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Editors

M. Veysel Kaya

Patrycja Chodnicka - Jaworska

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Market Analysis of Customer Selection Criteria in Car Sales

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Abstract

The customer requirements in Industrial Revolution 5.0 are related to the innovative business model of the company, to the functionalities of a car on the environment of green innovation, adapted to traffic conditions, and to comfort and performance. The interaction between the customer and the vendor is done online, and the sales market is organized electronically, with physical delivery, through automated processes. Gamification marketing will motivate customers to interact with electronic platforms and declare their customer profile to be able to simulate a traffic run, which is one of the ways to reward and retain customers. This fact will lead to an increase in the company's income from online sales, depending on the generations of customers. The maturity of the marketing model is given by the completion of the profile, as well as the flow of information existing in the process of data collection and interpretation. Whether we use a database developed within the company or whether we use a database purchased from the market, the identification of the income resulting from the creation/completion of online databases compared to the activity carried out is missing from the accounting records of the companies and from the specialized literature. The research will be an empirical one, based on the evidence already presented in the specialized literature, for online selection criteria of customers, databases for online sales that lead to income from digital goods. A comparison of revenues, costs, and incomes will be made from the financial statements of a few Romanian companies. The identification of customers on car presentation platforms from the profile completed by them, the revenue from the use of customer sales databases, the ratio of revenue or turnover of the number of employees are proposed as results.

Keywords: online clients, marketing, incomes

Jel codes: M21, M31, M41

Africa Continental Free Trade Agreement Effect on Investment Flows into the Manufacturing Sector in Africa

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Abstract

The Africa Continental Free Trade Area (AfCFTA) is touted as the seminal project of the African Union (AU)'s development vision and policy roadmap for the continent's inclusive growth, integration and sustainable development trajectory, known as Agenda 2063 (AfCFTA, 2021). This pact has a coverage of 55 countries with a population of 1.3 billion people across the continent and a potential Gross Domestic product of approximately US\$3.4 Trillion (World Bank,2020). Therefore, when viewed from the number of participating countries, it constitutes the largest free trade area since the advent of the World Trade Organization (WTO). There are a number of reasons why the AfCFTA was formed, chief of which is the intention to enhance intra-Africa trade by introducing a variety of measures and incentives designed to promote trade among African Countries. The AfCFTA aims to reduce tariffs among member states, eliminate non-tariff barriers, review policy constraints, enhance trade facilitation and introduce regulatory measures to improve and increase Africa's output in World trade (AfCFTA,2022). The findings show that the intra-regional investment in the African Continent is small. The implication is that the productive sectors of the African economies are powered by investments flowing from outside Africa with limited evidence on how trade welfare effects, including institutional capabilities are developed and sustained by sub-Saharan economies. The paper concludes that for the Africa Continental Free Trade Agreement to yield positive welfare effects, sub-Saharan countries require a harmonised and homogeneous industrial policy framework that facilitates the restructuring of economies from the mining and export of minerals and metals to domestic beneficiation, which requires special human capital factors including, relevant skills, institutional capabilities, infrastructure and technology.

Keywords: Africa Continental Free Trade Agreement (AfCFTA); intra-Africa trade; investment flows; manufacturing sector; multinational corporation investments; extractive industry; institutional capabilities; human capital

Jel codes: O00, O10, O13, O14

Observations on Samuelson's Dictum

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Abstract

The stock market in the form of the S&P 500 is estimated to be inefficient in 13% to 31% of the time since 1963. This is contrary to the theory of efficient capital markets, but in accordance with Samuelson's Dictum, which posits that the stock market is micro efficient, but macro inefficient. I develop a new model to measure potential inefficiency at macro level and question the assumption about efficiency at micro level. Inefficiency in price (P) is driven by earnings (EPS) and/or valuation (P/E). At the peak of the TMT-bubble in 1999/2000, both factors were in play, while only earnings assumptions were inefficient before the Great Financial Crisis in 2008/09. Parts of academia seems to accept a different definition of market efficiency at micro level compared to macro level. At macro level, a standard "price vs. fair value" definition seems to be generally accepted, while at micro level, a relative "price vs. price" definition seems to be broadly used. The latter way of thinking has historically led to significant price bubbles. Numerous examples of stock prices that deviate significantly from their fair value in days, weeks and months and doubtful methods for measuring efficiency at micro level cast doubt about the micro efficiency claim part of Samuelson's Dictum.

