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CONFERENCE PROCEEDINGS

Book of Abstracts

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Analysis of the Possibilities of Using Fuzzy Logic in Economic Practice¹

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Abstract

Fuzzy logic extends classical logic by using uncertainty, making it a more suitable tool for describing the real world. It allows us to process vague data and use qualitative terms. Its original use in classification tasks has expanded in recent decades, and now fuzzy logic has a strong position in several scientific disciplines. The paper aims to analyze its use in economic practice. We focus on its use in financial markets, in risk management, in decision-making processes, in evaluation and bankruptcy models. Fuzzy logic is used not only alone but also in combination with artificial neural networks, which are another of the soft computing techniques. Based on the results of a detailed analysis of individual cases of using fuzzy logic, we can state that this soft computing technique is very effective. Fuzzy logic seems to be a suitable tool for solving a wide range of current problems of economic practice.

Keywords: Fuzzy Logic, Economic Practice, Soft Computing Techniques

JEL codes: C63, G10, M20

¹ This paper was supported by the University Grant Agency of Constantine the Philosopher University in Nitra UGA no. VII/16/2019.

Economic Value of Bee Pollination in Slovakia²

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Abstract

Beekeeping takes a part in food safety due to the important role of bees in pollination and the nutritional value of their products. Bees constitute a resource of exceptional importance for the global population at economic, environmental and food security levels. Pollination can increase the production and quality of large numbers of crops. The value of pollination activity is derived from its contribution to the conservation of ecosystems and biodiversity, as well as from the impact on agriculture. Economic valuation of pollination services, including potential monetary losses in agricultural production induced by insufficient pollination, is a tool to quantify the impacts of this ecosystem service on food production, food security and to drive policy actions. The aim of the paper will be to estimate the value of bee pollination in Slovakia in 2018. We estimate the value of pollination through a bioeconomic approach. This methodology focuses on the utility value of pollination. The principle of this method is to estimate the impact of pollination on the variation in income of producers of crops that are dependent on pollination. The calculation is based on producer prices and yields of the main crops in the country. The mentioned data were supplemented by a coefficient of dependence on bee pollination. Based on the methodology used, we subsequently estimated the value of bee pollination, which in the case of Slovakia was 93,047,941 €.

Keywords: pollination, beekeeping, ecosystem service, food safety, bioeconomic approach

JEL Codes: Q51, Q57, Q58

² This article was supported by the University Grant Agency of the University of Constantine the Philosopher in Nitra through the research project UGA VII/10/2019.

Anti Money Laundering Effectiveness from a Legal Framework Perspective in Romania and European Countries

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Abstract

Purpose - This paper aims to assess the effectiveness of anti money laundering in Romania and other European countries based on national Financial Intelligent Units dates.

Design/Methodology/Approach—Annual reports of 12th European FIUs and reports from the last eight years of Romanian FIU are used to examine legal status, role and functions of national Financial Intelligent Units, suspicious transaction reports, suspended transactions, freezing order and seized funds and the volume of those funds as a results of fight against dirty money in each studied national economy. Relied on these, the paper evaluates the efficiency of fight against money laundering using descriptive statistics.

Findings –The number of suspicious transactions reports (STR) received by anti money laundering national bodies and the volume of amount suspended, frozen or seized increased in the last period of time, as an effect of European Union measures and transposition of this in nationals' laws.

For a comparative analysis and conclusions of the effectiveness and efficiency of anti-money laundering efforts in every country, a standardized data reporting model is certainly needed.

Keywords: Money laundering, suspicious transaction reports, suspended activity/transaction, Financial Intelligent Unit.

JEL Codes: E26; F36; G28; K14; K42

**Does the Capital Financing may Impact the Company's Performance?
A Study Case on Western Europe Companies**

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Abstract

The aim of this paper is to present an empirical evidence about the relationship between working capital financing (WCF) and company' performance measured by Return on Equity (ROE). Our research was conducted for 1544 companies which activate in Western Europe over a period of 14 years (2005-2018), by taking into account the diversity of industries and the different economies of the Western European countries. The information obtained was refined, ultimately what has been obtain is an unbalanced panel of 18.790 observations. The relationship between working capital financing and company's performance is studied using Panel Least Squared (PLS) and Generalized Linear Model (GLM). The results of the studies show us and clearly underline the scope of the paper, and answer the proposed research question by stating that the financing of the working capital does have an influence on the companies' performance. Specifically, our research shows us that there is a quadratic negative relationship between the variables WCF2 and ROE and a linear and positive relationship between WCF and ROE. Our results need to stir the attention of chief officers because it is illustrated that managers need to be aware that besides the action of investing in WCR, how the actual investment is being financed is an extremely important matter.

