

Hot Articles

“September|2017”

Business & Economics



Title: [How can we feed the world in 2050? A review of the responses from global scenario studies](#)

Author: C. Le Mouél and A. Forslund

Journal: European Review of Agricultural Economics

Volume: 44 **Issue:** 4 **Page:** 541-591

Doi: 10.1093/erae/jbx006

Abstract

This paper provides a review of 25 scenario studies and a synthesis of their main responses on how to feed the world up to 2050. The review also points out significant uncertainty regarding the extent to which the different identified levers may help to feed the world sustainably up to 2050. This allows us to emphasise some areas where further work is needed.

Database

Oxford Journal

Title: [Why Do Firms Sit on Cash? An Asymmetric Information Approach](#)

Author: Milton Harris and Artur Raviv

Journal: The Review of Corporate Finance Studies

Volume: 6 **Issue:** 2 **Page:** 141-173

Doi: 10.1093/rcfs/cfx017

Abstract

In this paper, we build a simple formal model of cash holdings that can explain this and other empirical regularities. Our model is based on the well-known “lemons” problem associated with equity issuance. We show that firms with poor growth opportunities and those with excellent opportunities will not hold excess cash, whereas firms with opportunities in the middle range will hold excess cash. We derive empirical implications relating excess cash to the extent of asymmetric information, growth opportunities, value of assets in place, and cash holding costs.

Database

Oxford Journals

Title: [Market Segmentation and Differential Reactions of Local and Foreign Investors to Analyst Recommendations](#)

Author: Chunxin Jia , Yaping Wang and Wei Xiong

Journal: The Review of Financial Studies

Volume: 30 **Issue:** 9 **Page:** 2972–3008

Doi: 10.1093/rfs/hhx010

Abstract

This paper uses segmented dual-class shares of Chinese firms—A shares traded in mainland China by local investors and H shares traded in Hong Kong by foreign investors—to document a rich pattern in the differential reactions of local and foreign investors to analyst recommendations. This pattern reveals that social connections between analysts and investors affect investor reactions to analyst recommendations. Because of the investors' differential reactions, analyst recommendations may exacerbate, rather than attenuate, the market segmentation between the two share classes.

Database

Oxford Journals

Title: [Prior Commitment and Uncertainty in Complex Economic Systems: Reinstating History in the Core of Economic Analysis](#)
Author: John Foster
Journal: Scottish Journal of Political Economy.
Volume: 64 **Issue:** 4 **Page:** 392-418
Doi: 10.1111/sjpe.12138

Abstract

Conventional 'neoclassical' economics is very useful in understanding how prices are determined but less so as a general basis for understanding the economic behaviour we observe. What is not taken into account is that economic systems are dissipative structures that are complex, but incompletely connected, networks of rules. It is explained why a degree of prior commitment in decision-making is inevitable in complex economic systems and the implications of this are examined. It is argued that economic analysis must begin with the reality that choices are made in relation to pre-existing commitments, both with regard to economic structures built in the past and to prevailing systems of belief, when deciding what to do in a future characterised by uncertainty. It is explained how conventional economic incentives can be dealt with in such a complex historical context building upon the neoclassical perspective of Alfred Marshall over a century ago. It is argued that econometric modelling remains viable and useful in understanding behaviour in complex economic systems. It is shown how we can design and interpret time series econometric modelling from a complex systems perspective.

Database

Wiley Online

Title: [The impact of fiscal decentralization: a survey](#)
Author: Jorge Martinez-Vazquez, Santiago Lago-Peñas and Agnese Sacchi
Journal: Journal of Economic Surveys
Volume: 31 **Issue:** 4 **Page:** 1095–1129
Doi: 10.1111/joes.12182

Abstract

In this paper, we offer a comprehensive and updated review of the impact of fiscal decentralization on the economy, society and politics. Our first target is the examination of two crucial and yet unsolved issues in the empirical literature on decentralization: the proper measurement of decentralization itself and its potential endogeneity in econometric estimates. Then, we discuss the main existing findings on the effects of decentralization on a relevant list of socio-economic issues. The impact of fiscal decentralization reforms on political institutions and public policies is also considered. Complete answers on the impact of fiscal decentralization are not likely to be certain but, overall, there are reasons to be optimistic about the net positive result. Our survey by necessity has to be selective but it presents a balanced view of what is known and what is not yet known opening room for further research and practice on fiscal decentralization.

Database

Wiley Online

Title: [Preferences and Biases in Educational Choices and Labour Market Expectations: Shrinking the Black Box of Gender](#)

Author: Ernesto Reuben, Matthew Wiswall and Basit Zafar

Journal: The Economic Journal

Volume: 127 **Issue:** 604 **Page:** 2153–2186

Doi: 10.1111/eoj.12350/

Abstract

Using an experiment to measure overconfidence and preferences for competitiveness and risk, this article investigates whether these measures explain gender differences in college major choices and expected future earnings. We find that individuals who are overconfident and overly competitive expect to earn significantly more. In addition, gender differences in overconfidence and competitiveness explain 18% of the gender gap in earnings expectations. These experimental measures explain as much of the gender gap in earnings expectations as a rich set of control variables. While expected earnings are related to college major choices, the experimental measures are not related with college major choice.

