

Hot Articles

“May|2017”

Business & Economics



Title: [Moral Hazard in Natural Disaster Insurance Markets: Empirical Evidence from Germany and the United States.](#)

Author: Hudson, Paul; Botzen, W. J. Wouter; Czajkowski, Jeffrey; Kreibich, Heidi.

Journal: Land Economics

Volume: 93 **Issue:** 2 **Page:** 179-208

Doi:

Abstract

Moral hazard in natural disaster insurance markets results in policyholders preparing less, increasing the risk they face. However, moral hazard may not arise, due to high risk aversion or market context. We study the relationship between disaster risk reduction and insurance coverage to assess the presence of moral hazard for two different natural hazards, using four econometric models on survey data from Germany and the United States. The results show that moral hazard is absent. Nevertheless, adverse risk selection may be present. This has significant policy relevance such as opportunities for strengthening the link between insurance and risk reduction measures.

Database

EBSCO: Business Source Complete

Title: [Do What You Can: Investment Ideas for a Low-Return World.](#)

Author: Berger, Adam

Journal: Benefits Magazine

Volume: 54 **Issue:** 5 **Page:** 16-21

Doi:

Abstract

The article reports on the low capital market expectations, focusing on the gap between return targets and expected returns in the U.S. in 2017. Topics discussed include global equities, core fixed income, and private equity. Also being discussed are the emerging market debt, and the steps to consider in stocks.

Database

EBSCO: Business Source Complete

Title: [Product Market Competition and Industry Returns*](#)

Author: M. Cecilia Bustamante and Andres Donangelo

Journal: The Review of Financial Studies

First published: 29 April 2017

Doi: 10.1093/rfs/hhx033

Abstract

This paper studies how expected returns interact with product market competition. The model predicts that (1) competition erodes markups, such that firms are more exposed to systematic risk; (2) the threat of entry by new firms lowers exposure to systematic risk of incumbents; and (3) higher industry aggregate risk represents a barrier to entry, such that riskier industries become less competitive. We provide empirical evidence consistent with these three channels and for an overall negative relation between returns and competition. We also consider a sample selection correction for publicly listed firms and use it to construct an alternative concentration measure.

Database

Oxford Academic Journal

Title: [Global growth in markets for thermal barrier coatings.](#)

Author: Gupta, B. L.

Journal: American Ceramic Society Bulletin

Volume: 96 **Issue:** 4 **Page:** 6-6

Doi:

Abstract

The article offers information on the growth of thermal barrier coatings (TBC) markets across the globe. Topics discussed include the increased demand of TBC for aircraft gas turbines and diesel engine parts, the use of yttria stabilized zirconia ceramic in TBC coatings, and the important role of the aircraft industry in the TBC markets.

Database

EBSCO: Academic Search Complete

Title: [Networks, trust, and risk mitigation during the American Revolutionary War: a case study](#)

Author: Carolyn Downs

Journal: The Economic History Review.

Volume: 70 **Issue:** 2 **Page:** 509-528

Doi: 10.1111/ehr.12385

Abstract

This article takes a case study approach to the question of how entrepreneurs developed and used networks to support trade during the American Revolutionary War (American War of Independence). Using the business letter books of Daniel Eccleston of Lancaster, covering January 1780 to December 1781, the article shows how he used trust-building activities and developed open networks in Britain and the West Indies in order to build, sustain, maintain, and diversify his commercial activities to reduce risk and develop new opportunities. Eccleston's letters illustrate a competitive market in which entrepreneurs helped drive the industrial revolution through stimulating demand and encouraging trade. They show that mutual trust was the foundation of strong networks, and that networks were significant in underpinning entrepreneurial success through allowing the mitigation of business risk and offering the opportunity for diversification supported by the network. The article makes use of the work of Casson, Pearson and Richardson, and Wilson and Pop.

Database

Wiley Online

Title: [Unpacking Institutional Distance: Addressing Human Capital Development and Emerging-Market Firms' Ownership Strategy in an Advanced Economy](#)

Author: Ru-Shiun Liou, Mike Chen-ho Chao, Alan Ellstrand

Journal: Thunderbird International Business Review

Volume: 59 **Issue:** 3 **Page:** 281-295

Doi: 10.1002/tie.21839

Abstract

As latecomers to global business competition, emerging-market multinational companies (EMNCs) utilize cross-border mergers and acquisitions (M&As) to quickly acquire strategic assets, resulting in an improved competitive position. Advanced markets with well-established firms and well-developed market-supporting institutions become particularly important destinations for EMNCs' foreign operations. Institutional distance, which represents conflicting legitimacy requirements between the host and home institutional environments, is expected to be negatively associated with the foreign acquirer's ownership position. The current study examines a sample of EMNCs' cross-border M&As in the United States between 2005 and 2011 and reveals the unique nature of EMNCs' ownership strategies. Taking both formal and informal institutions into consideration, our findings suggest that EMNCs originating in countries with lower levels of human capital development may have more urgency in seeking ownership control in advanced markets and are less influenced by the negative association of institutional distance in their ownership strategy.

