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42nd RSEP International Conference on Economics, Finance and Business

CONFERENCE PROCEEDINGS

Book of Abstracts

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ISBN: 978-625-93894-0-0/September 2025
Hotel Acta Piramides

September 19-20, 2025
Madrid, Spain

41st RSEP International Multidisciplinary Conference
ISBN: 978-625-93894-0-0/October 2025

BC GRUP INC

Editors
M. Veysel Kaya
Patrycja Chodnicka - Jaworska

Publisher: BC GRUP INC
Certificate No: 6641
Address: Mustafa Kemal Mah. 2134. Sokak Dereli Apt. No:15/2 Cankaya/Ankara/Turkey

Publication Date: 25.09.2025

ISBN: 978-625-93894-0-0/September 2025

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Ksenija Vuković, Predrag Vuković
University of Zagreb, Faculty of Organization and Informatics, Croatia

Abstract

The aim of this article is to highlight the differences between interpretive and positivist, i.e. qualitative and quantitative approach in entrepreneurship research and to investigate the possibility of reconciling of the two methodological approaches. The formation of a comprehensive research methodology is preceded by the specification of a paradigmatic framework that is aligned with the researcher's understanding of the reality that surrounds him. In essence, a paradigm is a fundamental presumption about reality that serves as a guide for the researcher in recognizing and understanding scientific problems and finding ways to solve them. This paper critically discusses two different methodological approaches and recognizes the complementarity in a specific research area of entrepreneurship.

Keywords: research paradigm, qualitative and quantitative methodology, conflict, complementarity
Jel Codes: L26, B41

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Crisis detection based on the Marčenko-Pastur Law applied to the Eigenvalues analysis of the emprirical correlation matrix

Arefeh Zarifian
Justus-Liebig-Universität Gießen, Germany

Abstract

Accurate identification and separation of genuine factors from noise in financial correlation matrices are essential for effective risk management and asset allocation. We apply Random Matrix Theory (RMT) and the Marčenko–Pastur law (MP) to develop a framework to detect factors deriving the price changes in financial markets. Unlike traditional factor models such as CAPM or Fama-French, our approach does not rely on predefined factors but instead identifies them empirically by analyzing the eigenvalue spectrum. This method complements statistical techniques such as Principal Component Analysis (PCA) by offering a robust criterion for determining how many principal components (PCs) should be retained, helping to distinguish meaningful factors from noise. Our analyses employ a sliding window methodology to study the eigenvalue structure of the correlation matrix for the returns of stocks in the S\&P 500 and Europe STOXX 600 indices. We identify the number of statistically significant factors driving price changes—referred to as Group Modes—and introduce the Group Mode Ratio (GMR) as a novel indicator of market risk. Our findings show that during periods of financial distress — such as the COVID-19 crisis — the GMR declines sharply, signaling increased financial risk and reduced sectoral differentiation. We demonstrate that this RMT-based measure effectively reflects market stress, correlating well with traditional risk indicators like the VIX. Overall, our framework offers a data-driven approach to detecting the evolving factor structure in financial markets and identifying periods of increased vulnerability.

Keywords: Random Matrix Theory , Marčenko–Pastur Boundaries , Factor Models , Financial Crisis , Market Stress Indicator
Jel Codes: C6 , C8

Mapping research trends and dynamics in green finance: A bibliometric approach

Fatma Pinar Essiz
Kirikkale University, Türkiye

Abstract

In recent years, climate change, environmental risks, and the transition toward sustainable development have brought green finance to the forefront of both global economic discussions and academic research. As scholarly interest in this area continues to grow, understanding the intellectual structure and thematic evolution of green finance literature has become increasingly important. This study aims to explore the key research trends, conceptual frameworks, and collaboration networks that define the field of green finance. By identifying dominant themes and mapping the development of the literature, the study also seeks to uncover under-researched areas and provide insights for future academic inquiry. The analysis is based on a dataset of publications indexed in the Web of Science (WoS) database. The data were examined using VOSviewer, a bibliometric mapping and visualization tool. Keyword co-occurrence analysis, author collaboration patterns, and country- and institution-level networks are used to construct a comprehensive overview of the field. The findings are expected to contribute to a better understanding of the evolution of green finance research and offer valuable guidance for researchers, practitioners, and policymakers interested in sustainable financial systems.

