



# Masters International R&D Center

MIRDEC 2017

MIRDEC – 6th  
International Academic Conference  
Social Sciences Multidisciplinary, Economics, Business and  
Finance Studies  
(Global Meeting of Social Science Community)

CONFERENCE PROCEEDINGS

LISBON, PORTUGAL

Book of Abstracts

RadissonBlu Hotel, Lisbon, Portugal  
27-29 November 2017

MIRDEC-6th, International Academic Conference on Social Sciences, Multidisciplinary, Economics, Business and Finance Studies (Global Meeting of Social Science Community)  
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Masters International Research & Development Center

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BOOK of ABSTRACTS

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MIRDEC-6th, Lisbon, Portugal

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### CONFERENCE TOPICS

**Accounting:** Auditing, business, social and environmental Business – SMEs, MNEs, strategy, responsibility in accounting and accountants, environmental, sustainable and responsible business, IFRS, public-private cooperation in sound accounting, global trends in accounting strategies, international audit standards.

**Business & Enterprise:** Business cycles, business planning, supporting SME, policies to promoting SME, e-commerce, women entrepreneurs education and development, strategic integration between innovation & entrepreneurship, entrepreneurship in developing countries, corporate and social entrepreneurship, leveraging digital skills for innovation in the society, high tech, research&development enterprises.

**Demography & Population:** Migration studies, demography, population studies, etc.

**Economics:** Micro, macro, economic growth, fiscal and monetary policy, managerial, international, financial, public, regulatory, environmental, development, agricultural, natural resources, climate change, knowledge, etc.

**Environment:** Environment economics, fiscal policy for protecting environment, green production, sustainable growth, natural resource, etc. management, climate change, macro-micro issues in environment studies.

**Education:** Research&development in education, technology and education, education strategies for different age groups, life time education, pedagogy, learning and teaching, educational psychology, curriculum and instruction, e-learning, virtual learning, global internet courses, blended learning, flipped, pathway, enabling, work integrated learning, executive training, training and development, educational leadership, etc.



**Entrepreneurship:** Product, innovation, social, political, knowledge, etc. corporate venturing, digital media, etc.

**European Studies:** EU crisis, monetary union, enlargement process of EU, Tax harmonization in EU, fighting with tax competition in EU, EU energy policy, competitiveness, EU social policy, Fighting unemployment, income distribution, EU migration, understanding migrants and asylum in European Union, European migrant crisis, refugee crisis, Social reflections of Syria crisis to EU area, cooperation for improving EU, Brexit, future projections, EU environment policy and resource efficiency, EU relations with third party countries, climate change and EU, Integration, culture etc

**Finance:** Corporate, international, green finance, financial reporting, public finance, financial markets, financial services, financial instruments, capital movements, government budget, etc.

**International Business:** Culture and business, regional-global business, entry modes, strategy, expansion, mergers & acquisitions, trade, franchising strategies, etc.

**Internet & Social Media Studies:** Social media, internet, future of communication, etc.

**Management:** Human resources, cultural problems in labor mobilization, international human resource, mobility of human resource, business, cross cultural, corporate governance, financial resources, gender issues, technological resources, natural resources, knowledge, etc.

**Marketing:** New media, social media marketing strategies, international, consumer research, market research, policy research, sales research, pricing research, distribution, advertising, packaging, product, media, etc.

**Philology, Language & Translation Studies:** Historical study of language, aspects and research of speech production, transmission reception, linguistics, translation studies, etc.

**Social Business:** Socially responsible enterprise, environmentally conscious enterprise, non-government institutional activities, globalization and social business, care programs, etc.

**Social Sciences:** Anthropology, communication studies, new communication in new world order, demography, development studies, information and communication studies, international studies, journalism, library science, human geography, history, law, political science, public administration, psychology, sociology, etc.

**Tourism:** Developing sustainable tourism destinations sustaining culture and history: tourism and heritage preservation, tourism economics, tourism policies, hospitality, tourism management and marketing, tourism planning and regional development, protected areas and tourism, etc.

MIRDEC-6th, Lisbon, Portugal

## **KEYNOTE SPEAKERS**

**Joaquim Ramos Silva**

*A Turning Point in the International Economy?*  
University of Lisbon, Portugal

**Paulo Jorge Reis Mourao**

*Keeping up with the (Portuguese) Joneses'— A Study on the Spatial Dependence of Municipal Expenditure*  
University of Minho, Portugal

**Luisa Margarida Cagica Carvalho**

*Entrepreneurs and Business Incubation Considerations and Remarks*  
University of Aberta, Lisbon, Portugal

**Krzysztof Wasniewski**

*Technological Change as Intelligent, Energy-Maximizing Adaptation*  
The Andrzej Frycz – Modrzewski Krakow University, Poland

**Jiri Pavelka**

*Possibilities of Presentation of Czech Students' Media Projects in the Media Market (Case Study)*  
Tomas Bata University in Zlin, Czech Republic

Special thanks to Keynote Speakers:

**Joaquim Ramos Silva**

University of Lisbon, Portugal

**Paulo Jorge Reis Mourao**

University of Minho, Portugal

**Luisa Margarida Cagica Carvalho**

University of Aberta, Lisbon, Portugal

**Krzysztof Wasniewski**

The Andrzej Frycz – Modrzewski Krakow University, Poland

**Jiri Pavelka**

Tomas Bata University in Zlin, Czech Republic

Special thanks for the interview on public finance and fiscal consolidation after crisis:

**Stanislaw Owskiak**

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# **MASTERS INTERNATIONAL**

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# **LISBON 2017**

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**PAULO REIS MOURAO<sup>1</sup>**

**“KEEPING UP WITH THE (PORTUGUESE) JONESES”: A STUDY ON THE SPATIAL DEPENDENCE OF MUNICIPAL EXPENDITURE<sup>2</sup>**

**Abstract**

Municipalities tend to replicate the size and the composition of their neighbours' expenditures, independently of being ruled by left-wing or right-wing parties. This is one important conclusion of the study, which includes spatial dependence to explain the value of Portuguese municipalities' direct awards. We used observations for the 308 Portuguese municipalities from 2009 to 2015. We then tested this spatial dependence for the mean value (per contract of direct award) and we controlled the results considering the demographic characteristics of each municipality, the political wing of the ruling party at the municipality, and the composition of the municipal expenditures.

**Keywords:** Local public expenditure, spatial dependence, Portuguese municipalities, direct awards

**JEL Codes:** H70

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JOAQUIM RAMOS SILVA<sup>1</sup>

A TURNING POINT IN THE INTERNATIONAL ECONOMY?<sup>2</sup>

**Abstract**

During the first six decades after World War II, the world economy was characterized by increasing free circulation, either through multilateral rules or integration arrangements. The process was even boosted from the late 1980s to the outbreak of the Financial Crisis in 2007-08, a period usually called the age of globalization in the today most common sense. It is worth noting that the major international flows like trade and investment intensely participated in these developments, not only quantitatively but also covering new areas at a scale rarely seen before, as was the case for direct and financial foreign investments.

In view of past experience, the financial crisis raised fears of a slowdown if not a stop in the process. However, in the years that immediately followed the crisis, particularly after its nadir in 2009, despite some reduction in the growth rate of the main international flows it was not witnessed a significant roll back to protectionism and they remained dynamic, a fact that deserves some attention. More recently, and particularly since 2016, the vote in Brexit and the victory of Donald Trump in the US presidential race, with their self absorbed rhetoric, as well as the rise of populist parties and authoritarian governments in Europe and elsewhere, often with a like language, the alarm bell rightly rang again. In fact, increasing free circulation and globalization was never a peaceful issue (see for example, Rodrik, 1997: "Has Globalization Gone Too Far?") or discussed without passion. Anyway, they have progressed, but, in face of the new challenges, we need to ask the question: will we see a reversal of the trend that prevailed in the postwar?

The search for an in-depth answer is very important for social scientists. Of course, as it naturally introduces more uncertainty over the future, we cannot have a right and final response, but we should endeavor to understand better the situation and see carefully what is at stake. Furthermore, and quite clearly, advances in knowledge in this direction require not only competences in economics but also from political science and social sciences in general, just to mention other relevant perspectives, to the extent all these dimensions are very much intertwined.

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Some points must be put forward in this direction. The evolution of the world economy in the last decades, surely imperfect and uneven in certain regards as for example in what concerns sustainability and domestic income distribution, had positive effects due to its push towards a better and more rational functioning. As a consequence of the openness, large portions of the world population improved their welfare, most notably in regions that were stagnated since a long time ago. If we cannot deny that the enlargement and intensification of free circulation brought about major benefits, at the same time, we fell into what has been called the “losers – winners” issue, not only between countries but also between different sectors of economic activity inside individual countries. Indeed, the process also meant more competition, domestic or external, inducing the need to be prepared for recurrent adaptation in several areas of activity. Although globalization is not the only cause of these changes, it has more often been accused of being the main culprit of those considered as negative outcomes. In this context, we cannot however underscore for example the contribution of technological innovation for the changes that have been observed so far.

In these circumstances, social scientists have a key role in the explanation of the complexity of the situation, establishing its multiple links and extensions. Of course, it is necessary to mitigate the negative consequences of the process and to be prepared to overcome its challenges, but it is also necessary to persist in the fundamental way of openness, long ago praised by Ricardo (1817) and others, not only because of economic reasons but also due to its extra-economic effects (like peace and coexistence) insofar, according to his own words, it “binds together by one common tie of interest and intercourse, the universal society of nations”.