Keywords: Samuelson's Dictum, stock market inefficiency, overlapping trend model

Jel codes: G10, G14.

Retrospectives and Perspectives on the 10 years of Economic Exchanges between Romania and the USA : The Analyzed Period 2010-2020

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Abstract

This article is intended to highlight the relationship between Romania and the United States of America in terms of economic exchanges in the period 2010-2020. The motivation of the study is rendered by the Strategic Partnership found between the two states, a partnership that brings together elements of a political nature, defense and security, collaboration in the plan of strengthening energy independence, but also economic valences. During the period under general review, the economic relationship between Romania and the United States has increased significantly over the past decade, with trade and investment continuing to expand. With the right policies and cooperation, there is potential for even greater economic ties between the two countries in the future.

Keywords: partnership, economic exchanges, Romania, USA, international politics.

Jel codes: F50

Covid – 19 Impact on Tourism Sector, Response, Policy Innovation

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Abstract

The tourism industry is one that mostly relies on the freedom of people to move, as such it was the most affected globally. This pandemic, caused by the COVID- 19 virus, has shaken the entire industry including airline transport and every other kind of transport, hotels, restaurants, tour operators, agencies, and others. In times of crisis usually are taken extreme measures, and history has shown to reward the bold reformers and swift managers. Albania falls in the category of “highly reliant” tourism countries, with GDP, employment, and development contribution reaching substantial numbers. However, its response to this crucial sector has not been at the expectations and par with sector’s strategic relevance. It is important to emphasise that this crisis put forth and amplified structural issues that the industry has. It is imperative to define a clear vision for tourism in Albania, strategic infrastructure development not just based on road networks, sector clustrification based on demand and types of sub-sector products, financial instruments tailored for the industry, immediate integration of education system for skilled workers in different levels, digitalisation projects, and foremost competent and accountable institutions. The economic, social and cultural effect of this sector, if well managed, will be immense for Albania for the next two decades.

Keywords: tourism, Covid – 19, innovation, policy, tourism strategy.

Jel codes: Z32, Z38

The Investment in Human Capital: Albania Case

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Abstract

Nowadays, all countries are paying attention to investing in human capital because human capital is one of the most valuable assets that a country owns. Due to the great impact that human capital has on the country's economic growth, many authors based on empirical studies have analyzed the relationship between education, training and economic performance. Education is the basic step in the process of economic development and it's very important to continuously invest in human capital. Although in Albania, public expenditures for the education sector have increased year after year, again they remain at low values compared to countries of the European Union. Government should increase its spending on education especially in rural areas, increase investment in education sector, training young people and adults to improve the effective and productive labour to help in economic growth and in economic development of the country. Therefore, the aim of this paper is to analyze the investment in human capital in Albania.

Keywords: human capital, government spending, education, Albania.

Jel codes: I20, I25 I28, O1

From Anonymity to Personalization and Ethical Issues of Digital Marketing

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Abstract

Increasing digitization and the use of various tools and applications leads companies to target their consumers and direct their marketing communication to a defined consumer profile. Compared to traditional marketing, digital marketing achieves communication and marketing of information to consumers through different channels. Digital personalized marketing, which is adapted to each customer based on data collected about him, is increasingly being used. Due to the content personalization, each user has a unique experience with a specific product or service, which can result in a large increase in the company's digital strategy and increase in sales. The aim of this paper is to evaluate the effectiveness of digital personalized marketing and the ethical use of personal data. The conducted survey aimed to determine the respondents' attitudes about personal data sharing on the Internet and their impact on the risk perception, as well as the respondents' attitudes on personalized advertising on the Internet. The results indicate the respondents' awareness of the risk of sharing personal data on the Internet and their skepticism when viewing personalized advertisements.

