Business Source Complete**

18.

**Title:** [The Impact of Disparate Levels of Marketplace Inclusion on Consumer-Brand Relationships](#)

**Authors:** Bennett, Aronté Marie, Hill, Ronald Paul and Oleksiuk, Daniel

**Source:** Journal of Public Policy & Marketing; Spring 2013, Vol. 32, Special Issue, Pp.16-31

**Abstract:** While most racial discrimination has manifested historically as explicit exclusion, its contemporary iteration may be an implicit failure to include. Both forms of discrimination affect the way racial minorities interact with the marketplace. After providing a conceptual grounding in relevant literature, the authors propose a novel examination of how American minority groups perceive brands in ways that are similar to one another but different from majority American consumers. Using the research paradigm advanced by Fiske and her colleagues on perception and stereotyping, the authors find that there are differences in brand perceptions between racial groups, suggesting that disparate levels of marketplace access have impactful, systematic consequences for minority consumers. [ABSTRACT FROM AUTHOR]

**Database: Business Source Complete**

19.

**Title:** [The effect of brand on churn in the telecommunications sector](#)

**Authors:** Svendsen, Gunnvald Bendix and Prebensen, Nina Katrine

**Source:** European Journal of Marketing; 2013, Vol. 47, Issue 8, EarlyCite Article

**Abstract:** *Purpose* - The present paper investigates the effect of network provider, customer demographics, customer satisfaction and perceived switch costs on churn in the mobile telecommunications market.

*Design/methodology/approach* - The study is carried out as a longitudinal, two-wave study of mobile telecommunications customers in Norway: n = 1499 (wave 1) and n = 976 (wave 2). Churn is measured as change in the mobile network provider between the two waves. The data are analysed as a logistic regression with the independent variables provider, gender, satisfaction, switch costs and age.

*Findings* - Findings: The analysis shows significant effects of provider, satisfaction, switch costs and age and of the interaction between satisfaction and provider. Gender has no significant effect on churn. Provider effects are interpreted as effects of brand image since other known influences on churn (satisfaction, switch costs and demographics) have been controlled for in the design.

*Research limitations/implications* - Further research is necessary in order to single out which brand aspects are responsible for the effects of brand ownership and to ensure the generality of the findings outside Scandinavia.

*Practical implications* - The findings indicate that a strong brand image makes a company less susceptible to customer churn caused by low satisfaction.

*Originality/value* - The relation between brand ownership and churn in the mobile telecommunications sector has not been reported previously.

**Database: Emerald Management**

20.

**Title:** [Brand and Category Design Consistency in Brand Extensions](#)

**Authors:** Goh, Yi Sheng, Chattaraman, Veena and Forsythe, Sandra

**Source:** Journal of Product & Brand Management; 2013, Vol. 22, Issue 4, EarlyCite Article

**Abstract:** *Purpose* - This study investigates the influence of two critical brand extension design components -- brand design consistency and category design consistency, on the formation of consumers' product attitudes and purchase intentions. It also examines the underlying mechanism for attitude formation towards new brand extensions using processing fluency theory and the moderation of brand strength.

*Design/methodology/approach* - A 2 (brand design consistency: high vs. low) x 2 (category design consistency: high vs. low) x 2 (brand strength: strong vs. weak) x 2 (processing fluency: conceptual vs. perceptual) between subjects experiment with 642 participants was used to test the proposed hypotheses and model.

*Findings* - Results obtained from SEM and ANCOVA demonstrate that both brand and category design consistencies assert significant effects on new product attitude in brand extensions; however, the relative effect of category design consistency is greater. Further, the effect of category design consistency varies as a function of brand strength, and is stronger for weak brands than for strong brands.

*Practical implications* - Brand managers should maintain consistency of extension product design with both the parent brand and the new product category, and prioritize the latter for weak brands.

*Originality/value* - This study integrates brand extension and aesthetics research on prototypicality to formulate and test important research questions, previously unexamined. Further, realistically-rendered product images, allowing both conceptual and perceptual processing, were used in the experiment to provide a better imitation of real product choices – an approach different from most extant brand extension studies, which utilize verbal stimuli.

**Database: Emerald Management**

**Selected by Ploenchan Akvanich, Research Support Services,  
Chulalongkorn University**