**Keywords:** Globalization, crisis, reemergence of protectionism, complexity, interdisciplinary approach

**JEL Codes:** F02, F55, F60

**LUISA CAGICA CARVALHO<sup>1</sup>**

**ENTREPRENEURS AND BUSINESS INCUBATION: CONSIDERATIONS AND REMARKS<sup>2</sup>**

**Abstract**

Nowadays business incubators (BINC) play a relevant role to promote entrepreneurship and innovation. For one hand, BINC support the creation of the start-ups, the technology transfer, the growth and internationalization of these firms. For other hand, BINC promote the regional entrepreneurship and innovation, in entrepreneurial ecosystems that linkage region with the world, using networking and partnership.

Empirical studies developed in Portugal and Brazil, allows understanding how BINC support entrepreneurs in the early-stage and which services are relevant to these start-ups. A conceptual model, considering BINC and entrepreneurs perceptions were developed in order to provide better insights about these topics.

The results of the empirical study suggest some relevant clues to the design of public polices to promote entrepreneurship mainly focuses on the start-ups.

**Keywords:** Business incubators, entrepreneurship, start-ups, innovation

**JEL Codes:** L26, M13

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**SLAGJANA STOJANOVSKA<sup>1</sup>**

**THE COMPANY PRACTISES IN ADOPTING OF CUSTOMER ORIENTATION DIMENSIONS IN MACEDONIA, TURKEY AND SLOVENIA**

**Abstract**

This research assesses the company activities in Macedonia, Turkey and Slovenia in terms of the customer orientation and determines their strength and weak performance for 2012-2016. For these purpose relevant business indicators that tend to reflect a customer orientation from the Global Competitiveness Report (GCR) are used. The findings suggest that the company managers in these three countries very highly evaluate their customer orientation activity for the account to the relatively low company competitiveness performance. Contrary to their statements the value of the five-year average (2012-2016) suggests that the company activities in Slovenia are 75% focused on customer orientation, in Macedonia it is only 68% and 69% in Turkey. The biggest weakness of Macedonian (2,2) and Turkish (2,6) companies is their competitive advantage, which is based on low-cost labor or natural resources instead of unique products and processes, as it is the case with Slovenian (3,5) companies. The main findings mark an important contribution to both in the literature and business decision makers, because they provide deeper insights into the company practices in adopting of customer orientation dimensions in these three countries.

**Keywords:** Customer orientation, company activities, competitive advantages

**JEL Codes:** L10, L20, D20

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**WHAT IS THE ROLE OF INNOVATION IN PRODUCTIVITY GROWTH IN EUROPE IN TIMES OF CRISIS**

**Abstract**

The varieties of the national innovation systems among European countries are mirrored into large differences, discrepancies and sometimes unexpected results in the innovation process and its influence over the labor productivity growth. The goal of this paper is to find the differences between the drivers of the innovation systems and its influence over the growth of productivity between two different institutional settings in the period of the financial and economic crisis in Europe. The first group is selected countries from the CEE region and the second one is consisted of Germany, Norway, Spain and Portugal. In order to measure the role of innovation over productivity growth we use the CDM model of simultaneous equations. The model directly links R&D engagement and intensity to innovation outcomes measured either as process or product innovation, and then estimates the effectiveness of the innovative effort leading to productivity gains. Company-level dataset is used from the Community Innovation Survey (CIS10). There is one common result for the two country settings that in general the probability for a typical firm to engage in innovation increases with firm's size. The other factors influencing the decision process are rather quite different. Firm's productivity increases significantly with innovation output but only in the firms operating in Western Europe. The results for the firms in Central and Eastern Europe indicate that these countries' national innovation systems are vulnerable and when operating in periods of crises higher level of innovation output has led to less labor productivity. Therefore, systemic faults in the national innovation systems result into their unsustainability especially visible in period of crises as was the period 2008-2010. For the Western European countries the financial and economic crisis didn't have negative effects over their innovation systems as the innovation activity has resulted with higher level of labor productivity. For the CEE group of countries, on the other hand, the effects of the crisis had influenced negatively over the innovation process and the labor productivity as a whole.

**Keywords:** Innovation, productivity, institutional setting, crisis, CDM model

**JEL Codes:** L10, L60, O31, O33

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**NICOLA RUBINO<sup>1</sup>**

**IN AND OUT OF SAMPLE PERFORMANCE OF NON SIMETRIC MODELS IN INTERNATIONAL PRICE DIFFERENTIAL FORECASTING IN A COMMODITY COUNTRY FRAMEWORK**

**Abstract**

This paper presents an analysis of a group of commodity exporting countries' nominal exchange rate movements in relationship to the US dollar. Using a series of Unrestricted Self exciting Threshold Autoregressive models (SETAR), we model and evaluate sixteen national CPI price differentials relative to the US dollar CPI. Out-of-sample forecast accuracy is evaluated through calculation of mean absolute error measures on the basis of two-hundred and fifty-three months rolling window forecasts and extended to three additional models, namely a logistic smooth transition regression (LSTAR), an additive non linear autoregressive model (AAR) and a simple linear Neural Network model (NNET). Our preliminary results confirm presence of some form of TAR non linearity in the majority of the countries analyzed, with a relatively higher goodness of fit, with respect to the linear AR(1) benchmark, in five countries out of sixteen considered. Although no model appears to statistically prevail over the other, our final out-of-sample forecast exercise shows that SETAR models tend to have quite poor relative forecasting performance, especially when compared to alternative non-linear specifications. Finally, by analyzing the implied half-lives of the lambda coefficients, our results confirm the presence, in the spirit of arbitrage band adjustment, of band convergence with an inner unit root behaviour in five of the sixteen countries analyzed.

**Keywords:** Transition regression models, real exchange rates, nonlinearities

**JEL Codes:** F30, F31, C22, C32

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**BLANDINA SRAMOVA<sup>1</sup>**

**CELEBRITY ADOLESCENT PERCEPTION: GENDER VIEWPOINTS**

**Abstract**

Research study deals with perceptions of celebrity by Slovak adolescents (N=485). We use the quantitative research design. Research method is the semantic differential. Adolescents evaluate and conceptualize two objects, celebrity such as and myself, with help of 35 bipolar adjectives to find the information about gender differentiations in the perception of celebrities. The results of the findings highlighted the fact that a marketing campaign with a celebrity message can be successful only if the celebrity has the qualities that adolescents appreciate by celebrities: physical attractiveness, psychic and social attractiveness as well as the attractiveness of the leader. Our research revealed gender differentiations. It pointed out that boys and girls rated different features as positive for celebrities.

**Keywords:** Celebrity; semantic differential, attitudes

**JEL Codes:** M39

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**KRZYSZTOF WASNIEWSKI<sup>1</sup>**

**TECHNOLOGICAL CHANGE AS INTELLIGENT, ENERGY MAXIMIZING ADAPTATION**

**Abstract**

The picture of technological change over the last 70 years in the global economy is ambiguous, with two salient facts: Total Factor Productivity has been systematically falling since 1979, whilst the average global food deficit has been systematically declining since 1992. Building upon those two fundamental facts, this article develops and verifies empirically a model, where technological change is a function of intelligent adaptation, which maximizes the appropriation of energy from the environment. Empirical research presented in the article suggests that food deficit is a powerful spur of technological change, and the loop between said change and appropriation of energy works is the most visible in societies with such deficit. As the human civilisation has managed to cut the average food deficit by half, since 1992, whilst doubling population, we might be, right now, at the historical peak of intensity in technological change.

**Keywords:** Technological change, evolutionary theory, intelligent adaptation

**JEL Codes:** O30, O40, Q01

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**DENİZ GÜRGEN<sup>1</sup>**

**THE FILMIC HISTORIOGRAPHY OF THE “INDEPENDENCE WAR” IN THE RECENT TURKISH CINEMA**

**Abstract**

The historiographer makes choices in the process of constructing historiography. These choices include such pivotal decisions as which historical event to document, which historical facts to include and which historical facts to exclude in the process of documentation and more even more crucially, from which perspective these choices will be expressed/narrated. The practice grounds on the selection and marshaling of historical facts towards the intended narration. From this perspective, the solidity of historiography in means of historical accuracy and credibility dissolves in the field of relativity. This apprehension would generate a comprehensive field towards the various representative forms to perform historiography. The film medium may innately be acknowledged as a proper historiographical tool through its rich representation capacity that grounds on its audiovisual and spatiotemporal characteristics. Hence the historical representations practiced by diegetic films would be inherent to the field of historiographical performances. The conference presentation will focus on the historical representation of the Independence War in the recent popular films in Turkey. The incident bears a significant role in Turkish Republican history since it initiates the foundation of the Turkish Republic. The diverse ideological perspectives in Contemporary politics gains significance on the interpretation of the Republican Reforms. The variation in the historiographical perspectives of popular films to represent the past provides a substantive field to acknowledge and interpret the relation of popular films and the social, economic and political dynamics of Turkey.