Keywords: digital personalized marketing, personal data use, risk

Jel codes: M31

Semi-Structural Model with Financial Cycle: Implications for Monetary Policy

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Abstract

The global financial crisis has made it apparent that financial factors have more significant implications for macroeconomic dynamics. Several theoretical and empirical literature has focused on incorporating financial factors in macroeconomic models, particularly to explain the business cycle. Our paper focuses on fashioning a four-equation New-Keynesian Quarterly Projection Model with an extended financial cycle for India. We detail India's Flexible Inflation Targeting regime and the analytical framework that supports it. Furthermore, the paper discusses the calibration and multivariate filtering for assessing the model.

Keywords: Quarterly Projection Model, Financial Cycle, Business Cycle, Monetary Policy

Jel codes: B22, E0, E12, E32, E32

Bibliometric Analysis of the Link between Banking Performance and Corporate Governance

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Abstract

The purpose of this study is to identify current and emerging research trends and provide a comprehensive map of the knowledge structure in the field of banking performance and corporate governance. To achieve this purpose, we selected 1677 articles from the Web of Science database, published between 1992-2022. By using two powerful bibliometric visual software tools, VosViewer and Biblioshiny, and by applying various bibliometric analyses such as co-authorship among the authors and countries, bibliographic coupling of the documents and authors, co-occurrence of the keywords, and author co-citation, this paper presents the fundamental characteristics of the body of knowledge in this research field. Specifically, the most influential publications, institutions, source titles, countries, and authors, and the evolution of keywords these 30 years were identified. The paper concludes with a discussion of the most popular research topics and identification of emerging research pattern areas that should be on the future research agenda for researchers interested in banking performance and corporate governance.

Keywords: bibliometric analysis; banking performance, corporate governance.

Jel codes: M41, G21

House Prices, Homeownership and Household Consumption: Evidence from Korea

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Abstract

This paper investigates the impact of house price changes on household consumption, using household panel data with a focus on asymmetric responses across homeownership status and the direction of house price fluctuations. Our findings are in marked contrast to previous evidence. We found that while rising house prices had little influence on consumption, decrease in house prices had a substantial impact. Growth rates of homeowners' consumption reduced by 0.41 percentage points, while those of renters' increased by 0.68 percentage points in response to a one percentage point decrease in house price growth rates. A back-of envelope calculation shows that a one percentage point decrease in house prices may produce a 0.02 percent increase in aggregate consumption. This implies that changes in house prices could affect household consumption as opposed to what previous studies suggested: depreciation in house prices may increase household consumption, as the contractionary impact on renters' consumption outweighs the boosting impact on owners' consumption.

Keywords: house price, consumption, wealth effect, household panel data.

Jel codes: D10, D12, E21

Implementation of Immersive Marketing Approach at HEIs: Challenges, Obstacles and Perspectives

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Abstract

The work is devoted to creating an approach to the immersive marketing of educational products and scientific developments at the university, which allows involving internal and external stakeholders in the process of university "products" promotion. Unlike other types of marketing, immersive marketing will enable the process to include potential consumers of products or services. However, immersive marketing is not only a concept of using virtual and augmented reality for advertising purposes. This paper proposes an extended approach that involves the collaborative preparation of scenarios for promoting educational products through feelings and sensations. The concept of product tangibility can be translated into educational programs where internal and external stakeholders, as well as potential customers, can immerse themselves in the service and improve its quality. Based on the bibliometric analysis, a connection between the concept of immersive marketing and the university's activities was established, and a list of tools for the successful promotion of educational services was identified. The authors' experience in implementing immersive technologies in the educational process was translated into the marketing activities of the university. As a result of using analogies between immersive technologies in education and immersive marketing, an extended concept of immersive marketing has been obtained. This concept, in addition to immersive tools, includes behavioral research and testing of promotion algorithms by analogy with software testing.

Keywords: Immersive Marketing, Educational Programs, Promotion

Jel codes: I23, M31, O31

Fiscal Devaluation, Innovation, and Household Welfare in an Open Economy

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Abstract

Fiscal devaluation has often been the focus of policy discussion within the eurozone as it provides a means by which southern European countries can regain competitiveness. It takes the form of a subsidy on labour, financed by taxing consumption. This paper discusses the effects of fiscal devaluation on the main macroeconomic variables in a two-country model with monopolistic competition, innovation, endogenous entry, and endogenous tradability. I found that trade balance can only be improved when the market is highly competitive, but fiscal devaluation also causes utility to decrease in the country that implements it. Meanwhile, I found reverse outcomes in a less competitive case: a higher utility but a trade deficit. In all cases, fiscal devaluation can be a prosper-thy-neighbor policy. I also compared fiscal devaluation with more targeted subsidies, finding that only subsidizing labour in the innovation sector can lead to similar outcomes while only subsidizing producing labour may cause a decrease in consumption and utility.