Keywords: Working capital, working capital financing, performance, developed countries, curve relationship.

JEL Codes: M21, G32, C33.

Analyzing the Role of Entrepreneurship in Economic Growth within the Ghanaian Context

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Abstract

In the past decades the role of entrepreneurship in economic growth and development has received gigantic attention. Particularly in less developed economies where it is somewhat difficult to get jobs in the public or private sectors. We see a lot of people trying to start-up their own small businesses and in the long run these business contribute their quota towards economic growth and development. The main aim of this write up is to assess the impact of start-ups and own businesses on economic growth and development using Ghana a case study. To achieve this, the Ease of Doing Business data which is measured by the score of starting a business from the world bank databank and the Self-Employment which is also measured as a percentage of total employment are used as proxies for entrepreneurship and these are the main independent variables in the model. Education and gross savings are employed as the controlled variables. To test if the data obtained is authentic and that it is not going to produce any spurious results, a stationary test is conducted using the Augmented Dickey Fuller (ADF) test. After conducting the unit root test to analyze the level of stationarity among the variables, the Fully Modified Ordinary Least Square (FM-OLS) methodology was used to conduct the analysis. The FM-OLS method produces reliable estimates for small sample size and provides a check for robustness of the results. Using Ghana as the case study and a period between 2000 to 2020, the FM-OLS is the best technique that can be used to estimate the relationship among the variables of interest. The results indicate that the respective dependent variables have a significant and positive impact on economic growth.

Keywords: Entrepreneurship, Economic growth and Development, Ghanaian context

Jel Codes: O40, M20

Impact of Globalization to World Financial Stock Market

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Abstract

The paper explores the impact of globalization to the world stock market. The proposed approach of analysis allows assessing the impact of national stock markets, represented by the corresponding stock indices, on the world stock market under the influence of the globalization process. Such impact can be described in periods of economic cycles by linear multidimensional equations. In such a system, it is possible to identify specific states, whose national stock markets at a certain moment set the corresponding vector of movement for the world stock market. Thus, it is possible to identify changes in the degree, nature and basic patterns of the influence of national markets on the world and their mutual influence under the influence of globalization. In addition, the proposed approach allows predicting the impact of national stock markets on the global one during the current phase of the economic cycle. A periodization of the development of the world stock market has been developed, based on the concept of economic cycles, within its framework, and the impact of the stock markets of the USA, Germany, Great Britain, Japan, China (including Shanghai), as well as Russia to the world stock market. As a result, it was found that under the influence of globalization, both the decline and the recovery phases of each cycle have become more complex. So, if in the last third of the 20th century, the movement of the world index was to the greatest extent determined by the influence of a small number of stock, then in the 21st century, the movement of the world index is carried out as a result of the combined contribution of all the most significant regions.

Keywords: World stock market, globalization, financial markets, stock market integration.

JEL Codes: F3, F65, D53, G15.

Macroeconomic Impact of FDI Inflow: The Case of Azerbaijan

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Abstract

Among the many issues considered by the theory of the world economy, the problem of foreign capital is one of the most urgent, since the attraction of foreign investment, in particular FDI, can act as the main factor in the structural and technical restructuring of the country's economy. Foreign investment in the country plays an extremely significant role in economic development. In this regard, there is a need to study FDI from the point of view of ensuring sustainable economic development as the main source of economic growth. FDI affects economic competitiveness. In this paper assessment of the impact of foreign direct investment in economic development is carried out by using correlation analysis. To make the necessary calculations for the country the dependence of GDP in Azerbaijan on the dynamics of domestic and foreign investment in fixed assets is determined. It should be noted that the GDP is formed under the influence of a set of conditions and factors. The article reveals the relationship of FDI with the macroeconomic indicators such as GDP, trade liberalization index, export of goods and services of the Azerbaijan Republic. It was found that those indicators are closely related to the value of inward and outward FDI.

Keywords: Foreign direct investment, GDP, trade liberalization index, export.

JEL Codes: F21, F43, O16.