**Keywords:** History, historiography, film

**JEL Codes:** H11, Z11, Z13

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SHARIF HAIDER<sup>1</sup>

**“HOW HARD CAN IT BE”: MANAGING CONFLICT IN AN INTERPROFESSIONAL DISCHARGE TEAM IN ENGLAND**

**Abstract**

**Purpose:** This research study investigated how the health and social care professionals confront and manage conflict in the inter-professional discharge team. It also explored why health and social care professionals apply specific conflict management strategies to facilitate a safe and timely discharge from an acute mental health hospital in England. Research Design: The study utilised a qualitative research methodology using semi-structured interviews from psychiatrists, nurses, social workers, occupational therapists, housing and welfare right officers.

**Findings:** The research findings indicated that the way professionals confront conflict determine the success rate of its management. The findings also revealed that professionals confronted and managed the conflict differently, but essentially they relied on compromising and accommodating conflict management strategies to facilitate the discharge of service users who have mental health needs. However, some professionals intentionally avoided conflict, thereby allowing bureaucratic rules, regulations and hierarchical power to influence the conflict situation. Additionally, some health professionals used their positional and perceived professional power to impose their resolutions to other professionals.

**Originality:** This research showed how organisational characteristics such as bureaucracy, professional hierarchy, as well as mental health legislation are able to influence the outcome of conflict between members of an inter-professional discharge team. The research also highlighted the range of conflict management methods employed by different professionals, and how these are used in a crisis situation.

**Research Implications / Implications:** Further research is needed regarding the use of conflict management strategies in acute and non-acute mental health hospitals.

**Practical Implications:** Both health and social care professionals need to understand how to confront and deal with conflict effectively to facilitate prompt and safe discharge.

**Keywords:** Conflict management, interprofessional care, discharge, mental health

**JEL Codes:** H83

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**NAZIFI ABDULLAHI DARMA<sup>1</sup>**

**FISCAL SUSTAINABILITY IN A PERIOD OF DECLINING OIL REVENUES: CHALLENGES AND OPTIONS FOR SUB-NATIONAL ENTITIES IN NIGERIA**

**Abstract**

Nigeria operates a three tiers fiscal structure composed of Federal Government at the centre, and States and Local Governments as sub-nationals. All the fiscal components strongly depended on oil receipts as their main source of revenue for financing fiscal operations. With the collapse of oil prices from US\$140 per barrel in January 2014, to less than US \$50 as at July 31, 2016, most of the federating units found it increasingly difficult to meet their overhead needs and provision of infrastructure for sustainable development.

The paper analyzed the key factors behind this sub-national entities over-dependence on oil receipts from the Federation Account over the years, comparing their monthly allocation relative to their Internally Generated Revenues (IGR) from the federation account and computed some sustainability ratios to buttress the level of their dependence and vulnerability to oil shocks. The main findings of the paper as indicated by the ratios shows a clear divergence between internal revenue generation and their debt repayment capacity. And that though many of the sub-national entities are desirous of improving their tax receipts through reforms in the tax administration and reduction in wasteful expenditure, an appreciable increase in tax receipts may not be attained in the absence of an economic base diversified away from oil sector dependency and serious reduction in fiscal expenditure wastages. This can be attained via institutionalized development planning, proper projects and programme costing and blocking of revenue leakages backed by appropriate instruments of reward for success and sanctions for failure respectively.

**Keywords:** Fiscal sustainability, sustainable development, sub-national entities, internally generated revenues

**JEL Codes:** E60, E62

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**BOGNA GAWRONSKA-NOWAK<sup>1</sup>**

**EXPERT VERSUS COMMON KNOWLEDGE: WHAT DO WE REALLY WANT TO KNOW ABOUT THE FREE TRADE AGREEMENTS?**

**Abstract**

Nowadays the Free Trade Agreements (FTA-s) have been causing lots of controversies. New wave of populism, alter-globalism, and protectionism seem to be quite influential for the public discussion devoted to perspectives of implementing Transatlantic Trade and Investment Partnership (TTIP) and Comprehensive Economic and Trade Agreement (CETA). The main purpose of this paper is to confront the social perception concerning the FTA with the so-called “expert knowledge”. Defining a mismatch between the social perception and the expert knowledge may contribute to better understanding of the controversies on the FTA, as well as to proper defining possible sources of social conflicts and vulnerabilities of the policy implementation level. Crucial question remains of there is a mismatch between social perception and expert knowledge on the FTA.

**Keywords:** Free trade agreements, CETA, social perception

**JEL Codes:** F18, F13, F60, Z13

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**ANNA KYRIAKAKI<sup>1</sup>, THEODOROS STAVRINOUDIS<sup>2</sup>, MARIA DOUMI<sup>3</sup> AND AIKATERINI RIGA<sup>4</sup>**

**FACTORS INFLUENCING DESTINATION RECOMMENDATION AND TOURISTS' REVISIT INTENTIONS**

**Abstract**

Tourism satisfaction, destination recommendation and tourists' revisit intention constitute crucial issues for tourism development and have drawn the attention of tourism researchers and practitioners worldwide. According to Oliver (1999) tourism satisfaction is a necessary prerequisite, but it is not capable of creating tourists' loyalty (i.e. revisit intention and destination recommendation). Many tourists may express high levels of satisfaction, although they have no intention to revisit the destination (Kyriakaki et al., 2016; Lee et al., 2007). In addition, several empirical studies evidences that tourism satisfaction has a positive effect on the destination recommendation (Yoon and Uysal, 2005; Zhang et al., 2014).

The aim of this paper is to investigate the factors that influence tourists' intention to revisit a destination and recommend it to family and friends. To achieve the above aim, the researchers conducted a primary research, using a self-completed questionnaire, which was distributed to a random sample of 305 Turkish tourists on the Island of Chios (Greece). The authors used factor analysis and multiple regression analysis to process the primary data. The research indicated that, the visit frequency, the perceived value and the tourism satisfaction associated with specific destination attributes (tourism services, gastronomy, local culture and friendliness) have positive effects on tourists' intention to revisit and recommend the destination. Multiple regression analysis identified a strong correlation between the satisfaction derived from accommodation services, intention to revisit the destination and the willingness to recommend the destination to family and friends. The findings lead to important scientific and practical conclusions.

**Keywords:** Tourism satisfaction, destination recommendation, revisit intentions

**JEL Codes:** Z32

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STANISLAW OWSIAK<sup>1</sup> AND JOSEPH YAW ABODAKPI<sup>2</sup>

PUBLIC FINANCE DISCIPLINE: A COMPARATIVE ANALYSIS OF POLAND, UNITED KINGDOM AND SWEDEN<sup>3</sup>

**Abstract**

After the economic crisis of 2008, public finances have deteriorated among several member States, exposing weaknesses in exiting fiscal frameworks in the EU. This paper analyses how different approaches adopted by individual EU member states cause's different effects and changes in public finance structures. The authors seek to comparatively describe and explain consolidation measures and other decision-making processes implemented in some EU member States towards fiscal discipline. Poland is among a few countries which had a positive growth of 2.6% GDP during the financial downturn, Sweden is also a country which experienced a relative good public finance after the crisis and was not under the Excessive Deficit Procedure. The UK is an example of a country where austerity measures were imposed but, had its commercial banks and financial institutions protected against bankruptcy without recourse to the use public finances. The authors seek to explain, identify episodes of successful and unsuccessful, that is cold showers versus gradual, fiscal and expenditure versus revenue based consolidations by analysing the dynamics in the cyclically adjusted primary balance on the sovereign debt ratio reduction. The paper uses the VAR model to analyse effects of fiscal shocks to real output and seeks to comparatively and quantitatively assess the relationship between public finance balance and other macroeconomic variables to explain why certain countries experienced considerably negative shocks after the Crisis. In conclusion the article proposes different measures, approaches towards identifying imbalances in the structure of public finances and how this can be mitigated over the phase of the business cycle.

**Keywords:** Public finance, fiscal consolidation, cyclically adjusted primary balance, government expenditures, public deficit and debt, output gap

**JEL Codes:** H60, H62, E62

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ANNA MOZDZIERZ<sup>1</sup> AND RADOSLAW SLUSARCZYK<sup>2</sup>

**THE SOCIO-ECONOMIC EFFECTS OF FISCAL CONSOLIDATION: GERMANY VERSUS HUNGARY<sup>3</sup>**

**Abstract**

The aim of this article is to assess the socio-economic effects of fiscal consolidation episodes in Germany and Hungary, which occurred between 2003 and 2015. A detailed analysis of the fiscal consolidation strategies of Germany and Hungary that applied different public finance discipline instruments, will attempt to verify the thesis that fiscal adjustments based mainly on the expenditure side are considered as a strategy more appropriate to ensure the sustainability of consolidation and that they show a weaker correlation with recessions than income-based adjustments.

The conventional way of identifying fiscal consolidation episodes and its scale is to use a cyclically adjusted primary balance (CAPB). The authors demonstrate weaknesses in the method of determining fiscal policy type by identifying changes in the production gap under fiscal impulse measured by the changes in CAPB. Difficulties in the measurement of the capacity of potential output and the elasticity of the budget balance in relation to the production gap induced the authors to apply the qualitative method. Discretionary measures motivated by the determination to reduce the budget deficit irrespective of the business cycle were identified on the basis of the analysis of the convergence and stability programs of the surveyed countries, as well as the reports which allow to assess the degree of their implementation.

The article assesses the impact and sustainability of the applied consolidation strategies including channels for the transmission of fiscal instruments to the economy.