Keywords: fiscal devaluation, endogenous varieties, innovation, tax reform.

Jel codes: E60, F41, H20

National Highways and International Goods

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Abstract

This paper investigates the impact of the Indian government's highway upgrade project in the early 2000s on firms' access to global markets through imports. Using firm-level data from the manufacturing sector and a novel spatial instrumental variable approach, the study finds that the program made it easier for firms to access domestic and imported inputs. The analysis constructs the equivalent of the implicit tax for different inputs and finds a reduction of the implicit tax paid on imported inputs of 19.4 percent and a more modest 6.3 percent drop for domestic inputs. The impact on firms' use of imported inputs differed by their baseline productivity level. Among firms with high baseline productivity levels, those previously on the margin between directly importing or not could now import due to the improved infrastructure. However, firms with the lowest productivity levels gained little. Following the highway construction, existing importers increased the variety of foreign inputs they used. These findings suggest that large transport upgrades allow firms to access foreign inputs more easily.

Keywords: international trade, transportation.

Jel codes: F14, F15, L92, R28

30 years of Diamond and Dybvig

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Abstract

The model of the bank run presented by Diamond and Dybvig in their seminar publication of 1983 has become popular among policymakers and researchers. In April 2023, a search of IDEAS/RePEc returned more than 3,600 articles citing their work. Additionally, about 300 papers with the “bank run” term in the title in this database can be traced to be inspired by Diamonds and Dybvig’s work. In the below paper, I provide a (non-exhaustive) survey of this literature. The paper has the following structure. In part (I), I discuss the popularity of the model and its impact on academic work and public policy. In part (II), I present the key features of the original model proposed by Diamond and Dybvig. In part (VI), I remind what solutions to bank runs that Diamond and Dybvig considered in their original 1983 paper. Later, in Part (V), I present a review of 34 modifications of the Diamond-Dybvig’s model, which I attempt to group into four main categories. Lastly, I identify and discuss 6 main criticisms towards Diamond and Dybvig in Part (VI).

Keywords: bank runs, bank crisis.

Jel codes: G01, G21, G28

Investment-Specific Technology Shocks and Business Cycle: Evidence from an Agnostic Identification Procedure

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Abstract

Business cycle literature documents an increasing role of investment-specific technological shocks in the macroeconomic fluctuations of advanced and emerging economies. This paper explores the importance of the investment-specific technology (IST) shocks originating in the “Rest of the World (ROW)” in business cycle fluctuations of three South Asian countries: Bangladesh, India, and Pakistan. This study estimates a Bayesian Structural Vector Autoregression (BSVAR) model with sign restrictions using annual data from three countries. The study reveals that IST shock generates statistically significant impulse responses of output, consumption, investment, and the relative price of investment goods. The results also indicate that the IST shock cannot contribute much to output and consumption fluctuations in the three countries. However, the shock accounts for about 27% of investment dynamics in Bangladesh and India. In contrast, neutral technological shock is the most important source of aggregate fluctuations in all three countries.

Keywords: Investment-specific Technology, Neutral Technology, Business Cycle, Structural Vector Autoregression, Sign Restrictions

Jel codes: C11, E22, E32

Applicability of Inflation Targeting in Vietnam from the Experience of Southeast Asian Countries

