

Hot Articles

“March|2017”

Business & Economics



Title: [Buying up the Block: An Experimental Investigation of Capturing Economic Rents Through Sequential Negotiations*](#)
Author: Gautam Goswami, Thomas Noe and Jun Wang
Journal: The Journal of Law, Economics, & Organization
Volume: 33 **Issue:** 1 **Page:** 139-172
Doi: 10.1093/jleo/eww015

Abstract

This article analyzes an economic experiment designed to measure the effect of “legal technology” on the economic efficiency of Coasian bargaining. In the experiment, the agreement of many agents (called “landowners”) to transfer their property rights to a single agent (called “the developer”) generates an economic surplus. In this setting, we show that a very primitive legal technology sequential cash purchase (SC-P) is a strong implementation of a unique efficient bargaining outcome as a subgame perfect equilibrium. However, when deployed in the laboratory, SC-P results in an average loss of 60% of the economic surplus through inefficient negotiation failure. Deploying a more behaviorally robust but also more legally complex technology, a tender and conditional offer (TC-O) mechanism, halved the surplus loss and supported significant developer payoffs. These results suggest that, even absent asymmetric information, moral hazard, and transactions costs, complex legal technologies can increase bargaining efficiency. (JEL K11, D02, C70)

Database

Oxford Journal Online

Title: [The Impacts of Unilateral Climate Policy on Competitiveness: Evidence From Computable General Equilibrium Models](#)

Author: Jared C. Carbone and Nicholas Rivers

Journal: Review of Environmental Economics and Policy

First published: 20 February 2017

Doi: 10.1093/reep/rew025

Abstract

When considering the adoption of a domestic climate change policy, politicians and the public frequently raise concerns about competitiveness. Competitiveness in this context does not have a precise economic definition. In this article we discuss possible ways to anchor the concept of competitiveness in economic analysis. We then use this framework as the basis for a systematic survey of the literature on the quantitative impacts of unilateral climate change policy, which are derived from the results of computable general equilibrium (CGE) models. We present empirical estimates from this literature on the magnitude of competitiveness effects that might be associated with the adoption of unilateral climate change policies. We find that there is significant agreement in the literature that unilateral emissions abatement is likely to lead to modest reductions in output and exports from emissions-intensive trade-exposed (EITE) sectors. On average, policies designed to reduce economy-wide emissions by 20 percent are estimated to reduce EITE output by 5 percent and exports by 7 percent. We also find that the results of models are highly dependent on modeling assumptions. Finally, we propose some avenues for future research using CGE models.

Database

Oxford Journal Online

Title: [Energy-Saving Effects of Progressive Pricing and Free CFL Bulb Distribution Program: Evidence from Ethiopia](#)

Author: Atsushi Iimi, Raihan Elahi, Rahul Kitchlu and Peter Costolanski

Journal: The World Bank Economics Review

First published: 19 February 2017

Doi: 10.1093/wber/lhw068

Abstract

In Africa, about 70 percent of the total population still lives without electricity. Significant resources are needed to meet the gap. Demand-side management is crucial to curb the increasing demand even in developing countries. A traditional approach is to raise prices, but promoting energy-efficient products such as CFL bulbs is also a win-win proposition. While end-users can reduce their spending, power utilities can avoid costly investments in new generation capacity. The paper estimates the effects of progressive pricing as well as CFL distribution program in Ethiopia. It is found that the increasing block tariff structure reduced the demand: the price elasticity is estimated at 0.29. This is particularly useful to influence large-volume users, who are presumably the rich. The CFL program is also found effective to contain the electricity demand. The estimated impact is about 45 kWh per customer. This is significant energy savings particularly for low-volume users. JEL Classification: C33; C36; L94

Database

Oxford Journal Online

Title: [Financial Statements as Monitoring Mechanisms: Evidence from Small Commercial Loans](#)

Author: Michael Minnis and Andrew Sutherland

Journal: Journal of Accounting Research

Volume: 55 **Issue:** 1 **Page:** 197–233

Doi: 10.1111/1475-679X.12127

Abstract

Using a data set that records banks' ongoing requests of information from small commercial borrowers, we examine when banks use financial statements to monitor borrowers after loan origination. We find that banks request financial statements for half the loans and this variation is related to borrower credit risk, relationship length, collateral, and the provision of business tax returns, but in complex ways. The relation between borrower risk and financial statement requests has an inverted U-shape; and tax returns can be both substitutes and complements to financial statements, conditional on borrower characteristics and the degree of bank–borrower information asymmetry. Frequent financial reporting is used to monitor collateral, but only for non–real estate loans and only when the collateral is easily accessible to lenders. Collectively, our results provide novel evidence of a fundamental information demand for financial reporting in monitoring small commercial borrowers and a specific channel through which banks fulfill their role as delegated monitors.

Database

Wiley

Title: [North American Trade Policy for Agriculture and Forestry: Can Economics Trump Politics?](#)

Author: Michele Veeman

Journal: Canadian Journal of Agriculture Economics

Volume: 65 **Issue:** 1 **Page:** 43–68

Doi: 10.1111/cjag.12135

Abstract

Despite overwhelming evidence of benefits overall from lower barriers to trade in goods and services, the number of trade restrictions continues to grow. In some nations, nationalistic politicians who threaten to build walls between nations and reject both new and established trade treaties have gained considerable public support by fanning the resentment and anger of those left behind in a globalizing world. Trade and immigration have incorrectly been blamed. Instead, it should be recognized that economic growth has been fueled by technological and institutional changes that have been accelerated by trade and investment. While these changes improve standards of living overall and create new job opportunities, they also displace workers in high cost regions and industries. Perceptions of the fairness of distribution of gains from trade are likely to be improved where public policy effectively assists labor adjustment and mandates socially acceptable employment standards and safety nets. Possible ways to encourage improvements in communication of the benefits of growth that arise from trade and globalization are suggested.