**Keywords:** Fiscal policy, fiscal consolidation, fiscal strategies, fiscal impulse, cyclically adjusted primary balance, output gap

**JEL Codes:** H60, H62, E62

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**JIRI PAVELKA<sup>1</sup>**

**POSSIBILITIES OF PRESENTATION OF CZECH STUDENTS' MEDIA PROJECTS IN THE MEDIA MARKET (CASE STUDY)**

**Abstract**

This study deals with admission processes of candidates for non-selective academic departments, i.e., departments where the number of open study-places is greater than the number of candidates. Currently, selection is carried out using two tools. One is the matriculation exam score, and the other is a psychometric test score. These exams, along with their preparatory courses, are great time consumers. Their cost, thus, is significantly great, on both a personal and on the national levels. Matriculation exams, on the contrary, have no cost, since they are done, during high school time, in any event. Therefore, there is a need to examine whether psychometric tests are really necessary in college admission processes, or whether matriculation scores can be sufficient to this end. The Database includes students of the Economics department of Yezrael Valley College. The first interesting finding of the study is that while students with high psychometric scores usually succeed in their studies, students with low psychometric scores do not necessarily fail. This means that in departments where the purpose of the selection is to identify the best students, there is room for sorting through psychometric tests. However, in places where the purpose of screening is to prevent the admission of weaker students, the efficiency of psychometric scores is very low.

**Keywords:** Media project, media market, project management

**JEL Codes:** J59

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MARTIN ZEMAN<sup>1</sup> AND TEREZA LUKÁŠOVÁ<sup>2</sup>

**COMPARING UNEMPLOYMENT IN SLOVAKIA AND CZECHIA BETWEEN 1998 AND 2016: WHY THERE ARE SO BIG DIFFERENCES AFTER 25 YEARS OF INDEPENDENCE?**

**Abstract**

Since economics emerged as a distinct field of study no other single factor has occupied so central an analytical role as labor. The main goal of this paper is: (i) to review labour market development after separation; and (ii) to examine the causes of selected structural problems in the Slovak labor market. The Slovakian unemployment rate is double compared to Czechia; (iii) on the other side to examine the cause why is the unemployment rate in Czechia the lowest in EU. This paper explains reasons for this crucial difference between this labour markets which used to be one. Regional differences examined in this paper could provide important information for other European countries.

**Keywords:** Economic policy, employment, jobs, unemployment, social policy

**JEL Codes:** A10, E20, F20

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MIGUEL GONZÁLEZ SANTOS<sup>1</sup> AND S.Md. KARIMULLA BASHA<sup>2</sup>

**AN ASSESSMENT OF PERSONAL VALUES AND VALUE SYSTEMS OF SPANISH AND INDIAN BUSINESS AND COMMUNICATION STUDENTS**

**Abstract**

Assessing the personal values of the business and communication students is revealing and convenient because they represent the future leaders of organizations. Since the personal values of these students will influence their behavior and determine the direction of businesses and other organizations in our society, it is useful and necessary to learn more about their values. Also, as more schools and companies are recruiting and admitting pupils from Spain or India, it is important to understand if their values differ between these two countries.

The business and communication professionals perform a crucial role in building the nation and their personal values play a determining factor. This paper examines the personal values and value systems of business and communication future managers in Spain, -using the Rokeach Value Survey and the Musser and Orke typology, and compares these findings with the results of the study that we have collected in India with similar methodology. Our research examines also the differences in values and value systems of both learners' universes by gender and by major. While there is little dissimilarity for the Spanish students by gender, our conclusions reveal several contrasts in the rankings of values by nationality as well as dissensions in each cultural value system. These implications must be considered and discussed for communication and business education in future.

We have compared also the results of rankings in both students' profiles by rural and urban areas with the help of Spearman's Rank correlation.

**Keywords:** Values, Spearman's rank correlation, Rokeach value survey, Indian business and communication students, Spaniard business and communication students

**JEL Codes:** I23, M10

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GAETANO BRUNO RONSIVALLE<sup>1</sup> AND ARIANNA BOLDI<sup>2</sup>

**A MODEL TO SELECT TRAIN AND ASSESS “DATA SCIENTIST” PROFESSIONAL PROFILE IN BANKS: ARTIFICIAL NEURAL NETWORKS AND INFORMATION TECHNOLOGY APPLIED TO HUMAN RESOURCE DEPARTMENT**

**Abstract**

The “data scientist” professional profile is becoming more and more important in the banking sector. However, HR departments still do not have a reference model in selecting, placing and developing data scientists. HR department should provide answers to the questions: a) in which area should I place the current or the new human resource to best employ his competences? b) how much should I invest in tailored training paths to improve his competences? c) how should I assess his performances after the employment? We used a specific typology of artificial neural network (Self-Organizing Maps), to find clusters emerging from mathematical algorithms. We applied this tool to a multinational bank, analyzing several data scientist profiles, belonging to different organizational areas. First, we collected the data from the qualification and the job description profiles. Therefore, we configured the neural architecture. Then we connected the input neurons with a two-dimensional map, setting the synaptic weights randomly. Finally, we trained the map by repeating the data of a small group of vectors, corresponding to the best performer’s profiles identified by the banks. The software generated a Kohonen Map representing the topological distribution both of profiles in the bank and of competences of each resource before and after a defined work period. Every HR department could use these maps to a) arrange the resources in the organization, b) obtain accurate and quantitative data about the required economic investment in training and c) evaluate their performance: banks would benefit from having customized training paths.

**Keywords:** Neural networks, banks, data scientist, competences, kohonen map, training, assessment, information technology

**JEL Codes:** M53, M54

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AGNIESZKA ROSSA<sup>1</sup> AND ANDRZEJ SZYMANSKI<sup>2</sup>

IMPROVEMENT OF FUZZY MORTALITY MODELS BY MEANS OF ALGEBRAIC METHODS<sup>3</sup>

**Abstract**

The fuzzy mortality model has been proposed by Koissi and Shapiro in 2006 as a fuzzy representation of the well-known Lee-Carter model. The authors assumed triangular symmetric fuzzy numbers as representation of model's parameters. We propose a new class of fuzzy mortality models based on the Koissi-Shapiro approach. However, in our proposal the membership functions of fuzzy model's parameter are transformed into a complex-valued functions  $f(u) + ig(u)$ , where  $i$  is the imaginary unit. Next we use the quaternion algebra as an introduction to the new mortality models. To illustrate theoretical discussions dealing with the proposed mortality model based on quaternion-valued functions, the estimates of model parameters are calculated using mortality data for Poland to compare the ex-post forecasting errors with errors yielded by the standard Lee-Carter model.

**Keywords:** Fuzzy mortality models, quaternion algebra, mortality forecasting

**JEL Codes:** C18

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ANNA GIULIA INGELLIS<sup>1</sup> AND FERNANDO OSVALDO ESTEBAN<sup>2</sup>

**THE RECENT SPANISH RESEARCHERS DIASPORA (2008 – 2016) BETWEEN PUSH AND PULL REASONS: WHY SOCIAL CAPITAL AND HUMAN CAPITAL APPROACHES MATTER**

**Abstract**

Highly skilled international migrations experimented a very fast and continuous growth in the last decades. Additionally, the destination and origin countries become very diversified. This communication presents a case study of a highly skilled migration new flow emerged after the recent economic recession: Spanish researchers' migration to UK. Specifically, the analyse has been focused on the knowledge labour markets influence - both in the origin and destination countries- on the migratory process. The mix-method characterizes the study, using both secondary statistic data and primary data proceeding from 30 in-depth interviews to Spanish scientists emigrated during the last 8 years. According to the existing literature, this migration flow depends on two main factors. On the one hand, the United Kingdom selective migratory policy orientated to highly qualified worker attraction. The lack of a sufficient number of native scientists to cover the internal knowledge labour market demand found this policy. On the other hand, the appropriate workplaces shortage and an abundant high-skilled workers' supply in Spain. The authors' contribution to this debate makes evident the existence of a third very important determinant related with the origin and destination countries' labours markets: the scientists' recruitment processes. While human capital is the key factor in the scientists' labour insertion in UK, the social capital dominates the recruitment processes in Spain. The combination of this two factors determine the recent migration flow features.

**Keywords:** Knowledge market, highly skilled migration, scientist

**JEL Codes:** F22, E24, D91

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ANNA GIULIA INGELLIS<sup>1</sup> AND FERNANDO OSVALDO ESTEBAN<sup>2</sup>

ITALIANS MIGRATION TO VALENCIA: AN EMERGING FLOW IN SOUTHERN EUROPE

**Abstract**

Because of the recent economic and financial crisis, which strongly hit the Southern European countries, the emigration flow from them grew significantly in the last decade. Having been during that period a country with a negative migration balance, starting from 2015 Spain come back to be a mainly receptor country. The Valencian community and concretely, the city of Valencia follows this national trend. In this framework, this communication aims at presenting the first results of a piece of an explorative research about Italians migration to Valencia. The interest of these migratory flow is based on two elements. On the one hand, it represents an emerging migration flow from South to South in Europe, and Italians are the most relevant immigrant population from another European country to the third most important Spanish city. On the other hand, because the Spanish labour market is not more inclusive than the Italian one, therefore searching for a job is not a migratory motivation for Italians. These elements induced us to set out two main objectives: to describe the main socio-demographics feature of the Italians immigrants to Valencia and to explore their motivations. A mix-method was used combining statistical analysis, in-depth interview and participant observation in virtual communities. First results point out the relevance of post materialistic migratory motivations for this population.

