

Hot Articles

“August|2017”

Business & Economics



Title: [Bond Market Exposures to Macroeconomic and Monetary Policy Risks](#)

Author: Dongho Song

Journal: The Review of Financial Studies

Volume: 30 **Issue:** 8 **Page:** 2761-2817

Doi: 10.1093/rfs/hhx039

Abstract

The paper estimates a model that allows for shifts in the aggressiveness of monetary policy and time variation in the distribution of macroeconomic shocks. These model features induce variations in the cyclical properties of inflation and the riskiness of bonds. The estimation identifies inflation as procyclical from the late 1990s, when the economy shifted toward aggressive monetary policy and experienced procyclical macroeconomics shocks. Since bonds hedge stock market risks when inflation is procyclical, the stock-bond return correlation turned negative in the late 1990s. The risks of encountering countercyclical inflation in the future could lead to an upward-sloping yield curve, like in the data.

Database

Oxford Journals

Title: [Credit-Market Sentiment and the Business Cycle](#)
Author: David Lopez-Salido, Jeremy C. Stein and Egon Zakrajsek
Journal: The Quarterly Journal of Economics
Volume: 132 **Issue:** 2 **Page:** 1373-1426
Doi: 10.1093/qje/qjx014

Abstract

Using U.S. data from 1929 to 2015, we show that elevated credit-market sentiment in year $t - 2$ is associated with a decline in economic activity in years t and $t + 1$. Underlying this result is the existence of predictable mean reversion in credit-market conditions. When credit risk is aggressively priced, spreads subsequently widen. The timing of this widening is, in turn, closely tied to the onset of a contraction in economic activity. Exploring the mechanism, we find that buoyant credit-market sentiment in year $t - 2$ also forecasts a change in the composition of external finance: net debt issuance falls in year t , while net equity issuance increases, consistent with the reversal in credit-market conditions leading to an inward shift in credit supply. Unlike much of the current literature on the role of financial frictions in macroeconomics, this article suggests that investor sentiment in credit markets can be an important driver of economic fluctuations. JEL Codes: E32, E44, G12.

Database

Oxford Journals

Title: [The Effect of Future Event Markers on Intertemporal Choice Is Moderated by the Reliance on Emotions versus Reason to Make Decisions](#)

Author: Frank May

Journal: Journal of Consumer Research

Volume: 44 **Issue:** 2 **Page:** 313-331

Doi: 10.1093/jcr/ucw081

Abstract

This research examines how future event markers influence intertemporal choice, and it demonstrates across five studies that the number of salient events between a smaller-sooner and larger-later option impacts patience. The direction of the effect depends on whether the individual relies on emotion versus reason to make decisions. For those who rely on emotion, additional events increase patience. Conversely, for individuals who rely on reason, additional events decrease patience. These effects are driven by perceptions of time, as events contract perceptions of time for emotional decision makers but expand perceptions of time for rational decision makers. Implications arise for intertemporal choice, time perception, and emotional versus rational decision making.

Database

Oxford Journals

Title: [Do Firms Demand Temporary Workers When They Face Workload Fluctuation? Cross-Country Firm-Level Evidence.](#)
Author: Dräger, Vanessa and Marx, Paul
Journal: ILR Review
Volume: 70 **Issue:** 4 **Page:** 942-975
Doi: 10.1177/0019793916687718

Abstract

The growth of temporary employment is one of the most important transformations of labor markets in the past decades. Theoretically, firms' exposure to short-term workload fluctuations is a major determinant of employing temporary workers when employment protection for permanent workers is high. The authors investigate this relationship empirically with establishment-level data in a broad comparative framework. They create two novel data sets by merging 1) data on 18,500 European firms with 2) measures of labor-market institutions for 20 countries. Results show that fluctuations increase the probability of hiring temporary workers by 8 percentage points in countries with strict employment protection laws. No such effect is observed in countries with weaker employment protections. Results are robust to subgroups, subsamples, and alternative estimation strategies.

Database

Business Source Complete

Title: [Trade Unions in Segmented Labor Markets: Evidence from the German Metal and Chemical Sectors.](#)

Author: Dorigatti, Lisa

Journal: ILR Review

Volume: 70 **Issue:** 4 **Page:** 919-941

Doi: 10.1177/0019793916677993

Abstract

Drawing on case studies in the German metal and chemical sectors, this article addresses trade unions' behavior toward employers' labor market segmentation strategies and, in particular, their use of outsourcing. Findings illustrate that, contrary to the expectations of the dualization literature, trade unions do not always give priority to their core constituency over the interests of temporary or peripheral workers. Union actions are not solely determined by the aim of defending the interests of their current members but depend instead on the interrelationship between unions' identity and their members' and organizational interests.