The Binomial between Innovation and Sectorial Competitiveness and its Relevance for Entrepreneurial Performance³

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Abstract

The article aims to present a theoretical framework of competitiveness and innovation through a synthesis of different theoretical approaches in terms of their implications at sectorial level. Since the research-development-innovation (RDI) field has become a key element on the road to competitiveness, the orientation towards innovation representing in the last years a crucial element of all national strategies, the role played by RDI activities for entrepreneurial performance are the guidelines of the theoretical analysis. The perspective of the current analysis is on the relationship between innovation (rather than RDI) and entrepreneurial performance considering that this is conceptually more appropriate since what really matters for companies is the end result. At the same time, since RDI is also important for stimulating production, prosperity and economic growth, the paper approaches as well the side of defining and quantifying this type of activities through relevant indicators that can be used when setting targets for entrepreneurial performance.

Keywords: Innovation, entrepreneurial performance, competitiveness, research and development.

JEL Codes: O3, O33, L25, L26.

³ This work was cofinanced from the European Social Fund through Operational Programme Human Capital 2014-2020, project number POCU/380/6/13/125015 “Development of entrepreneurial skills for doctoral students and postdoctoral researchers in the field of economic sciences”.

Analysis of Customer Behavior Using Integrated Mileage Service App Log Data: Focusing on Customer Churn Prediction

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Abstract

Customer behavior analysis is gaining importance in the integrated mileage service field. Many companies try to manage customers by predicting churn, because retaining customers has a big impact on maximizing profits. However, in the integrated mileage service, the methods using machine learning and deep learning, which are the most actively studied recently, are not yet widely used in predicting customer behavior. Therefore, this study uses demographic variables and behavioral data within the app to predict the churn of customers using the integrated mileage service app through churn customer prediction modeling using the Naïve Bayes Classification (NBC), Support Vector Machine(SVM), and Deep Neural Network(DNN). Integrated mileage service companies will be able to maintain revenue generation through customer management through this analysis, and predictive modeling will be applied in various ways to analyze customer behavior in the integrated mileage service field in the future.

Keywords: Customer behavior analysis, integrated mileage service, machine learning, churn prediction.

JEL codes: C80, M31, M15

Small and Medium Enterprises Development Trends: Case of Azerbaijan

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Abstract

Small and medium-sized businesses have a special place in the formation and development of free competition, which ensures mobility and dynamism of the market economy and is considered one of its key elements. Thus, our government, pursuing a regulatory policy in the direction of improving the market economic system, implements number of targeted and systematic measures to create and develop small and medium-sized enterprises. However, there are still some problems in this area. Meanwhile, in order to ensure the effective functioning of small and medium-sized enterprises, the state policy in the field of creating new enterprises must be stable, and monopoly trends that may arise between entrepreneurs engaged in economic activity must be eliminated on the basis of market principles, and measures to prevent and elimination of unfair competition must also be highlighted. A brief analysis is given about the current development of small business, and measures taken by the state to improve the business climate and conditions for the development of small business. The experience of foreign countries, which can be applied in the Republic of Azerbaijan, is considered.

Keywords: Small and medium enterprises, market economy, non-oil sector, economic growth.

JEL Codes: L22, L26, M13, M20, M21.

Practical Application Scorecard Model to Improve Management of Intangible Assets

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Abstract

The Balanced Scorecard (BSC) is a way to reach a consensus and implement control as to how to develop one organization that follows its strategy. There is an excessive number of key coefficients in business and public sector. The difference is in focusing on a deliberately chosen set of criteria – very few to be observed – and on using them to achieve and share a common view of the organization's strategy for its future development. The approved set of criteria, formed on the basis of a necessary and reasonable balance, reflects the strategic choice of the organization.

Keywords: Balanced scorecard, performance measurement, strategic management, control, organization.

JEL Codes: F00, O20, M11.

Impact of Pandemic and Post-Pandemic Factors on Innovative Development of Industry

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Abstract

This study analyses the factors that stimulate innovation during a pandemic and post-pandemic period of socio-economic development of national systems. The author systematized factors of innovative development of industrial enterprises. The study presents a comparative analysis of the development of research and innovation activities of countries on the example of the Republic of Belarus and its main partners: the Russian Federation and the People's Republic of China. It proposes a system for assessing the scientific and innovative potential of national systems, on the basis of which countries are analysed. An algorithm has been developed for the development, promotion and implementation of scientific and innovative projects in the real sector of the economy in order to maximize the use of intellectual resources.