Keywords: Green finance, bibliometric analysis, web of science, vosviewer.
Jel Codes: G10, Q56.

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Forward looking information in Jordanian firms: The role of audit committee

Khaldoon Ahmad Aldaoud
Yarmouk University, Jordan

Abstract

The audit committee serves as essential role to improve the quality of the company's disclosure of future information because it helps to ensure the reliability and accuracy of the information provided to shareholders and stakeholders. This study aims to discover the effect audit committee characteristics (e.g., size, independence, meetings, experience and gender diversity) on the Jordanian firm's forward looking information from 2018 to 2023. Using secondary data obtained from the companies' websites and annual reports, the study compiled 390 firm-year observations from Jordanian industrial and service companies. The findings of panel regression show that audit committees with more experience and more independent members have disclosed future information in a highly accurate and high-quality manner. The findings also indicate a positive relationship between the firm's forward-looking information and the audit committee's number of meetings. The size and the gender diversity of the committee, however, are found to have no impact on the firm's forward looking information. These findings support hypotheses and arguments made in the literature that the characteristics of audit committees have a significant role in promoting accurate and transparent disclosure of forward looking information.

Keywords: Audit Committee, Forward Looking Information and Jordan
Jel Codes: 21163

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Testing the validity of the fiscal illusion hypothesis for Türkiye

Aysegul Durucan
Kirikkale University, Türkiye

Abstract

This study aims to empirically test the validity of the fiscal illusion hypothesis in the Turkish economy. Fiscal illusion refers to the situation in which individuals fail to fully perceive the true cost of public expenditures. Factors such as the complex structure of the tax system, the high share of indirect taxes in the budget, and the financing of public expenditures through debt can lead individuals to develop misleading perceptions about the cost of public services. Accordingly, this study attempts to reveal the existence of the fiscal illusion phenomenon by analyzing the structural characteristics of public revenues and public expenditures in Türkiye. The primary objective of the study is to examine the long-term relationship between tax revenues and public expenditures in Türkiye within the framework of the fiscal illusion hypothesis and to determine the direction of this relationship through causality analysis. The study will be conducted with annual data for the period 1975–2022 and aims to contribute to the understanding of perceptual factors affecting decision-making processes in public finance through time series analysis methods.

Keywords: Fiscal Illusion Hypothesis, Public Expenditure, Taxes.
Jel Codes: C22, H20, H30

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The long-term impacts of bombing Vietnam on occupations over cohorts

Van Le Thy Ha
CERGE-EI, Czech Republic

Abstract

This study investigates the long-term impacts of the bombing during the Vietnam War (1955-1975) on the occupations of different cohorts over time. I link bombing data from the U.S. National Archives to a representative modern household survey dataset in 2018 and mainly employ an instrumental variable approach. The results from this paper show that higher bombing frequency increases the share of the old and young cohorts engaging in low-skilled occupations and reduces the old-cohort's general education. At the same time, bombing decreases the income per capita of individuals in 2018 and seems to have no impact on the modern population size. I initially observed that the historical villages' status together with Vietnam government policies right after the war might mediate the lasting repercussions of the bombing. Building on earlier work, I leverage granular data to uncover persistent cohort-specific effects of bombing on a novel outcome and to probe the specific mechanisms that mediate this persistence.

Keywords: bombing, cohorts, occupations, Vietnam War.
Jel Codes: F51, J62, N45

Central Bank of digital currency: The future of money

Suna Simge Korkmaz
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Abstract

With technological advances, today, digital currencies have started to replace traditional physical money. This situation has led central banks to start working intensively to launch their own official digital currencies. These studies, which can affect every field on a global scale, have recently accelerated considerably. Issuing physical paper money has been an essential task for central banks since their establishment. The attempt to produce digital money instead of or in addition to paper money is relatively new. This initiative is called 'Central Bank Digital Currency' (CBDC) in the literature. This study aims to present and evaluate the recent developments in the field of CBDC in the world and in Türkiye. In the first part of this study, the conceptual framework of CBDC is explained and the advantages and disadvantages of CBDC are discussed. The second section summarises the digital Turkish lira studies conducted by the Central Bank of the Republic of Türkiye (TCMB). The last section summarises the current status of other central banks' digital currency efforts and provides a general assessment about CBDCs.