**Keywords:** Southern Europe, migration, motivations

**JEL Codes:** J61, J24, Z13

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**DETERMINING SERVICE FEATURES WHICH AFFECT BEHAVIOR INTENTION AND SATISFACTION IN AIRLINE INDUSTRY WITH GENDER AWARENESS**

**Abstract**

Airline firms are required to prioritize service features on the basis of customers' satisfaction and behavioral intention. The goal of this study is the determination of the factors effecting the behavioral intention and satisfaction of airline passengers and defining the degree of their influence. Also, the effect of gender is investigated. The population for the study was airline passengers. The logistic regression analysis is chosen for the method of the study. The findings determine the factors which influence the behavioral intention and satisfaction of the airline passengers. These results may serve as a starting point for airline firm managers to tailor strategies to survive in the very competitive airline market. In the light of this study's findings, further research may focus on different demographic, psychographic, and behavioral features that are impactful on satisfaction and behavioral intention of airline passengers.

**Keywords:** Airline, satisfaction, gender, behavioral intention

**JEL Codes:** M30

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**NEW AND INNOVATIVES STRATEGIES FOR OBTAINING SUSTAINABLE TOURISM IN ROMANIA**

**Abstract**

Tourism, being the world largest industry with a 4.6% growth to 1,184 million international arrivals worldwide in 2015 (UNWTO, 2016) is highly connected to everyday and business practices and territories. As such, moral concerns have been raised over the impact of tourism, as well as the hospitality industry, in terms of sustaining social life and the natural environment for the generations to come (Lovelock and Lovelock, 2013). Recently, the objective of sustainable tourism that supposed to be achieved should be clear and explicit. Though, there is no standardized way to reach such a goal. In spite of that is to develop a strategy and an action plan for sustainable tourism of useful measures to ensure effective and coordinated steps on the road for achieving its goal.

This is also one of the best provided approaches that include the involvement of all major interest groups and have an interest in establishing sustainable local development rule. It is simply defined as a tool of development and conservation.

The combined planning, we recognize the importance of planning for the tourism sector, especially in these circumstances that we look forward to building a strong economy.

It built on strong scientific foundations of modern sophistication. Integrated tourism industry has become include planning, investment, construction, marketing and promotion of sustainable destination in Romanian tourism.

**Keywords:** Sustainable tourism, sustainable products, Romania, marketing strategies, management

**JEL Codes:** Z30, Z32, Z38

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**EFFECTS OF HIGHER EDUCATION SERVICE QUALITY ON INTENTION TO ADOPT THE PROFESSION: A STUDY ON PUBLIC RELATIONS STUDENTS**

**Abstract**

This study aims to examine the effect of higher education service quality (as perceived by the students) on public relations students' intention to adopt the profession after their graduation. In addition, the effect of perceived service quality on students' intention to quit studying is also probed. In order to examine these effects, a survey is conducted on university students. Data is collected by a face-to-face questionnaire. Participants comprised conveniently selected 350 undergraduate students studying public relations at different schools and faculties of a mid-size state university in Turkey. A multidimensional scale for measuring service quality in the higher education context (HEdPERF) which includes academic and non-academic aspects, reliability, and empathy dimensions is used to probe students' perceptions about the quality of education. Data analyses revealed that non-academic aspects, empathy and reliability dimensions of the perceived service quality are significant predictors of students' intention to adopt the profession after graduation. Further, reliability dimension is a significant predictor of students' intention to quit studying. Finally, results show that intention to quit study is a negative predictor of adopting the profession after graduation. After discussing study limitations, research and managerial implications of these findings are provided.

**Keywords:** Service quality, higher education, public relations, intention to adopt the profession

**JEL Codes:** I23, M39

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**MAINSTREAMING CLIMATE CHANGE INTO LOCAL GOVERNANCE: FINANCING AND BUDGETARY COMPLIANCE IN SELECTED LOCAL GOVERNMENTS IN GHANA**

**Abstract**

Through an interpretive research paradigm, we investigated the extent to which selected local governments (LGs) in Ghana have complied with climate change (CC) financing and budgeting guidelines. We selected six (6) LG across three administrative regions of Ghana. Five interesting finding came up. Firstly, there is enormous evidence of CC budgeting compliance across all the six LGs studied despite weak compliance incentives. Secondly, LGs that are most vulnerable to the impacts of CC are more willing to comply and also allocate more resources for adaptation related activities as opposed to those that are less vulnerable. Thirdly, least complied LGs are likely to take ad hoc adaptation actions which are often left uncoordinated and poorly monitored. Furthermore, least complied LGs are most likely not to be able to attract auxiliary LG funds that could provide additional resources for adaptation financing. Lastly, the evidence of compliance is only quantitative as presented in various LGs fiscal documents, failing to provide qualitative or other relevant explanatory factors on the extent of impact on adaptation.

**Keywords:** Climate change, adaptation, budgeting, financing, compliance

**JEL Codes:**

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**NICHOLAS DIMMITT<sup>1</sup>**

**BUILDING CREATIVE CONFIDENCE THROUGH A UNIVERSITY COURSE ON INNOVATION & ENTREPRENEURSHIP**

**Abstract**

This case study explores one teacher-researcher's journey in developing the creative confidence of university students through teaching a course in innovation and entrepreneurship. The setting is a technical engineering institute and research university in the United Arab Emirates. The course was developed in collaboration with the UAE Ministry of Education, Stanford University and an international cohort of UAE university teachers. It is comprised of three modules; (1) Design Thinking; (2) Entrepreneurship and; (3) Growth and Leadership. The main objective of the curriculum is to introduce and develop an entrepreneurial mindset in the students. This study examines how one teacher inspires and encourages students to use creative confidence (Kelly & Kelly, 2014) to embrace this outlook and attitude. Examples of innovative classroom activities and materials will be presented and demonstrated. The successes and failures in the delivery and pedagogy of this course will be explored. Various questions examined will include: How might we design innovative ways to develop creative confidence in all university students? What pedagogical strategies best stimulate creative confidence? How can creative confidence cultivate innovation and increase entrepreneurial success?

**Keywords:** Entrepreneurship, creative confidence, innovation

**JEL Codes:** L26, I23, Q55

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**ANA MAFALDA VASCONCELOS<sup>1</sup>**

**POLITICAL RISK AND INTERNATIONAL BANK LENDING: EVIDENCE**

**Abstract**

In our paper we rely on a rich dataset on cross-border banking flows to analyze how political risk affects international bank lending. Our paper is the first that analyses the effect of several factors of political risk in cross-border banking flows using a sample that is larger than that of previous studies, i.e. covering the period 1984 – 2013. Moreover - and given the importance of the 9/11 attacks as a turning point both in the political atmosphere and on the global economy – our paper sets out to investigate how the September 11, 2001 attacks shaped the importance of political risk as a determinant of cross-border banking flows. Our study aims to inform policy makers on the main aspects of political risk that have a significant effect in cross-border bank flows, while it provides an outline on the long-term institutional development factors which favor attractiveness to foreign investors. We find that political risk is an important driver of international bank lending, but the effects are different between developed and non-developed countries. Furthermore, the political risk factors are different between these two groups of economies. In our study, we also find that the 9/11 attacks change the perception of political risk, and the political risk factors that drive international lending - both in developed and non-developed countries - also change with the September 11, 2001 attacks.

**Keywords:** Political risk, banking flows

**JEL Codes:** F34, F21, G21, K00

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**KARLIS BUKOVSKIS<sup>1</sup>**

**NEGLECTED ACTORS OF EU ENLARGEMENT: PRIVATE FOREIGN BANKS AS AGENTS OF EUROPEANIZATION OF THE REPUBLIC OF LATVIA**

**Abstract**

European Union enlargement, European integration and the Europeanization process itself are never without pragmatic interests. The adoption of norms and principles is not only a political process, but it is also tightly bound to economic calculations of both private actors and public institutions. Therefore, private actors should not be regarded simply as bystanders or mere instruments of public Europeanization agents. Rather, they function as separate Europeanization agents, especially when endowed with substantial economic resources and are hence capable of projecting conditionality unto the Europeanization target country during the enlargement process. Europeanization is not only an institutional-legal transposition of norms; it is also socialization. Therefore, private actors with origins within the EU member states can be part of the process of promoting European values, standards and requirements.

Latvia's engagement with private banks, especially Swedish and Finnish ones, demonstrates that private banks can possess both conditionality and socialization capacities. Economic data, document analysis and interviews with decision makers in banks and government institutions reveal the ability of private banks to hint the influx of foreign direct investments in the capital-scarce Latvian economy in return for the implementation of new legislation and the adoption of norms, thereby influencing the overall speed and determination in moving towards EU membership. Foreign banks were important not only due to their capacity to outcompete the domestic economic and even political actors. They also established profound social interaction and actively used persuasion and socialization strategies. Finally, the values they promoted fit the pre-existing value understandings in the Baltic countries, making their requirements more acceptable.