Keywords: Factors of innovative development of industry; pandemic and post-pandemic factors; innovations; intellectual economics.

JEL Codes: P00, O00, O10.

Labor Market Response to Monetary Policy in Japan 1963-2019

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Abstract

The paper employs an innovative measure of monetary situation (MPSI) based on an alternative interpretation of short-term shocks to money velocity (V). It is used to test for evolution of labor market response to intended (and unintended) changes in the monetary situation. The case studied is Japan. Such choice is motivated by (1) high quality statistical data, and (2) rigidity of domestic labor market. A simple regression analysis, in VAR-like model, delivered a picture of changing private sector response to modifications in monetary situation. There were five sub-periods over 1963-2020, in which legal and institutional framework of the Japanese labor market resulted in different effects of the monetary policy.

Keywords: Monetary policy, Quantity Theory of Money, Japanese labor market, labor market rigidity, Japan.

JEL Codes: E52, E51, J40

Feldstein's 'Global Imbalance' Revisited after 10 Years

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Abstract

The U.S. current account (CA) deficit has continued for many years, since 1982. There have been worries that this situation cannot continue indefinitely. Traditional arguments presented on global imbalances seem undeniable. However, the alternative interpretation of this paper does not recognize the CA deficit as “a gift to the U.S. economy”. With 10 more years of empirical evidence there may be some value added in evaluating M. Feldstein (2008) arguments, for example the role of exchange rates. This paper sheds new light on the “global imbalance”, suggesting that increasing domestic absorption by China may be an important factor. Disaster-scenarios may be not there to experience. Future developments may be far from those announced, and previously expected.

Keywords: Global imbalance, U.S., current account, foreign exchange reserves, the dollar.

JEL Codes: E21, F14, F32.

The Relevance of Liquidity and Country Risk to Euro-Denominated Bonds and The Influence of ECB Monetary Policy

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Abstract

This paper investigates the main determinants of euro denominated corporate bond yields, then analyses the “country effect” by focusing on economic reasons for the strong link between country and corporate yields. It also examines the potential impact of monetary policy of the European Central Bank (ECB) on corporate bond yields on the days of Governing Council meetings. A sample of 1,762 corporate euro-country bonds is analyzed for the period May 2005 – January 2012. The “country effect” is also examined up to 2017. Idiosyncratic liquidity and risk have a crucial impact on bond yields, but yields are also strongly influenced by the risk of the corresponding sovereign bonds. Finally, we show that unexpectedness component of ECB policy also exerts a strong short term effect.

Keywords: Credit spread; bid-ask spread; country-effect; liquidity risk; ECB; yield to maturity.

JEL Codes: C13, E43, E58, G21.

Albanian SMEs Approach toward Risk Management in the Context of Covid-19 Pandemic

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Abstract

Small and medium - sized enterprises are more prone to consequences of risks due to force majeure (as natural disaster or unforeseen circumstances). They suffer limited resources and structural traits. Risk management in times of crises very often find enterprises in difficulty and/ or unprepared. The objective of this research is to identify the approach of Albanian SMEs dealing with the risk caused by Covid-19. The study is carried out during the month of May, 2020. Data analyses provide insights on the reasons of activities shrink and reaction approach the enterprises implemented. Additionally, the study aims to investigate firm behavior for future comparable situations.

Key words: Risk management, SMEs, business model.

JEL Codes: M21, G32.

The Golden Ratio and the Fibonacci Sequence in Theory and Practice

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Abstract

This paper aims to provide an overview of previous knowledge and research related to the golden ratio and the Fibonacci sequence and to encourage new research, especially in the field of economics. In addition, it wants to show that the golden ratio and the Fibonacci sequence not only create the experience of beauty and comfort to the human eye in nature, art, design or architecture, but that interdisciplinary approach and with the help of advanced numerical tools can find greater application in trade, financial investments, management, etc. It also seeks to encourage the wider academic community to make more use of the scientific approach when researching the golden ratio and the Fibonacci sequence. In this theoretical research, the following is given: a mathematical interpretation (explanation) of the golden ratio, the Fibonacci sequence and Elliot's wave theory, as well as a number of examples of their application in art, architecture, nature, medicine, genetics and economics. A special contribution is that for the first time a broad overview of research on the topic of the golden ratio and the Fibonacci sequence from several scientific and artistic fields is given, as well as a review of several researches in the field of economics.

Keywords: Golden ratio, Fibonacci sequence, economy, mathematics

JEL Codes: J24, D22, M11, M21.