Keywords: Central Bank Digital Currency, Digital Currency Unit, Digital Turkish Lira, Digital Currency Design.
Jel Codes: E42, E58

Can interethnic marriages mitigate discrimination? Insights from a field experiment

Evangelos Mourelatos
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Abstract

This paper examines whether interethnic marriages between immigrants and natives can reduce discrimination in the hiring process. Drawing on social identity theory, it explores how marital assimilation—signaled by marriage to a native Finnish individual—may mitigate employers' discriminatory behavior. To test this hypothesis, we conducted a large-scale field experiment using the correspondence testing method. Approximately 1,500 fictitious job applications were submitted to real online job postings, comparing employers' hiring responses to two female applicants: one Finnish and one Turkish. The results reveal that Turkish applicants face substantial discrimination, receiving 14.6 percentage points fewer responses than Finnish applicants. However, marital assimilation significantly reduces this bias: Turkish applicants married to a Finnish man are 23.2 percentage points more likely to receive a response. These findings highlight the nuanced role of identity in labor market discrimination and carry important implications for integration and anti-discrimination policies.

Keywords: ethnic discrimination, labor market, marital assimilation, field experiment
Jel Codes: C93, J71, J78, J64

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Evaluating influence of higher education participation on eco-labeled product adoption

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"This study supported by YTU Scientific Research Project Unit (Project No: SBA-2023-5977)"

Abstract

Ecolabel products are seen as to have special core ideas to highlight to the consumers which products are more respectful of the natural environment. The awareness in education in order to support environmental improvement and build a society that cares for environmental safety, hence ecolabel research is organized by environmental education in high level. This study investigates the relationship between higher education participation and eco-labeled product use, employing a panel data analysis framework. Descriptive statistics reveal that while GDP per capita and eco-labeled product use demonstrate significant deviations from normality, higher education participation exhibits a relatively normal distribution. Unit root tests (URT) confirm that GDP per capita is stationary, whereas the other variables suggest non-stationarity, prompting the use of differencing for accurate model estimations. Co-integration analysis (CA) shows an absence of a long-term equilibrium relationship among the variables, implying potential short-term influences rather than stable long-term patterns in consumer behavior. Generalized Method of Moments (GMM) estimation further reveals a non-significant relationship between higher education participation and eco-labeled product use, even when controlling for economic factors. The findings underscore the complexity of eco-conscious behavior and suggest that additional socioeconomic variables may be necessary to capture its dynamics fully. This study is aimed to underline new pathways to fill the gap about the higher education and eco-labeled products adoption nexus.

Keywords: Higher education, eco-labeled products, panel data analysis, GMM, consumer behavior, co-integration, environmental sustainability.
JEL Classification: A00, I23, P46, I25.

Transformation trends in the EU creative economy

Ihor Prints
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Abstract

The EU's creative economy is diverse, combining multiple subsectors. In 2022, the largest shares of cultural businesses were in arts, entertainment, and recreation (27.4%), architecture (16.5%), and design (13.5%). Publishing, audiovisual production, music, and IT also play key roles, though the inclusion of IT varies by methodology. Value added per worker differs widely. Audiovisual sectors (film, TV, gaming) and IT generate high value added, while performing arts and museums contribute less. Overall, publishing (about 15%) and architecture (14.6%) hold the largest shares of value added in the creative sector. Design, advertising, and IT content also make strong contributions, illustrating the sector's mixed nature — from profitable digital markets to culturally rich but smaller-scale activities. Recent years show contrasting trends. From 2021 to 2023, design, photography, translation, and audiovisual production saw the fastest employment growth, continuing despite the pandemic. Cultural heritage sectors (museums, libraries, archives) grew steadily. Conversely, traditional print media and broadcasting face long-term decline due to digitalization. Performing arts and live events suffered severe job losses in 2020 but rebounded strongly in 2022 and stabilized slightly above pre-pandemic levels in 2023. Publishing had a brief upswing but returned to decline in 2023 as readers moved to digital formats and online media. Overall, the EU's creative economy is transforming: digital and design-focused segments are expanding, while traditional print and physical media shrink. COVID-19 triggered a short-term shock but also accelerated growth in streaming, gaming, and online advertising..