**Keywords:** EU enlargement, Europeanization, private banks, agency, Baltic states

**JEL Codes:** A12, A13, G20, N00

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**GUADALUPE DEL CARMEN BRIANO TURRENT<sup>1</sup>, SALVADOR MARIN HERNANDEZ<sup>2</sup>  
AND CARLOS GONZALEZ LOPEZ<sup>3</sup>**

**BOARD DIVERSITY AND ETHICAL BEHAVIOR IN LATIN AMERICAN COMPANIES**

**Abstract**

From the agency and institutional theory, this paper analyses if the presence of women on corporate boards enhances the non-financial performance in Latin America, a context characterized by a scarce participation of women on strategic positions, with a weak legal system and by a low investor protection. In this sense, the non-financial dimensions such as ethical behavior and corporate governance compliance, constitutes a substitute of the institutional weakness and may favor the image of the firm vis-à-vis other stakeholders. Particularly, we study if female members promote higher corporate governance compliance, enhance the adoption of corporate values and favor a stakeholder orientation. Using a unique sample of 799 observations of the highest ranked companies on the stock exchange indices of Argentina, Brazil, Chile and Mexico during the period 2004-2010, we found that female members reach higher corporate governance compliance, they are more sensitive with the responsibility value and promote a greater stakeholder orientation. We contribute to the debate on gender equality on top positions and its effect on ethical behavior. Differently from other studies, we include in the study three variables that reflects the ethical dimension: 1) Corporate governance compliance, 2) Ethical corporate values, and 3) Stakeholder strategy orientation. Our study have practical implications for policymakers, companies and boards, since our findings show that firms with women on their boards then to be more ethical responsible, suggesting the necessity to increase their representation on the private sector.

**Keywords:** Board diversity, ethical behavior, Latin America

**JEL Codes:** M14

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MURAT ÇETİN<sup>1</sup>, GONCA YILMAZ<sup>2</sup> AND ALİ CAN KAZAK<sup>3</sup>

**THE EVALUATION OF TURKEY'S INNOVATION ABILITY WITHIN THE FRAMEWORK OF EDUCATION CAPABILITY DURING 4TH INDUSTRIAL PROCESS**

**Abstract**

Indivisualization of production through 3D printers, connection of objects to each other in the Internet, and taking away more and more jobs resulting to end the need for professions by using robots and artificial intelligence systems that can communicate among themselves, has paved the way for a new Industrial Period. The 4th Industry as a transition period from exchange economy to sharing economy; differs from previous work power and its new dimension: "Capital is substituting the work power with the increasing speed". This transformation breeze requires a new system of education for bringing up generations equipped with the capacities to satisfy the needs of this new age. A flexibility and qualification jump in Turkey's educational infrastructure is necessary to catch up with this rapid and deep transformation, for being a part of 4th. Industry.

**Keywords:** The 4th industry, education, Turkey, Turkey's educational infrastructure

**JEL Codes:** I25

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AIMAN FARRAN<sup>1</sup>

**CONTINGENT FACTORS INFLUENCING PERFORMANCE MEASUREMENTS IN THE PUBLIC HEALTHCARE SECTOR IN SAUDI ARABIA**

**Abstract**

This review aims to contribute to contingency theory through investigating contingencies influencing PMs. It also attempts to explore possible new contingencies which have not been discussed in previous related literature. These contingencies will be explored and investigated through conducting a research project, which includes fieldwork (empirical study) to examine their influences on PMs according to organisation level. This paper adopts the Saudi Arabian public healthcare sector as the context of the research project and this context is a significant part of the research project progress. In addition, the research project will also investigate a variety of contingencies as well as their influences on PMs. This review aims to define these contingencies through on the adoption of common contingencies in previous literature and assumed contingency. This article investigates the PMs literature to provide a clear understanding of the PMs concept through showing the different categories of PMs, such as financial and non-financial measurements. Then, the review analysis the development of PMs in the public healthcare sector. It highlights the current situation of PMs throughout Saudi Arabia as the context of the research project. Theoretically, this paper considers the contingency framework though defining different contingencies which have an effect on PMs according to the related literature, as follows; perceived environmental uncertainty, organisational strategy, structure, culture and technology. Additionally, it supposes the workforce characteristics, which includes composition and cooperation of clinicians, managers, accountants, their experiences, educational background, etc., as assumed contingency influencing on PMs.

**Keywords:** Contingency theory, performance measurements, public healthcare sector, Saudi Arabia

**JEL Codes:** M49

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HADJILA KRIFA-SCHNEIDER<sup>1</sup> AND ABDUL SATTAR<sup>2</sup>

**FOREIGN DIRECT INVESTMENT AND CORRUPTION RELATIONSHIP: A META ANALYSIS**

**Abstract**

The impact of corruption on foreign direct investment (FDI) has received considerable attention in FDI literature. The heterogeneous role of corruption establishes two hypotheses i.e. “Sand the wheel” (corruption negatively affects FDI) and “grease the wheel” hypotheses (positive relationship between FDI and corruption). A mere literature review cannot help us reach a common conclusion. Hence, in this study, we conducted a meta-analysis to objectively analyze the literature on FDI and Corruption association. This technique helps us synthesize the evidence base to support either of the hypotheses. It quantitatively summarizes the results of previous studies and indicates the sources of heterogeneity in the previous results. We took 231 estimates from 27 studies published in well-reputed journals. Our findings show that the previous studies significantly heterogeneous. The summary effect size shows a significant small negative effect of corruption on FDI. The Egger regression test confirmed the existence of publication selection bias which means, the studies that report a negative relationship between FDI and corruption have higher publication chances. The meta-regression results show that estimation techniques (panel data, fixed-effect) and database sources for corruption and FDI (International Country Risk Guide ICRG, United Nations Conference on Trade and Development UNCTAD) used in previous studies are the key contributors to the heterogeneous results of the FDI-Corruption relationship literature. Finally, the findings verify a marginal effect of corruption on FDI, i.e. every one percent increase in corruption reduces FDI by 0.4479 percent. Hence we support “Sand the wheel hypothesis”.

**Keywords:** FDI, corruption, grease the wheel, sand the wheel, meta-analysis, publication bias

**JEL Codes:** F20

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**EDMUND MALLINGUH<sup>1</sup> AND ZEMAN ZOLTAN<sup>2</sup>**

**INNOVATIVE FINANCIAL DIGITAL ECOSYSTEM: AN EVALUATIVE STUDY OF KENYA**

**Abstract**

Technological dynamism is fundamentally changing digital transactions in Kenya. An ever-growing literature is examining how technology is specifically impacting on businesses in various regions, countries, industries among others. Developing countries like Kenya have been found to lack competitive advantage compared to those in Europe; partially due to lack of necessary but expensive technology. This paper reviews how digital innovations and strategic technological alliances affect business operations and financial inclusiveness. The innovative ways adopted by mobile operators to offer financial services has jerked financial institutions into action. Banks have come introduced PESALINK to lock mobile money operators out. One, the bank has decided to operate a mobile company through a subsidiary, specifically to reap from billion mobile money services. Despite the love-hate relationship between banks and mobile operator, theirs is a symbiotic relationship. The study uses secondary data obtained from relevant government agencies and various private sector players. This data was checked for accuracy before being used in the study. The study finds that Kenya has always endeavored at keeping abreast with global technological changes. However, the greatest revolution came when the country's mobile money innovative service, M-pesa, become an instant global success and case study. Since then, the trend has been continuous digital improvements to merge mobile and financial service. This has forced both businesses and government entities to re-evaluate their business models. The net effect is improved efficiency, connectivity and increased financial inclusion up to the remotest part of the country. Mobile and Agency banking has given the poor and those in remote places initially shunned by brick and motor financial institutions a 'bank' in their hands; accessible at a click of a button. Dynamism in technology equally means the government addresses need for relevant infrastructure, threats brought about by the same such as cybercafé-security and growing redundancy. Dynamism in technology equally means the government must continuously address need for relevant infrastructure, threats brought about by the same such as cybercafé-security, growing redundancy due to technology and provide an enabling regulatory environment.

**Keywords:** Innovation, financial inclusion, technology

**JEL Codes:** O30, O39

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INTERACTION BETWEEN INTEREST AND IDEOLOGY IN IRAN'S FOREIGN POLICY

**Abstract**

Iran is seeking to reconcile the two variables of interest and ideology in its foreign policy which puts obstacles, in some cases, to the understanding of this policy.

This is partially due to the existence of political movements that adopt different attitudes and insights of some of the foreign policy issues such as the relations with the neighboring countries, and is also due to the impact of some external developments on the Iranian foreign policy-making decision process.

The nuclear agreement reached by Iran and the five permanent members of the Security Council plus Germany "P5+1" group in July 14, 2015 is an example of the pragmatic policy that it follows, which at the same time, has not diminished the importance and influence of the ideological variable in the decision-making process.