Database

Wiley

Title: [Design of MySuper default funds: influences and outcomes](#)

Author: Adam Butt, M. Scott Donald, F. Douglas Foster, Susan Thorp and Geoffrey J. Warren

Journal: Accounting & Finance

Volume: 57 **Issue:** 1 **Page:** 47–85

Doi: 10.1111/acfi.12134

Abstract

We interview Australian fund executives about how their organisations responded to MySuper, a regulatory framework for default retirement savings funds that providers were required to have in place by the beginning of 2014. We provide an account of the influences on MySuper product design. Our analysis generates insight into how fund providers balanced their perceptions of the needs of default fund members against business considerations. Differences in member bases and organisational circumstances across funds are found to lead to considerable variation in default fund design.

Database

Wiley

Title: [Supply management and family business: A review and call for research](#)

Author: Michael J. Maloni, Mark S. Hiatt and Joseph H. Astrachan

Journal: Journal of Purchasing and Supply Management

Volume: 23 **Issue:** 2 **Page:** 123–136

Doi: 10.1016/j.pursup.2016.12.002

Abstract

Family-owned enterprises dominate global business, generating 70–90% of the world's gross domestic product. Existing management research has validated that family businesses often behave differently than non-family businesses, primarily by focusing on idiosyncratic non-economic goals that are not typically assessed in traditional business research. Extant supply management literature has yet to investigate the influences of family business, thus overlooking a potential significant source of variation in our research as well as limiting our managerial relevance. The objective of this paper is to introduce supply management scholars to family business, including its prominence and unique characteristics. Applying socioemotional wealth as a theoretical lens, we develop a research agenda from existing supply management and family business literature by offering propositions for future research where family business influences may permeate contemporary supply management topics including strategic supply management, sourcing strategy, supplier relationships, sustainability, risk, and e-procurement. In doing so, we provide an initial foundation for supply management scholars to both incorporate family business effects into research and launch new research streams. This is one of the first papers to our knowledge that introduces the field of family business to supply management scholars.

Database

ScienceDirect

Title: [Firm internationalization, business group diversification and firm performance: The case of Latin American firms](#)

Author: Armando Borda, , José-Mauricio G. Geleilate, William Newburry and Sumit K. Kundu

Journal: Journal of Business Research

Volume: 72 **Issue:** March 2017 **Page:** 104–113

Doi: 10.1016/j.jbusres.2016.11.006

Abstract

We examine the influence of multinationality and business group diversification on firm performance. Further, we examine how their interaction varies between service and manufacturing firms. We assess these relations in three Latin American countries using a sample of 103 firms over the period from 2000 to 2007. We found that there is a limit to the positive effects of business group diversification and that business group diversification effectively moderates the multinationality-performance (M-P) relationship. Our results also suggest that diversified business groups have a stronger positive influence on the M-P relationship for service firms compared to manufacturing firms.

Database

ScienceDirect

Title: [Present whilst absent: Home and the business tourist gaze](#)
Author: Cheryl Willis, Adele Ladkin, Juliet Jain and William Clayton
Journal: Annals of Tourism Research
Volume: 63 **Issue:** March 2017 **Page:** 48–59
Doi: 10.1016/j.annals.2016.10.008

Abstract

This paper reflects on business travel as a contemporary form of mobility and how it relates to family life. Through qualitative research with business travellers, insights are gained into the role digital technology plays in enabling connections to home and family. The paper argues that technology affords a ‘business tourist gaze’, characterised by a focus on ‘home’ rather than ‘away’ as might be the case for leisure tourists. The paper discusses how, through the business tourist gaze, the boundaries between the everyday and the exotic are dissolved and the business traveller is disconnected from the destination, simultaneously absent whilst present both at the destination and at home. Theoretical understandings of the business tourist experience are offered.

Database

ScienceDirect

Title: [Re-framing the status of narrative in family business research: Towards an understanding of families in business](#)
Author: Eleanor Hamilton, Allan Discua Cruz and Sarah Jack
Journal: Journal of Family Business Strategy
Volume: 8 **Issue:** 1 **Page:** 3–12
Doi: 10.1016/j.jfbs.2016.11.001

Abstract

This article will emphasize the status and relevance of narrative research in the study of families in business and family business strategy. It argues that narratives can provide a better understanding of the intricate connections between family and business and across family generations in business. Narratives generate knowledge by helping to shape a collective identity and as a form of intergenerational communication. By focusing on narratives as a phenomenological inquiry, we argue that interviews allow researchers to engage often in emotionally charged and intimate conversations with individuals that want to talk about experiences as members of a family business. This paper will discuss the usefulness of narrative approaches for family business strategy research, develop a catalogue of research questions for exploration, highlight challenges and offer solutions to deal with them when using narrative methods in family business research. This paper argues that while several challenges may be encountered, narratives allow researchers to delve into the intricate lives of members of a family in business

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