Keywords: Creative industries, EU economy, Digitalization
Jel Codes: O33, Z11

What determines financial stability of hotel firms in Croatia?

Tomislava Pavic Kramaric
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Abstract

Financial stability has attracted considerable attention from researchers over the past decades. While the primary focus of such studies has typically been on financial institutions such as banks and insurance companies, the financial stability of hotel companies is also highly relevant, particularly in countries where tourism significantly contributes to GDP growth. Having this in mind, the authors conducted a study aimed at examining the determinants of financial stability in large and medium-sized enterprises within the hotel industry in Croatia during the period from 2020 to 2024. The analysis employed a panel data model to assess the impact of various firm-oriented factors including liquidity, leverage, overall business efficiency, earnings per employee, firm size, and firm age. The results of the analysis provide valuable insights into the key drivers of financial stability in the hotel sector and offer implications for both management and policymakers.

Keywords: Croatia; financial soundness; hotel firms
Jel Codes: L25, L83

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Mapping the landscape of sustainability reporting: Financial market initiatives, motivations and challenges: A bibliometric review

Anissa Naouar
Higher Colleges of Technology, UAE

Abstract

Sustainability reporting has rapidly evolved from a marginal communication tool to a central component of corporate strategy, reflecting growing attention to environmental, social, and governance issues. Regulatory initiatives such as the EU's CSRD and mandatory disclosure requirements in markets like the UAE have increasingly institutionalized reporting, while voluntary frameworks (e.g., GRI, IIRC, SASB) continue to shape practice. Alongside regulation, financial markets, investor screening, and sustainability-linked products further influence corporate behavior, though their comparative weight remains underexplored. Internal drivers, including governance quality, ethical leadership, and digital innovation, also play a key role, with evidence linking reporting to enhanced financial performance and reduced capital costs. Yet, persistent challenges such as greenwashing, inconsistent standards, and technological burdens complicate implementation. This paper offers a comprehensive and bibliometric review of sustainability reporting, integrating regulatory, market, and organizational perspectives, and identifies future research directions to advance both academic understanding and practical application.

Keywords: Sustainability Reporting, Financial Market Mechanisms, Bibliometric Analysis
Jel Codes: Q01, Q56

Are there common key drivers of resilience to shocks? A regional-level analysis

Martina Aronica, Pietro Pizzuto, Khatereh Yarveisi
University of Palermo, Italy

Abstract

The ability of regions to withstand and recover from crises has become a central concern in recent years, as territories across Europe have been exposed to economic downturns, financial crises, pandemics, and trade disruptions. While much of the literature has examined shock-specific determinants of resilience, less attention has been paid to identifying common drivers that strengthen regional economies across different types of shocks. This paper addresses this gap by analyzing the dynamic responses of regional GDP and employment to six categories of shocks: economic downturns, financial crises, pandemic recessions, institutional shocks, uncertainty shocks, and trade shocks. Using a panel dataset of 230 NUTS2 regions across 14 EU countries (1980–2022), we apply the local projection method and extend it with interaction terms to account for regional heterogeneity. Our findings show that human capital and quality of government emerge as the most consistent resilience-enhancing factors, while manufacturing specialization and trade openness increase vulnerability. Innovation and fixed capital, in turn, strengthen GDP recovery but have limited impact on employment. The results provide evidence for the design of driver-based rather than shock-specific policies, offering policymakers a framework to enhance regional resilience in the face of diverse and unforeseen disruptions.