**Keywords:** Foreign policy, decision-making process, nuclear agreement, interest, ideology, political movements

**JEL Codes:** F50

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**EXTERNAL DIFFERENTIATED INTEGRATION WITH THE EU: CAUSES, POLICY AREAS AND FUTURE OUTLOOK**

**Abstract**

Given the limits of the EU's absorption capacity and some countries' reluctance to become EU members, on the one hand, and the growing interdependence between the EU and its neighbours, on the other, the institutional machinery of the EU's relations with neighbouring non-Member States has been increasingly constructed along the lines of external differentiated integration. External differentiated integration relates to various degrees of deepened cooperation between the EU and non-Member States through third countries' differentiated levels of alignment with the EU's acquis and policy fields. While it takes predominantly place between the EU and its neighbours, it is also applied to other partner countries located outside Europe's periphery through looser arrangements. Whereas many studies have been conducted on internal differentiated integration within the EU, literature on external differentiated integration remains limited. This paper aims to shed light on external differentiated integration by focusing on its causes, key policy fields it concerns and its future outlook. It first examines the causes for the increased use of external differentiated integration as a means to form dialogue between the EU and non-Member States by focusing on the key premises of the EU's foreign policy goals, while taking into account the growing interdependence between the EU and third countries and the gradually vanishing possibility of further enlargement waves. Secondly, it elucidates different models of external differentiated integration by addressing following policy fields: internal market, security and defence, and justice and home affairs. The paper lastly provides a future outlook on the potentials of external differentiated integration taking into account recent developments concerning the European integration project including the Brexit process and Turkey's de facto frozen accession negotiations.

**Keywords:** EU, European integration, external differentiated integration, cooperation with third countries, Brexit, enlargement

**JEL Codes:** F50, F55, F59

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TUBA YAKICI AYAN<sup>1</sup> AND NURDAN DEĞİRMENÇİ<sup>2</sup>

**EVALUATION OF OECD COUNTRIES BY HEALTH INDICATORS: FUZZY CLUSTERING ANALYSIS AND TOPSIS**

**Abstract**

The present study aims to classify and rank OECD countries and assess the position of Turkey within this classification according to health indicators by using fuzzy C-means clustering analysis and TOPSIS (Technique for Order Preference by Similarity to Ideal Solution). This is because health is one of the most important indicators of socio-economic development. Fuzzy clustering analysis, unlike classical clustering analysis, refers to the clusters that involve the units by means of certain membership grades, not certainly. On the other hand, TOPSIS ranks the units in order of quality (good or bad) considering more than one factor. To this end, the health resources subgroup among health indicators of OECD is discussed in the study. The per capita drug spending (US dollars) and numbers of doctors, nurses and hospital beds were used as indicators. However, per capita health expenditure was excluded from analysis because of high correlations with other variables. 2014 data related to the 32 OECD countries addressed were obtained from the OECD website. The method was coded in Microsoft Excel software and analyzes were performed separately for 2, 3, 4, and 5 clusters. The ideal cluster number was determined to be 4 with the normalized Dunn coefficient. The following 4 clusters were formed as a result of the analyses. Cluster 1: Korea, Mexico, Poland, Turkey. Cluster 2: Austria, Czechia, Spain, Estonia, England, Hungary, Israel, Italy, Portugal, Slovakia, Slovenia. Cluster 3: Belgium, Australia, Chile, Germany, Denmark, Finland, France, Ireland, Iceland, Luxembourg, Holland, Norway, New Zealand, Sweden. Cluster 4: Canada, USA, Japan. When clustering findings are evaluated, it is seen that Turkey is in the same group with Mexico and Poland in all cases. Another finding is that the European countries have accumulated in the second and third clusters due to their high similarities. According to the TOPSIS analysis, the United States, Japan, and Canada are the top three. These countries are included in the fourth cluster. Based on this fact, it can be stated that the fourth cluster is the best one among all the clusters. Turkey, along with Mexico, takes the last two places. Korea and Poland, which are similar to Turkey, rank 18th and 28th, respectively. As a result, when Turkey is compared to OECD countries, it is clear that Turkey needs to make many adjustments and improvements in the field of health. At this point, it seems appropriate for Turkey to adopt the health indicators of the US, Japan and Canada as the ultimate goal. In order to achieve this goal, it may be useful to cooperate and exchange ideas especially with Korea, Mexico and Poland, which are in the same group with Turkey.

**Keywords:** Fuzzy clustering, TOPSIS, OECD, health Indicators.

**JEL Codes:** C38, C44, I10

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**ECONOMIC DETERMINANTS OF FOREIGN DIRECT INVESTMENT IN MIDDLE INCOME COUNTRIES: FUZZY REGRESSION ANALYSIS**

**Abstract**

Foreign direct investment (FDI) is defined as establishing a manufacturing plant or purchasing an existing one in a foreign country. These investments are often characterized as international capital flows led by multinational companies. FDI provides some benefits such as increasing employment, effective utilization of natural resources, improvement of technological knowledge, reduction of foreign trade deficit, and increase of economic growth for investee countries (host countries). On the other hand, it offers foreign investors (guest countries) advantages such as the use of cheap input, proximity to raw material resources, and benefiting from opportunities offered by new markets.

Factors affecting FDI inflows are collected under 3 main titles as economic factors, political factors and factors related to investment environment.

In this study, the economic factors determining FDI for the 75 countries in the middle income group of the World Bank were explored using 2015 data. Although a large number of economic indicators were identified based on literature and existing data, the correlation analyses revealed that only three factors are strongly correlated with the dependent variable (net FDI). These factors are real GDP growth rate (GDPGRW), commercial openness rate (COR), and deficit of balance of payments (DBP). The data related to these variables were compiled from the World Bank database and fuzzy regression analysis was employed to develop the model.

Fuzzy regression analysis is a method that can be used when the model structure between dependent and independent variables is ambiguous or observation values are not definite. The preferred solution method developed by Tanaka, H., Uejima, S. and Asai, K (1982) solves the problem of regression by converting it to linear programming. The model with fuzzy coefficients is given below.

$$\text{net FDI} = 1,42*10^{10} + (-1,052_0,716)DBP + (-0,982*10^9 \quad _{10,120*10^9})\ln GDPGRW + (3,092*10^9 \quad _{7,115*10^9})\ln COR \quad (1)$$

According to the model, an increase of 1 \$ in deficit of balance of payments can increase the net FDI by maximum \$ 0.716 or can decrease by maximum \$ 1,052. Similarly, net FDI change caused by an increase of % 1 in real GDP growth rate is between -9771000\$ and 100697000\$.

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Based on these findings, it is not possible to say exactly how both the deficit of balance of payments and the real GDP growth rate effects on FDI are, because these effects vary according to countries and conditions. In the classical regression version of Model 1, the coefficient of DBP is negative whereas the coefficient of GDPGRW is positive, both of which are significant. However, due to their flexibility, the fuzzy coefficients are much more realistic and reliable than the crisp coefficients in the classical regression. In addition, an increase in the commercial openness rate of 1% may lead to a net FDI increasing of between \$ 307,666 and \$ 70,797,000. As can be seen, the direction of the effect of the commercial openness rate on net FDI is positive and much higher than the effect of other variables.

**Keywords:** Foreign direct investment (FDI), economic determinants, Fuzzy regression analysis

**JEL Codes:** F21, C35

PAMELA THEOFANOUS<sup>1</sup>, OURANIA TREMMA<sup>2</sup> AND DIMITRIOS PAPARAS<sup>3</sup>

SPATIAL PRICE TRANSMISSION IN MAJOR EU OLIVE OIL MARKETS

**Abstract**

The main aim of this paper is to assess price transmission relationships between the examined markets and therefore, to examine market integration. In addition, the law of one price will be tested to evaluate the performance of the EU olive oil markets. This is pursued using monthly wholesale olive oil prices regarding the three major producers in the EU; Greece, Italy and Spain for the period 1994:01 to 2015:01. The analysis is based on a non-linear asymmetric cointegration approach in order to investigate the price relationship between the three markets. Results verify a stable long-run relationship between Spain, Italy and Greece as well as signs of cointegration in the EU olive oil market. Asymmetry was found with negative price shocks in Spain being much faster transmitted to Italy and Greece than positive. In addition, with the Law of One Price being rejected by definition, the EU olive oil market is not very efficient, thus current policies are also ineffective, suggesting a need for reform.

**Keywords:** Asymmetric price transmission, market integration, olive oil markets, non-linearity

**JEL Codes:** C10, C22, Q11, Q13

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**RAUSHAN AMAN<sup>1</sup>**

**FEMALE ENTREPRENEURSHIP IN EMERGING MARKETS: MOTIVATIONAL FACTORS BEHIND THEIR DECISION**

**Abstract**

Women is an invaluable source of current market development. 1/3 of worldwide organizations are occupied by female entrepreneurs. It means that most of the constrains, which existed in the past century in the form of heavy tax impositions and complicated legislation system, have been removed and/or their effect has been minimized. This paper provides theoretical review of motivational factors behind female entrepreneurs' decision to start and/or maintain new or their existing startups in emerging markets. Variety of factors drive women to start and/or maintain their businesses in emerging markets. In some countries female entrepreneurs' decision to start their own ventures and/or stay and maintain their businesses in the market are driven by factors that come out of the necessity such as the need for additional income and flexibility, whereas in other countries women decide to start their own businesses or maintain their existing ventures due to factors that give them additional opportunity such as independence and autonomy.