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Abstract

In the world of uncertainty, how to conduct monetary policy has received increasing attention from both practitioners and academic researchers. In Vietnam, the current monetary policy framework that combines monetary targeting and implicit exchange rate targeting reveals limitations, hindering the effectiveness of policy implementation. Against this backdrop, an inflation-targeting (IT) framework is worth considering for Vietnam because it successfully builds up the monetary authorities' credibility and enhances the monetary policy's effectiveness in many emerging and developing countries. In this regard, existing studies indicate that Vietnam is not yet ready for the adoption of an IT framework as IT requires many essential preconditions. However, by analyzing and comparing the current performance of Vietnam with three inflation-targeting Southeast Asian countries (i.e., Indonesia, the Philippines, and Thailand) at the time of their IT adoption in satisfying three core prerequisites of IT including (i) priority of inflation target, (ii) central bank's instrument independence, and (iii) no fiscal dominance; this study indicates that Vietnam can fully introduce an IT regime. Besides, based on the experience of the IT Southeast Asian countries, the study gives some policy implications for Vietnam in preparing for IT application (e.g., enhancing the independence, accountability, and transparency of the State Bank of Vietnam, choosing the inflation target of $3.5\% \pm 1.5\text{pp}$ for the early years of IT adoption, selecting the 7-day bid rate in OMO as a primary policy rate, and establishing an interest rate corridor to boost transmission efficiency of monetary policy under IT).

Keywords: monetary policy, inflation targeting, central bank, Southeast Asian countries, Vietnam

Jel codes: E52, E58, E61

Studying the Trade Potential between China and ASEAN within Regional Trade Agreements

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Abstract

The implementation of the RCEP agreement and other regional agreements has strengthened the economic and trade ties between China and ASEAN. Analyzing the factors that affect bilateral trade and studying its trade potential is crucial for the economic development between China and ASEAN. The article uses literature and images, comparative analysis, and data analysis methods to find that the industrial structure and trade products of the two regions are competitive and complementary. Then, through empirical analysis, a trade Gravity model is established to study the trade factors affecting both sides and calculate the trade potential between the two sides. Research has found that in the trade process between China and ASEAN, there is no overall competitive advantage or complementary advantage in trade, but according to SITC (International Trade Standards) classification analysis, there is significant trade potential between some parts. The empirical results indicate that the total bilateral economic volume, economic distance, population size, trade openness, and RTA (the number of countries signed in that year) all have an impact on the scale of bilateral trade. Although the article mainly explores the trade potential between the two sides, further research is still needed on how to tap the potential to achieve further development, especially in the face of complex changes and severe challenges in the international and regional situation. The article provides a reference for the increasingly close trade relationship between China and ASEAN, and also points out the direction of future development for both sides.

Keywords: Regional Trade Agreements, Trade Competitiveness, Trade Complementarity, Trade Gravity Model, Trade Potential

Jel codes: F14, F17, F63

Shadow Economy and Financial Development in a Diversity Context: International Evidence

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Abstract

Using information for a sample of 42 developed and developing countries over the 2006–2017 period, we disentangle the impact of heterogeneous banking institutions on the size of the shadow economy. More specifically, we discriminate between two groups of banks, namely credit unions and cooperative banks on the one side and commercial banks on the other. For our analytical purposes, we rely on the application of fixed effects (FE) and instrumental variable (IV) estimators, the latter to control for the potential simultaneity between financial development and the shadow economy. There is robust evidence according to which credit unions and cooperative banks significantly reduce the size of the shadow economy. For commercial banks, instead, the evidence is somewhat mixed and crucially depends on the estimator, the measure of institutional quality employed, and the sample considered.

Keywords: Shadow Economy, Financial Development, Diversity in Banking

Jel codes: G21, E26

The Role of Perceived Value in the Vertical Extension of a Premium Product Brand

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Abstract

The role of perceived value in the vertical extension of a product brand is the subject of this paper. The relationship between vertical expansion to higher and vertical expansion to lower is investigated. Perceived value affects the acceptance of new products, i.e. brand extension and placement of new products on the market. Prestige is one of the key determinants of perceived value because it implies that certain products are viewed as status symbols. This leads to consumer identification with such products, both through purchase and through use. The purchase and use of premium products is thus connected with the realization of one's own personality, which clearly shows the great importance of psychological factors and consumer attitudes that influence the formation of perceived value and the willingness of consumers to accept a new product, the same premium brand. Expansion can be horizontal or vertical. Vertical extension refers to the expansion of a brand within the same product category, but the product is positioned at a different level of price and quality compared to the base brand. Given the differences in price and quality, vertical brand extension can take place both higher and lower. Perceived value is a subjective category, therefore its measurement and generalization in practice is a problem. As modern business requires continuous adaptation of the offer to the needs and wishes of consumers, which change over time, it is necessary to respond to market pressure in terms of adapting the offer to the needs and wishes of consumers. The aim of the research is to determine and analyze the role of perceived value in the vertical expansion of a premium product brand.