Keywords: Regional resilience; Economic shocks; Local projection method
Jel Codes: R11; R58

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Nexus between oil price volatility and sectoral stock markets in an Emerging Economy: Evidence from VAR for VaR and cross-quantilogram analysis

Adnan Muhammad
COMSATS University Islamabad, Pakistan

Abstract

Stock market returns are an ever-growing concern for an investor. Oil prices are considered as a major input in the production process. Current literature provides evidence on the positive as well as negative impact of oil price fluctuations on key macroeconomic indicators such as growth, unemployment, inflation etc. This impact is huge specifically for oil importing countries due to the fact that oil plays a crucial role in the production of industrial and non-industrial commodities. Thus, studying the impact of oil price fluctuations on stock returns is important not only for investors but also for policy analysts and decision makers. This study takes a lead and investigates the risk spillover impacts on oil price volatility on stock market returns by considering key indices related to different sectors for an emerging economy (Pakistan) by making use of recently developed approach VAR for VaR model. The robustness of the results is assessed via the cross-quantilogram approach which provides insights on the causal direction of the variables of interest over different quantiles. The findings provide deep insights to the policy makers and investors in Pakistan.

Keywords: Value at Risk; Impulse Response Function; Quantiles; Causality
Jel Codes: A11, B22, B26, C01, C21, C32

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Trade in goods and employment in Africa: A panel data examination of eight economies (2000–2024)

Ajibike Jimoh
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Abstract

As the labor force in Africa rapidly increases, there is an urgency for addressing its employment problems through the structural economic tools of trade and finance. This paper examines the nexus between trade in goods and job creation in a sample of eight countries in Africa – Nigeria, Cameroon, Egypt, Ghana, Kenya, Rwanda, South Africa and Morocco covering 2000–2024. This article applies world bank panel data and uses fixed-effects model, backed with OLS for robustness, to examine the impact of merchandise trade, domestic credit to the private sector and political stability on employment. While OLS results indicate non-significant effects, the fixed-effects model—controlling for cross-country variation and for the persistence of labor market adjustment—reveals that merchandise trade is indeed positively and significantly associated with growth of employment. Political stability also has a positive and statistically significant influence in the dynamic model. Credit to the private sector is still inversely related to employment, signaling financial intermediation inefficiencies. The results imply that greater openness can make a difference to employment creation, but only in a context of political stability and a successful process of credit allocation. The paper contributes to the policy debate on inclusive growth in emerging economies and provides evidence based suggestions on how trade and financial policies could be better aligned with labor market development. The paper is also very pertinent to conference topics like International Trade, Labor Economics, Development Economics, Emerging Markets. The book provides empirically-based new knowledge and shows practicable pathways for scholars, policymakers and development practitioners to use trade as an instrument for employment creation in Africa.

Keywords: Merchandise Trade, Job Creation, African Economies, Political Stability, Inclusive Growth
Jel Codes: F16, J21, O55, C33, E24

Testing the validity of the Galor-Weil model for Portugal

Ibrahim Bakirtas & Emre Yardimci
Aksaray University, Türkiye

Abstract

This research econometrically analyzes Portugal's escape from the Malthusian trap with the Galor-Weil (2000) model. The study employs vector autoregression (VAR) methodology, Granger causality tests, and variance decomposition analysis for the period 1976-2023. The empirical findings indicate that educational attainment contributes to reduced fertility and mortality rates, while tertiary education emerges as a necessary catalyst for technological advancement. Through strategic education policies, Portuguese society has transitioned from quantity to quality preferences, thereby facilitating escape from the Malthusian trap.

Keywords: Malthusian Trap, Quantity-quality tradeoff, Economic Growth
Jel Codes: I25, O10

How well do machine learning models forecast inflation? A study for Azerbaijan

Vugar Rahimov
Azerbaijan State University of Economics (UNEC), Azerbaijan

Abstract

This study evaluates the forecasting performance of machine learning (ML) models in predicting inflation in Azerbaijan, using quarterly data from 2004Q1 to 2024Q4. The analysis is based on out-of-sample forecasts starting from 2019Q1, covering forecast horizons of one, two, four, six and eight quarters ahead. The ML models considered are Random Forest (RF), Extreme Gradient Boosting (XGBoost), Support Vector Regression (SVR), and Elastic Net (ENET). These models are compared against three traditional benchmark models, including the Autoregressive Integrated Moving Average (ARIMA), the Random Walk (RW), and a standard Vector Autoregressive (VAR) model. Forecast accuracy is assessed using the Root Mean Squared Forecast Error (RMSFE) and the Diebold-Mariano (DM) test. The results show that while traditional models perform well at shorter horizons, ML models demonstrate better accuracy as the forecast horizon increases. These findings highlight the potential of ML techniques to be considered by policymakers as a tool for improving medium- to long-term inflation forecasting.