Database

Business Source Complete

Title: [Economic downturn, health, and well-being in workers with disabilities \(Manuscript in Spanish\)](#)
Author: Carlos-María Alcover, Rodríguez Fernando, Pastor Yolanda, Fernández Juan José and Chambel, María José.
Journal: Revista de Psicología del Trabajo y de las Organizaciones
Volume: 33 **Issue:** 2 **Page:** 147-55
Doi: 10.1016/j.rpto.2017.05.001

Abstract

This study's aim is to analyze the consequences of the deterioration of working conditions caused by the economic downturn on occupational health, well-being, perceptions, and job attitudes in workers with disabilities. A sample of 31 workers with disabilities in ordinary firms (i.e., not in protégé employment organizations) was used, with repeated measures being taken in 2013 and 2014. After identifying objective indicators and expert assessments of these workers' working conditions, we tested these workers' relationships with perceived organizational support, supervisors and coworker support, job satisfaction, intention to quit, perceived stress, burnout, and life satisfaction. Parametric and non-parametric analyses indicate that these variables are sensitive, with statistically significant differences, to the worse working conditions perceived in 2014 compared to 2013. The consequences of these results are discussed in relation to the effects of the economic downturn on the quality of working life of people with disabilities, and on the increase of discrimination towards them.

Database

ABI/INFORM Collection

Title: [Withstanding financial crises: would trade partners help or hurt?](#)

Jean-Sébastien Pentecote & Fabien Rondeau

Author: Pages |:

Journal: Journal

Published online: 01 Aug 2017 **Page:** 1-14

Doi: 10.1080/00036846.2017.1358444

Abstract

This article provides new empirical evidence on the losses of real activity caused by various financial shocks. Spillover effects due to foreign trade linkages deserve special attention. To this end, we estimate a modify autoregressive process and a Seemingly Unrelated Regression Equations estimator is used to account for the dependency of one's country growth on its trade-weighted partners growth. We run estimations on a set of currency collapses, banking crises and sovereign defaults in 49 advanced and developing countries from 1978 to 2011. The trade-weighted foreign demand effect mitigated the economic downturn following a banking or a sovereign debt crisis in all countries, while only the advanced ones benefited from it after a currency collapse. Trade-based spillover effects make banking crises more costly in the developing countries, in those that liberalize their financial account. It contrasts with what is observed during currency or sovereign debt crises.

Database

Tylor & Francis

Title: [“Getting History Wrong”: The Heritage/Enterprise Couplet in Julian Barnes’s England, England](#)

Author: Jong-Seok Kim

Journal: Critique: Studies in Contemporary Fiction

Published online: 01 Aug 2017 **Page:** 1-13

Doi: 10.1080/00111619.2017.1347554

Abstract

Julian Barnes’s 1998 novel *England, England* is a tongue-in-cheek but pointed critique of the Thatcherite entrepreneurial heritage industry. Written in the context of the “anti-heritage animus” of late twentieth-century Britain, the novel criticizes the heritage-enterprise couplet based on the commodification of the UK’s national past into fake artifacts and clichéd nostalgic images. Sir Jack Pitman is a satirical caricature of a Thatcherite entrepreneur. The very success of his heritage theme park seems intended as an endorsement of a close partnership between heritage and enterprise. The result of their combination, however, turns out to be potentially harmful and disturbing.

Database

Taylor & Francis

Title: [Good volatility, bad volatility: What drives the asymmetric connectedness of Australian electricity markets?](#)

Author: Nicholas Apergis, Jozef Barunik and Marco Chi Keung Lau

Journal: Energy Economics

Volume: 66 **Page:** 108-115

Doi: 10.1016/j.eneco.2017.06.010

Abstract

Efficient delivery of network services and the electricity infrastructure to meet the long-term consumer's interests are the main objectives and the strategies of a national electricity market, while the main interests of generators are to maximize their profit through pricing strategies. Therefore, the objective of this study is to explore whether electricity prices across the four Australian States display symmetric price volatility connectedness. The study is the first attempt in the literature to make use of intraday 5-min Australian dispatch electricity prices, spanning the period December 8th, 1998 to May 5th, 2016 to quantify asymmetries in volatility connectedness emerging from good, and bad volatility. The results provide supportive evidence that the Australian electricity markets are connected asymmetrically implying the presence of some degree of market power that is exercised by generators across regional electricity markets.

Database

ScienceDirect

Title: [Time-varying causality between stock and housing markets in China](#)

Author: Guangping Shi, Xiaoxing Liu and Xu Zhang

Journal: Finance Research Letters

Volume: 22 **Page:** 227-232

Doi: 10.1016/j.frl.2017.06.003

Abstract

Based on the rolling-window bootstrap Granger causality test, this paper investigates the relationship between stock and housing markets from the perspective of China's first-, second- and third-tier cities. The result indicates that the relations between stock and housing prices change across time and city tiers. The causality mainly exists in bull market periods and financial crises. During a bull market, the effect of stock prices on housing prices is positive in cities of all tiers, and the strongest effect is found in first-tier cities; during a financial crisis, housing prices have a negative effect on stock prices, and the effect diminishes gradually from first-tier cities to third-tier cities. Therefore, economic policy makers could take these differences into account to improve policy efficiency.

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