Keywords: brand extension, premium brand, vertical brand extension

Jel codes: D40, D46

Unprecedented Financial Crisis: Government Intervention and Emergency Policies in a Global Transition Period

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Abstract

The world has been grappling with a devastating financial crisis on a scale not seen since the Great Depression. The crisis originated in the United States and quickly spread to other countries through a "domino effect," causing widespread repercussions in the global financial system. As a result, the world economy has entered a tumultuous period of transition. One notable consequence of the crisis has been the significant increase in government intervention in the economy, with states playing a more active role in financial markets. This has fueled a growing trend of corporate restructuring in the global financial sector, as countries seek to navigate the crisis and secure their economic interests. Historical analysis of past crises reveals that painful measures have often been employed to expedite recovery. These include deflation and collapse to hasten the exit from crisis, hyperinflation as a quick stabilization measure, and partial default and currency devaluation to mitigate the impact. This paper will explore the diverse factors that contribute to financial crises, the different types of crises that can occur, and provide a comparative analysis of emergency policies adopted by two countries, Germany and the UK, to handle the crisis.

Keywords: Financial Crisis, Government Intervention, Corporate Restructuring

Jel codes: H12

Bibliometric Analysis of Financial Development and Economic Growth: Past Trend, Current Development, and Future Prospects

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Abstract

Purpose – The research objective is to perform a bibliometric analysis on 662 documents from the Scopus database that were published between 1986 and 2022. Design/methodology/approach – In the current study, citation metrics and analysis were performed using Harzing's Publish or Perish, Tableau Public, Biblioshiny - Rstudio, Microsoft Excel and VOSviewer for frequency analysis and data visualization. Findings: The findings on historical trends, growth, and prospects have been displayed in graphs, tables, and knowledge maps using the aforementioned approaches for co-occurrence, co-authorship, and co-citation analysis. Popular authors, publications, countries, academic institutions, and potential professions have all been recognized in this study. The findings indicate that China produces the vast bulk of publications (114, 17.22%), followed by Turkey (65, 9.81%), and Malaysia (9.36%). The University of South Africa (18, 2.71%) in South Africa is the academic institution with the highest productivity. This study offered fresh directions for future research on financial innovation and economic expansion, including green finance, FinTech and financial digitization, sustainability, and green investment. Originality/value – To the best of the authors' knowledge, this analysis is the first to look at articles on financial development and economic growth in the Scopus science database.

Keywords: Bibliometric analysis, financial development, economic growth, VOSviewer, Biblioshiny – Rstudio, and Harzing's Publish and Perish.

Jel codes: G1, G20, E60, F43

The Effect of Inflation and Food Production on Household Consumption in Poland

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Abstract

Inflation and food production, which is one of the most important issues of the world agenda recently, are undoubtedly one of the most important issues of household consumption. In this context, this study aims to analyze the effects of inflation and food production on household consumption in Poland for the 1980-2019 period. In the analysis, the ARDL boundary was used. Here, household consumption is the dependent variable, and food production and inflation are used as independent variables. As a result of the analysis, it was understood that food production in Poland negatively affected household consumption, and this effect was statistically significant. However, it was concluded that inflation did not have a statistically significant effect on household consumption.

Keywords: Food Production, Household Consumption, Inflation, Poland

Jel codes: C22, D12, E31, Q18

The Impact of Producer Prices and Electric Energy on Industrial Production in Türkiye

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Abstract

The industrial sector is one of the locomotive sectors in terms of the economic growth of countries. In this context, industrial production can affect many economic variables of countries and can affect industrial production in these economic variables. Therefore, this study aims to examine the impact of Türkiye's domestic and non-domestic producer prices and electrical energy production and consumption on industrial production. In the study, monthly data between the years 2017:M1-2023:M1 were used. In addition, the ARDL boundary test was used as an analysis method in the study. In the analysis, it was concluded that domestic producer prices and electricity consumption positively affect industrial production, but non-domestic producer prices negatively affect industrial production.

Keywords: Consumption, Electric, Energy, Industri, Price, Production

Jel codes: C22, E31, L00, Q43