Keywords: Inflation, Forecasting, Forecasting performance, Machine learning
Jel Codes: C22, C45, C53, E31, E37

Forecasting inflation with large language models: A benchmark against Central Banks

Krystian Jaworski, Adam Walach
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Abstract

This study evaluates whether large language models (LLMs) can rival or outperform central banks in forecasting inflation. Using a novel dataset of more than 6,400 quarterly forecasts across six advanced economies between 2014 and 2025, we benchmark GPT-5 and other leading LLMs against central bank projections and a naïve statistical baseline. Forecasts were generated with conditional prompting that replicates real-time information available to policymakers, and evaluated with RMSE and Giacomini–White tests. We find that LLMs consistently beat naïve forecasts and, at short and medium horizons, often match or surpass central bank accuracy. GPT-5 in particular demonstrates strong discipline in adhering to cutoff rules, integrating textual and numerical evidence, and producing interpretable rationales. While performance varies across countries and horizons, LLMs show improving accuracy in recent years and offer transparent, auditable narratives that align with economic reasoning. These results suggest that LLMs are not substitutes for econometric models but valuable complements—especially when expert forecasts are biased or traditional models face structural breaks. The findings open avenues for hybrid forecasting frameworks that combine LLM adaptability with statistical rigor.

Keywords: inflation forecasting, large language models, GPT-5, macroeconomic prediction, AI in economics
Jel Codes: C53, E31, E37, E47

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Artificial Intelligence and Inflation in the EU

Jakub Borowski, Jarko Fidrmuc and Krystian Jaworski
SGH Warsaw School of Economics, Poland

Abstract

We investigate the influence of artificial intelligence adoption on producer price inflation across economic sectors within the European Union. We show that AI diffusion is associated with reduced inflationary pressures, with effects most statistically significant in services and the Eurozone. A ten–percentage-point increase in the share of firms employing AI corresponds, on average, to a 0.3–0.6 percentage-point decline in inflation. The association between AI adoption and inflation is nonlinear: in highly AI-intensive sectors, the deflationary impact on prices becomes more pronounced. Overall, the findings suggest that the integration of AI technologies constitutes a structural force dampening inflation.

Keywords: artificial intelligence, productivity, digitalization, inflation
Jel Codes: O33, E31, D24, L8

Does loss aversion reduce precautionary saving? Experimental evidence

Sanjit Dhami, Narges Hajimoladarvish, Konstantinos Georgalos
Tehran Institute for Advanced Studies, Khatam University, Iran

Abstract

We examine the relation between loss aversion and precautionary savings in a simple, two-period, consumption-savings model with future income uncertainty. We provide the relevant theory, followed by empirical tests based on subject-specific savings choices, and the measurement of subject-specific behavioural parameters such as loss aversion and present bias. We predict, and show empirically, that loss aversion reduces savings, and that those who are more loss averse are less likely to engage in precautionary savings. Present-bias reduces savings. We also show that decision makers save more in response to a mean preserving spread of future random incomes, and for this response is strengthened by loss aversion. We term this as the loss aversion-hedging motive. The savings response to asymmetric shocks with a greater downside risk is also higher, relative to symmetric shocks, on account of loss aversion.