**Keywords:** Female entrepreneurship, emerging markets, push and pull motivational factors

**JEL Codes:** L26

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**PAULA REIS<sup>1</sup>**

**LABOUR MARKET INCORPORATION OF MIGRANT NURSING PROFESSIONALS IN THE EUROPEAN UNION: A LINEAR PROCESS? THE CASE OF PORTUGUESE NURSES**

**Abstract**

Over the last decades' various European healthcare systems have relied, to a greater or lesser extent, on the international recruitment of health professionals. After the European Union enlargement to the East and the outbreak of the financial and economic crisis, that has affected with particular severity the semi-peripheral and peripheral countries, there has been a reconfiguration of these flows. The proportion of nursing professionals moving to, and registering in, another EU country has increased steadily. The information available suggests that this phenomenon has particular expression among Portuguese nurses, despite the needs of human resources in the national health system. Recently conducted studies about Portuguese skilled emigrants, particularly on nursing professionals, unveil disparities in status and earnings when compared to domestic health workforce. Other researches on the European context also showed compelling evidence that migrant nursing professionals experience inadequate support, unfavourable work conditions, face greater risk of performing tasks below their skill level and have fewer opportunities of career development and promotion. These results challenge the principle of non-discriminatory treatment of workers and suggest that the skills and knowledge of foreign trained nurses are often wasted in the health systems. How to explain these inferences? What are the underlying factors and mechanisms? How do they interact? What's the degree of influence of institutional, organizational and social contexts? To answer these questions, we propose a multilevel approach, thus contributing to highlight the articulations of the various factors and mechanisms that produce inequality, between migrants and natives, in the labour market.

**Keywords:** Labour market incorporation, European Union, Portuguese nurses

**JEL Codes:** J60

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**KLADIOLA GJINI<sup>1</sup>**

**PRODUCTIVITY AND EXPORT: EVIDENCE FROM BOSNIA AND HERZEGOVINA**

**Abstract**

In this paper we empirically assess the macroeconomic productivity-export link for Bosnian firms over the 2003-2012 period, based on the Bureau Van Dijk Electronic Publishing (BvDEP) Amadeus dataset. The aim of this paper is to gain further insight into these topics by paying special attention to Learning by exporting and Self-selection effects. We start by estimating total factor productivity by the Levisohn and Petrin (2003) method which uses a semi-parametric estimator and then analyze both LBE and SS effects with FE and Probit methods. In light of this relationship between total factor productivity and export, TFP is regressed on various variables i.e. lagged TFP, age, number of employees, size, export status, ownership and sector. This paper will be useful to readers who have already done research in these fields (or similar fields) or those who want to compare results from their own studies.

**Keywords:** Total factor productivity, export

**JEL Codes:** C33, D24, F10

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**GÖKÇE SİNEM ERBUGA<sup>1</sup>**

**ASSESSING ENRON SCANDAL WITHIN THE FRAMEWORK OF BROKEN WINDOWS THEORY**

**Abstract**

Although the Classical Finance Theory managed to survive for many years, the Behavioral Finance Theory tends to rise since the 2008 global financial crisis. Behavioral Finance Theory supports the idea that people are not purely rational investors and they are affected from the sociological and mental factors besides uncertainty and risk that they face in their investment decision making process. To be more precise, investors are making their decisions by taking a vast number of variables into consideration besides risk and return. According to the researchers, as a result of this process, investors can (and will probably) pick the best option that make them satisfied, not the perfect one which maximizes their profit. From the behavioral finance perspective, the collapse of Enron is not a simple case of being unsuccessful in corporate governance. The cost of the outrageous manners of the executives of Enron, the auditors, politicians, and paper pushers was roughly \$74 billion and these outrageous manners were supported by the members of the board of directors, analysts, politicians, and some other part of the society sneakingly. All of these relations between these parties were based on pecuniary benefits and all of the warning signs about the forthcoming danger were disregarded. In this direction, this research handles the Enron scandal from the behavioral finance point of view and provides insight into the executives' governance problems within the framework of Broken Windows Theory.

**Keywords:** Enron, broken windows theory, corporate governance, accounting scandal, executive failure

**JEL Codes:** M40, O16, G30

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**SEDEF GÜLSÜM AKSU<sup>1</sup>**

**A QUALITATIVE RESEARCH ON FIVE MODELS OF CULTURE: SIMILARITIES AND DIFFERENCES IN MODELS**

**Abstract**

Most commonly, the concept of culture is used for tribes or ethnic groups (anthropology), nations (political science, sociology and administration) and organizations (sociology and management) (Hofstede 2011). Cultural issues are at the focus of researchers, especially in the field of management the reason is that culture helps to understand the apparent differences between managers from different cultural traits (Rohlfer and Zhang, 2016). The purpose of this study is to explain the culture models that are often discussed and to present common and different aspects between these models. In order to reveal these common and different aspects, core themes of culture models will be determined and each model will be examined in detail by carrying out a content analysis of the definitions that the researchers have made. On the selection of the models, the most frequently used culture models were selected in the literature. This research was conducted on EBSCO. As a result of this search, it was determined that the most frequently used culture models in the literature are the models of Florence Kluckhohn and Fred Strodbeck, Geert Hofstede, Edward T. Hall, Shalom Schwartz and Fons Trompenaars. Each model deals with the different sides of social beliefs, values and norms. The research will contribute to a better understanding of the time-dependent trend in the cultural literature.

**Keywords:** Culture, cultural models

**JEL Codes:** M14, A12, Z10

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AHMET ERDAL ÖZKOL<sup>1</sup> AND GÖKÇE SİNEM ERBUGA<sup>2</sup>

ASSESSING THE FINANCIAL PERFORMANCE OF THE COMPANIES INCLUDED IN THE BIST SUSTAINABILITY INDEX: A SECTORAL COMPARISON

**Abstract**

In our modern world, the mentality of being financially and economically strong, runs short in order to be a successful company. Companies should earn social achievements besides their financial and economic achievements. They have to combine their powerful economies with their environmentally-conscious company identities. For the last thirty years, the concept of sustainability has been remaining on the agenda as a reflection of being environmentally-conscious. While the importance of the sustainability concept is rising day by day, the need of sustainability reporting has emerged. In consequence of an increasing demand of the investors and business environment for transparency in companies, a vast number of companies realized the significance of the sustainability reports. Companies started to rearrange their activities within the concept of sustainability as a hot topic. As a result of this, the sustainability index became to serve as the tool for comparing the corporate sustainability performances of companies in local and global basis. This study concentrates on the link between financial performance of the BIST-100 companies and BIST sustainability index. This comparative study on the basis of the different sectors, was carried out in order to illustrate the effects of being a part of the BIST sustainability index over the companies' financial performance.

**Keywords:** Sustainability, BIST, sustainability index, financial performance, corporate governance

**JEL Codes:** G30, Q56

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OYTUN BORAN SEZGİN<sup>1</sup>, SEDEF GÜLSÜM AKSU<sup>2</sup> AND NURCAN HAKAN ÇIRAKLAR<sup>3</sup>

**THE EFFECT OF TRANSFORMATIONAL LEADERSHIP ON JOB SATISFACTION: THE MEDIATION ROLE OF PROSOCIAL VOICE**

**Abstract**

One of the most important factors that affecting organizational performance is employee performance. Especially employees who have positive opinions and satisfactions about their work increase their contribution to their organizations by performing better. Therefore, increasing the job satisfaction of the employees is one of the managers' goals in order to achieve high performance. The transformational leadership is one of the most studied leadership concepts and also it has a significant influence on employee attitudes, behaviors (Braun et al., 2013) and job satisfaction (Judge and Piccolo, 2004; Podsakoff, MacKenzie and Bommer, 1996; Podsakoff et al., 1990). Similarly, it is stated that the ability to convey of employees' ideas, suggestions, or requests to administrative level effects job satisfaction (Alfayad and Suriani, 2017). Prosocial voice is an activity that needs to be promoted and developed by the managers (Hoogervorst, 2014), because it requires proactivity, sincerity and effort (Van Dyne et al., 2003). The openness and effective communication aspects of the transformational leadership provide opportunities for employees to display easily their behaviors such as voice (Liu and Wu, 2015). To sum of briefly, transformational leadership features make employees get job satisfaction by enabling employees to express their solutions about problems based on co-operation. The purpose of this study is to examine the mediating role of prosocial voice in the relationship between transformational leadership and job satisfaction. In this context, SPSS and Lisrel programs are used in the research.

**Keywords:** Transformational leadership, prosocial voice, job satisfaction

**JEL Codes:** M50, J28, M10

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NOUMAN AFGAN<sup>1</sup> AND KLAUS GUGLER<sup>2</sup>

PROFITABILITY, LIQUIDITY AND INVESTMENT IN AUSTRIAN LISTED COMPANIES

**Abstract**

This paper analyzes the ownership structures, liquidity and investment performance of all non-financial companies listed at the Vienna Stock Exchange from 2007 to 2015. Cash flow is used for measuring liquidity. Tobin's q is a proxy for performance. The regression analysis reveals that cash flow positively and significantly affects investments in capital equipment. There is strong evidence of the managerial discretion hypothesis (MDH), which stipulates that the manager invests firm's surplus cash in capital equipment. Panel data estimations insinuate that the voting rights of ultimate shareholders and square of voting rights affect Tobin's q unambiguously positively, which implies positive incentive effects of ownership. The cube of voting rights unambiguously negatively affects performance, which implies evidence of entrenchment of managers. There is strong evidence of expropriation by entrenched managers that is detrimental to the interests of outside shareholders.

**Keywords:** Corporate governance, ultimate ownership, managerial discretion, investment performance, entrenchment

**JEL Codes:** L20, G30

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