Database

Wiley Online

Title: [Crafting Compromises in a Strategising Process: A Case Study of an International Development Organisation](#)

Author: Matthew Hall

Journal: Financial Accountability & Management

Volume: 33 **Issue:** 2 **Page:** 171-191

Doi: 10.1111/faam.12119

Abstract

This paper focuses on how organisational members in non-governmental organisations (NGO) can develop credible and legitimate strategic plans and positions out of diverse and conflicting perspectives. Using empirical data drawn from a strategic planning episode in an international development NGO, the study examines the process of ‘crafting compromises’ whereby organisational members make mutual adjustments and concessions to reach consensus on new strategic plans and positions. The analysis shows that two processes facilitate crafting compromises in strategising; being adaptive and responsive to critique as strategic positions are developed, and an ability to forge relevant connections between new strategic proposals and past strategic positions.

Database

Wiley Online

Title: [Developing appreciation of micro-organizational processes of accounting change and indicating pathways to more 'Enabling Accounting' in a micro-organizational domain of research and development](#)

Author: Bertrand Masquefaa, Sonja Gallhoferb, Jim Haslam

Journal: Critical Perspectives on Accounting

Volume: 44 **Issue:** **Page:** 59-82

Doi: 10.1016/j.cpa.2016.07.001

Abstract

The paper contributes by developing and refining the critical theoretical framing of organizational processes implicating accounting change. This includes articulating how accounting can become more 'enabling' in a dynamic micro-organizational context. The latter articulation reflects a critical theoretical appreciation and mobilization of the construct 'enabling accounting' that begins to contextualize and reconcile aspects of differing usages of this construct in the literature. In framing organizational processes implicating accounting change, the paper furthers understanding of accounting colonization around categories building upon Laughlin (1991) and related studies, including work seeking to develop Laughlin (notably Tucker, 2013; and the Social Network Theory he promotes). Change pathways implicating colonization are in this respect seen as shaped by structural, relational and social mechanisms. The theoretical framing advanced helps to illuminate aspects of colonization processes that facilitate, as well as hinder or counter, meaningfully enabling dimensions of accounting. This enhances the critical theoretical appreciation of colonization in terms of a more complex evaluation. The theorizing is fleshed out and developed through an action research project conducted at the Research and Development (R&D) site of a multinational corporation in France during the implementation of a performance measurement system (PMS). In theorizing accounting colonization and dynamics of an enabling accounting in an R&D setting, we add to prior appreciations of the relation between creative, innovative, ostensibly intuitive and unstructured processes, and, systems of financial control.

Database

ScienceDirect

Title: [A Cost-effectiveness Analysis for Incineration or Recycling of Dutch Household Plastic Waste](#)

Author: Raymond H.J.M. Gradus, Paul H.L. Nillesen, Elbert Dijkgraaf, Rick J. van Koppen

Journal: Ecological Economics

Volume: 135 **Issue:** **Page:** 22-28

Doi: 10.1016/j.ecolecon.2016.12.021

Abstract

The cost-effectiveness of two different plastic waste treatment options is compared. This paper evaluates the recycling of plastic waste with the more conventional incineration of plastic waste, using data for the Netherlands. Both options have specific revenues and costs. The main benefit from plastic recycling is the avoidance of CO₂ emissions that otherwise would occur during incineration and from the production of virgin (new) plastic material. At the same time, there are significant costs involved, such as collection, separation, sorting, and recycling. The benefit from plastic waste incineration is the energy that can be recovered, which reduces emissions in the regular energy production sector by displacing production. The main cost associated with incineration is that this requires a waste-to-energy plant with the associated capital investments. Summing the costs and revenues from both plastic waste treatment options and comparing the results, leads to an implicit CO₂ abatement price of 178 €/t of CO₂ in case of plastic recycling. In general, this implicit price is much higher than current (or historic) ETS prices, the estimated external costs of CO₂ emissions, or alternatives to reduce CO₂ emissions (e.g. renewable energy). A sensitivity analysis shows that this conclusion is robust.

Database

ScienceDirect

Title: [Multiple Policy Instruments for Sustainable Water Management in Crop Production - A Modeling Study for the Chinese Aksu-Tarim Region](#)

Author: Til Feike, Martin Henseler

Journal: Ecological Economics

Volume: 135 **Issue:** **Page:** 42-54

Doi: 10.1016/j.ecolecon.2016.12.012

Abstract

China's crop production sector faces severe water scarcity issues. Previous research has shown that effective water conservation policies exert strongly negative impacts on agricultural production and farmers' income, which make them politically unfeasible under Chinese conditions. To highlight ways out of this dilemma, the present study tests three alternative water policies complemented by supportive agricultural policies to reduce the trade-offs between water conservation and rural development policy goals. Using the case of the extremely arid Aksu-Tarim Region in northwest China, a regional supply model is developed which serves as the analysis framework. Applied as stand-alone water policies, irrigated area tax, water quota and water pricing differ clearly in effectiveness and efficiency. Combined with agricultural policies (subsidies) into multiple policy instruments, the price-based and quota-based instruments mitigate the negative impacts on rural development goals. Targeting a water conservation rate of 20%, the tested multiple policies perform alike on the level of the entire study region; cotton production decreases by 15%, cereals production remains stable, and regional income decreases by 13%. However, at the sub-regional level, the impacts on water conservation, production and income differ significantly between the alternative policy instruments and sub-regions, constituting a crucial challenge for practical water policy implementation.

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ScienceDirect