Quality Score on Earnings Management: Case Study on the Romanian Companies

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Abstract

In this study, we investigated the extent to which companies listed on the Bucharest Stock Exchange are likely to manipulate financial statements through the quality of their profit. For these purposes, we calculated the EQM score, which measures the quality of the earnings and of the management, using the financial statements of 20 companies listed on the Bucharest Stock Exchange in the interval between 2015-2019. The results of this research show that the management of earnings is influenced by the rate of commitments of receivables, leading to a fraudulent financial reporting. Our results are of interest to any users of financial statements, investors and creditors alike, in their endeavor to substantiate their decisions as accurately as possible.

Keywords: Earnings management, financial statements, manipulation, EQM score, EQ score

JEL Codes: G32, M11.

The Association between Sustainability Reporting, Assurance and Earnings Management: Evidence from Malaysia⁴

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Abstract

There is a growing interest in Corporate Social Responsibility issues in developing countries. Firms disclose their Corporate Social Responsibility activities and some of them provide assurance to gain recognition as socially responsible firms. However, several of those socially responsible firms are involved in accounting fraud and raise the question of whether Corporate Social Responsibility disclosure is used to disguise a firm's misconduct or as a reflection of a truly responsible firm. This study examines the association between Corporate Social Responsibility disclosure and earnings management and the role of sustainability reporting assurance to that association. Using a sample of Malaysian companies listed at Malaysia Stock Exchange for the period 2014-2019 that issued sustainability reports according to Global Reporting Initiative, the empirical result shows that there is an association between Corporate Social Responsibility disclosure and earnings management. Furthermore, the results also indicate that sustainability reporting assurance mitigates those associations. The findings suggest that stakeholders in developing countries can use sustainability report as a complimentary report to make a decision about the company.

Keywords: CSR disclosure, earnings management, sustainability reporting, business ethics.

JEL Codes: D22, G34, M14, M41.

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Effect of Organizational Environment on Administrative Innovation A Case Study, Ebn Nafees Medical Clinic, Rabak Town, Sudan

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Abstract

This paper aimed at identifying the relationship between the administrative innovation and organizational environment, recognizing the level of motivation of the employees towards innovation and realizing the effect of organizational environment on administrative innovation in Ebn Nafees Medical Clinic (ENMC). The descriptive & historical methods had been used, in addition to the Statistical Package for Social Sciences (SPSS) for analyzing the gathered data & information from the selected sample. The paper concluded to some findings, such as the location of (ENMC) is suitable for presenting competitive services to the clients, moreover, the good treatment for the employees motivated them for sharing their innovative thoughts which helping management to ascertain the objectives, whilst the recommendations revealed full consideration to the observations & complaints of the employees & clients for improving the performance of the (ENMC), furthermore, granting appropriate remunerations for the employees who will present innovative thoughts which may contribute in ascertaining the objectives of (ENMC).

Keywords: Organizational environment, administrative innovation, organizing services, organizational loyalty and thinking abilities.

JEL Codes: L16, L22.

Enhancing Rural Economy through Fairs: Inception of Mela-Economics

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Abstract

Rural India has been a contributor to the national economy in various aspects; the contribution is mainly through output received in agrarian, micro, small enterprise sector. This paper looks at a different area of informal economy, the economy of fairs (mela's), or the mela-economy. The word mela and fair is used interchangeably in this paper, in accordance to the used context. India being a multi socio-cultural country, conducts fairs in different parts of India. Such fairs either of micro or macro stature mostly happen in rural areas to promote tourism. This paper attempts to posit an alternate solution for conducting a trade within a fair (mela), where maximum actors can be benefitted. It postulates a 'hyper-fair-trade equation' for the interaction of indigenous goods producers with other counterparts in order to create a trade-setup and generate employment. If the solution works promptly as devised it can generate cash flow on the likes of mela and these cultural fairs can develop an intensive micro economy.

Keywords: Fairs, Kumbh mela, mela-economy, indigenous goods, hyper-trade equation, cultural-rural tourism.