Database

Wiley Online

Title: [Economic growth, energy consumption and CO2 emissions in India: a disaggregated causal analysis](#)

Author: Md Zulquar Nain, Wasim Ahmad and Bandi Kamaiah

Journal: International Journal of Sustainable Energy

Volume: 36 **Issue:** 8 **Page:** 807-824

Doi: 10.1080/14786451.2015.1109512

Abstract

This study examines the long-run and short-run causal relationships among energy consumption, real gross domestic product (GDP) and CO2 emissions using aggregate and disaggregate (sectoral) energy consumption measures utilising annual data from 1971 to 2011. The autoregressive distributed lag bounds test reveals that there is a long-run relationship among the variables concerned at both aggregate and disaggregate levels. The Toda–Yamamoto causality tests, however, reveal that the long-run as well short-run causal relationship among the variables is not uniform across sectors. The weight of evidences of the study indicates that there is short-run causality from electricity consumption to economic growth, and to CO2 emissions. The results suggest that India should take appropriate cautious steps to sustain high growth rate and at the same time to control emissions of CO2. Further, energy and environmental policies should acknowledge the sectoral differences in the relationship between energy consumption and real gross domestic product.

Database

Taylor & Francis

Title: [Effects of export product diversification on quality upgrading: an empirical study](#)

Author: Muhlis Can and Giray Gozgor

Journal: The Journal of International Trade & Economic Development

First published: 03 Sep 2017

Doi: 10.1080/09638199.2017.1370006

Abstract

This paper empirically examines the effects of export product diversification on overall export quality in a panel data set of 115 countries from 1970 to 2010. It uses the data sets of the overall export quality and three export diversification measures of the International Monetary Fund: the extensive margin (variation in the number of new products exported), the intensive margin (variation in export values among existing exports), and the overall (Theil) index. It finds that export quality has only been increasing with a higher variation in export values among existing exports in low- and lower-middle-income countries. It also observes that export quality has been increasing with both a higher variation in export values among existing exports and new products exported in upper-middle- and high-income countries. The results are robust to the changing measures of controls in the benchmark model, the inclusion of many other controls; i.e. various measures of globalization, country size, factor endowments, macroeconomic stance, etc., and the exclusion of outliers.

Database

Taylor & Francis

Title: [Techno-economics and environmental analysis of energy storage for a student residence under a South African time-of-use tariff rate](#)

Author: S.O. Masebinu E.T.Akinlabi E.Muzenda and A.O.Aboyade

Journal: Energy

Volume: 135 **Page:** 413-429

Doi: 10.1016/j.energy.2017.06.118

Abstract

Time-of-Use has been introduced in South Africa as part of demand side management measures. Battery energy storage (BES) can take advantage of energy price arbitrage under favourable pricing regimes. However, the challenge is to what extent will the introduced policy favour the installation of BES at residential accommodations? The tools to assess suitability of installing BES exist but they come at a cost. In this study, we improved upon existing methodology and implemented it in Microsoft Excel to assess techno-economic viability and environmental benefits of using BES. The approach showed that none of the three BES technologies investigated was economically viable at the prevailing average rate of 0.1442 \$/kWh for peak electricity. The Monte Carlo simulation implemented suggests that the minimum mean price of peak needed for the BES system to break even range between 0.2560 – 0.2919 \$/kWh. At 50% discount in storage medium cost and 100% increase in the price of peak, the BES will only break even when the average price of peak is 0.2043 \$/kWh at maximum cycling cost that range between 0.1077 – 0.1560 \$/kWh. The study concluded that reduction in the cost of storage medium has more impact on economic viability than increasing only peak price of electricity.

Database

ScienceDirect

Title: Sorting and agglomeration economies in French economics departments

Author: Clément Bosquet and Pierre-Philippe Combes

Journal: Journal of Urban Economics

Volume: 101 **Page:** 27-44

Doi: 10.1016/j.jue.2017.05.003

Abstract

Are agglomeration and peer effects at stake in academic research? To tackle this question, we study how departments' characteristics affect the quantity and quality of academics' publications in economics in France, controlling for individual time-varying characteristics and individual fixed effects. Department characteristics have an explanatory power at least equal to a quarter of that of individual characteristics and possibly as high as theirs. The quantity and quality of an academic's publications in a field increase with the presence of other academics specialised in that field and with the share of the department's publications output in that field. In contrast, department size, proximity to other large departments, homogeneity in terms of publication performance, presence of colleagues with connections abroad, and composition in terms of positions and age matter for some publication measures but only if not controlling for individual fixed effects.

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