JEL Codes: H4, L26, O30, O35, R1, Z1

Analysis of International Indicators of Innovative Development and Inclusive Growth in the Republic of Uzbekistan

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Abstract

In this study, we independently calculated most of the global innovation and inclusive growth indicators in Uzbekistan. In particular, the export index of high-tech products, the index of articles in international journals, the share of research and development expenditures (R&D) in GDP, the Human Development Index, the energy efficiency index, the state efficiency index, the International Corruption Control Index were calculated. Comparison, grouping, and economic-statistical and econometric methods were widely used in the research process. The indicators identified in Uzbekistan were compared with the indicators of other developed countries. As a result of the analysis, negative indicators were identified in Uzbekistan. Scientifically based recommendations have been developed to overcome the negative indicators and develop relevant areas. Comparison of indicators of conditions and factors of innovative development in Uzbekistan with world standards allows us to conclude the share of R&D expenditures in GDP in Uzbekistan is even 0.2%, which is 11.8 times lower than in other countries. The main factors hindering the transition to an innovative economy are the underdevelopment of institutions and insufficient funding of science and new technologies in the country. This means an increase in funding for research and their implementation. It is necessary to develop an action plan based on the study of international experience in improving the Human Development Index, Energy Efficiency, Inclusive Growth, Corruption Control Index in Uzbekistan. Reducing coal-fired power plants and promoting less polluting industries, transportation and local fuels to clean the air and reduce greenhouse gases. It is necessary to organize the use of renewable energy sources, especially solar energy, rather than switching to coal instead of gas.

Keywords: Intensive growth, inclusive growth, Innovation Index, human development index, energy efficiency.
JEL Codes: O13, O15, C43.

Gender Process of Labor Commodification: Woman Labor in the Era of Capitalism

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Abstract

Household labor is a massive human endeavor performed by women that is actually undervalued and often invisible. Capitalism had abolished the feudal and more duty –bound relationship. However, it has not been the case for women. Understanding the women's labor, its implication in the household and eventually to capitalist mode of production is therefore crucial to understand the conditions in which they live. This paper which draws on gender economics perspective therefore is an attempt to study the systematic nature of women oppression and how it is directly tied to capitalism. It explains the ways and techniques of current economic system that has maintained and perpetuated the ambience in which women are in the receiving end of economic as well as sexist exploitation. Women are the key component and very social foundation of capitalist exploitation. The powerful institutions and practices in the society, law enforcement, school, and corporation still are responsible in upholding sexism and economic domination of women. Rather than recognizing and struggling against the structural forces that creates these sorts of oppression in first place, capitalism has used it for benefits and success. In this paper, we have tried to look upon the various economic as well as non-economic ways of exploitation of woman that has not led to the true liberation of them in capitalist system. The approach of this paper is to identify the social and institutional tensions associated with dual role of women in the household and outside of it.

Keywords: Capitalism, Women's labour, Household, Exploitation.

JEL Codes: J12, J16, J71.

An Individual Loan Takes from Bank through a Mutual Contract between Needy and Bank Account Holder

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Abstract

To mitigate the problem of non performing loan, it will be a model where Bank conducts their policy through a mutual contract. A needy, who wants a loan but he/she doesn't have any capacity for showing the security against individual loan. At the mean time bank account holder is a known person of needy who actually given his/her individual loan through a mutual contract with timeframe. Here loan taker will be a needy person, loan giver will be a bank account holder as well as securities of the new loan and bank will be intermediary. By this operation Bank will get more money circulation and minimize their non-performing loan, a needy will getting help of his/her crisis moment and bank holder will taken social responsibility.

Keywords : Individual Loan, Needy, Non-performing Loan, Money circulation

Jel Codes: E5, I3

Persistence of Poverty in Turkey

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Abstract

Poverty has been one of the most popular issues of both researchers and policymakers. In the literature there are many studies analyzing the poverty rate and its determinants. However, poverty has a dynamic nature. The individuals may fall into poverty and then cycle out of it in the proceeding periods or poverty persists. This dynamic nature of poverty can be analyzed via poverty spell approach. To this end, this paper aims to investigate the poverty spells in Turkey to provide valuable information about the nature and determinants of poverty persistence. The data set is gathered from the Survey of Income and Living Conditions (SILC) for the period 2011-2014. Empirical results show that individuals are less likely to escape poverty as its spell length becomes longer. Overall, gender, higher education and employment status are the most important factors to keep the non-poor status of individuals over the sample period.

Keywords: Poverty dynamics, survival analysis, poverty spell, Turkey.

JEL Codes: C25, C33, I32.

Hedonic Pricing of Real Estate in the Ottoman Istanbul

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Abstract

This paper conducts an empirical analysis of the real estate appraisal in Istanbul from a historical perspective. The first cadastral survey of Istanbul was conducted in 1875. The survey covers all houses, shops, land, and public buildings. The collected data include the size, type, material of construction, and ownership of all real properties in Istanbul at the time. Moreover, the officers in charge of collecting these data also appraised the values of all real estates. Based on this rich dataset, we analyze the determinants of value using hedonic pricing techniques. Surprisingly, the results lend strong support for the efficient market hypothesis and no-arbitrage condition.

Keywords: Hedonic pricing, real estate, efficient market hypothesis

Effects of the Covid-19 on the Tourism Industry: Evidence from 6 Touristic Fields

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Abstract

The Covid-19 pandemic has already caused a serious negative impact on the tourism globally. As a result, investors' preferences have shifted away from the tourism related companies' stocks, as the lockdown measures totally suspended the services of these activities, and people prefer to abstain from these activities if fear of virus infection. In this paper, we examine the biggest companies' stocks related with tourism, from the fields of Airlines, Cruise Companies, Resorts, Hotel groups, Travel Agents and Other Tourism Activities (such as car rentals, etc), mostly related with the US economy. Using relevant time series specifications, we establish a hypothesis regarding the effect of the Covid-19 pandemic on these stocks, and we therefore capture the spillover effects through the impulse-response functions from every field to the others, through the financial stocks examined. Based on our findings, the tourism fields are related with each other, transmitting a shock from a specific tourism field to the others. Moreover, the tourism related stocks were affected by the Covid-19 spread and the Covid-19 spread provides useful information for the causal predicting of these stocks.

Keywords: COVID-19; airlines; cruise companies; hotel groups; travel agents

JEL codes: C22, C58, C50, C51

Does the Higher Order Risk Preferences Affect on Altruistic Financial Choices? Experimental Study

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Abstract

This study investigates the relationships between higher order risk preferences and altruistic financial choices via experiment. Individuals who donate fixed amount of money every month to the children, they transfer their money in anticipation of need of others despite of uncertainty of their future incomes. Purchasing insurance is an another type of altruistic decision making in which individuals enter into contracts to transfer their money to unknown others in advance, in order to share state dependent risks. Although these financial behaviors are precautious acts to evade bad outcomes, individual who purchase insurance need to endure risk to reduce variance of others. Therefore, prudence and temperance, the third and fourth degrees of risk preference, are possible to effect be altruistic decision making.

Keywords: Risk, financial behaviour, decision

Adapting Macroprudential Instruments to Achieve Monetary Policy Objectives

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Abstract

Monetary policy is used by governments to adjust financial market conditions to the needs of economic growth. But its application has certain limits, the biggest one being the interest rate limit on monetary policy instruments, which cannot be lesser than zero (although, at least in the euro area, this is already the case). Can monetary authorities use other instruments under these conditions? Currently, in the context of the COVID-19 crisis, most countries have injected huge sums of money into the financial market to maintain the consumption capacity of the population. Can macro-prudential policy instruments manage the existence of money supply to prevent it from entering the financial speculation market and inflate speculative bubbles / this article aims to analyze the behavior of macro-prudential policy, which can be used to achieve monetary policy objectives. The research is theoretical and contains reflections on the need for efficient use of macro-prudential policy instruments in optimizing monetary policy.

Keywords: Monetary policy, macro-prudential policy, central bank, price stability

Jel Codes: E42, E44, E52, E58, E61 G28

Challenges to Immigration in the European Union in the 21st Century

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Abstract

With the onset of globalization and opening of the borders, cross-country migration has increased on a greater scale. The main factors responsible behind the migration process is termed as the “push and pull” factors. Better employment opportunities, higher wages and income, standard of living, advanced health care opportunities, educational facilities and social security are some of the factors responsible for the migration process of a person. Like the pull factor, the push factor operates where there is dearth of jobs, problems of unemployment, unhealthy competition, and business environment. Often, the wages are too low to earn a minimum livelihood and workers are just earning subsistence wages in the process. People having necessary skills, quality education will move out of their home country to the receiving country offering a higher income, wage, and better livelihood opportunities to the individuals. Against this background, the objective of the study is to discuss the numerous challenges faced during the immigration process in the EU. The study comes to the conclusion that illegal immigration has declined over the period of time due to stringent rules, monitoring, and surveillance across the borders adjoining the EU regions. More steps are being taken over time to prevent illegal migration.

Keywords: Migration, Measures, and challenges.