Keywords: Income uncertainty, precautionary savings; loss aversion; loss aversion-hedging.
Jel Codes: D01, D91

www.rsepconferences.com CONFERENCE PROCEEDINGS/ABSTRACTS ISBN: 978-625-93894-0-0/ September 2025

Digital payments and productivity in developing countries

Agbessi Augustin Doto
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Abstract

Since the early 2000s, digital technologies have spread to developing countries with heterogeneous levels of penetration depending on the country. The aim of this article is to study the effect of digital payments on labour productivity in developing countries. To do this, we use a panel of 95 developing countries over the period 2014-2021. Taking into account heterogeneity and endogeneity, our econometric results show that digital payments have a positive and significant effect on income per worker, particularly in the agriculture and services sectors. The decomposition of income per worker reveals that the main transmission channels are physical capital intensity and human capital per worker. Increased investment in digital infrastructure, particularly mobile networks, high-speed internet and digital equipment, will make it possible to take full advantage of these technologies for the development of low-income economies.

Keywords: Digital payments, Labour productivity, Developing countries
Jel Codes: O33; O47

Nonlinear effects of wealth inequality on economic growth: Evidence from a semiparametric panel analysis of Low-income countries (LICs)

Bocar Sidi Konate
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Abstract

Growing disparities in asset ownership and capital accumulation have raised critical concerns about the role of wealth inequality in shaping long-term development, particularly in low-income countries. Although the inequality-growth nexus has been widely studied, most existing research relies on income-based measures and parametric models that impose restrictive functional forms. As a result, the findings remain inconclusive and often fail to account for both endogeneity and nonlinear effects. To address theselimitations, this paper focuses on net wealth inequality, measured by the Gini index of personal wealth, and proposes a two-step nonparametric estimation strategy using panel data for 121 low-income countries from 1995 to 2019. In the first step, we estimate an auxiliary nonparametric regression of wealth inequality on the logarithm of real gross domestic product per capita and construct an adjusted inequality index purged of its endogenous growth-related component, to check and correct for potential reverse causality bias. In the second step, we flexibly estimate the impact of this adjusted inequality index on economic growth via semiparametric fixed-effects model that includes other structural determinants of growth as control variables. The results reveal a robust inverted U-shaped relationship: moderate levels of wealth inequality stimulate growth, while excessive concentration hampers it. These results remain consistent across multiple robustness checks. Overall, the analysis underscores the importance of maintaining wealth inequality within optimal bounds to foster sustainable and inclusive growth in low-income countries.

Keywords: Wealth inequality; Economic growth; Semiparametric fixed-effects; Nonparametric estimation; Low-income countries; Nonlinearity.
Jel Codes: D31; D63; O10; O40; C14; C23

Micro-recognition and employee happiness: A conceptual model for modern workplaces

Puja Saha
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Abstract

Employee happiness is becoming an important goal for organizations, as it leads to better performance, higher motivation, and lower turnover. Instead of only focusing on big achievements or annual awards, this research highlights the power of micro-recognition, which means small and frequent acts of appreciation in daily work. Micro-recognition helps employees feel valued, creates a positive atmosphere, and builds a sense of connection at work. This paper proposes a conceptual model to explain how micro-recognition can increase both immediate positive feelings, called hedonic happiness, and deeper satisfaction, known as eudaimonic happiness. Using well-known theories such as Maslow’s hierarchy of needs and Herzberg’s two-factor theory, the model suggests that micro-recognition leads to more positive emotions, greater pride, higher engagement, and a stronger sense of meaning. These positive effects are even stronger in a supportive workplace culture and for employees who naturally respond well to appreciation. The model shows that micro-recognition is not just about saying thank you, but about regularly and genuinely acknowledging people’s efforts and contributions. This everyday appreciation can fulfill important psychological needs and strengthen employees’ connection to their work. The study encourages organizations to create a culture of appreciation, moving beyond formal recognition programs. By doing so, companies can boost morale, support long-term happiness, and build a more motivated workforce. This framework can guide managers and HR professionals to use micro-recognition as a practical tool for creating happier workplaces.

Keywords: workplace happiness, micro recognition, workplace well-being
Jel Codes: M12, M14

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Impacts of the US-China tariff war on RMB exchange rate and policy regime selection: Analytical and empirical perspectives

Yuming Wang
Nanjing Normal University, China

Abstract

Against the backdrop of the China-US tariff trade war, exchange rate fluctuations and their institutional choices have become the focus of academic and policy circles. This paper systematically analyzes how the trade war affects China's exchange rate fluctuations through multiple channels such as macroeconomic shocks and changes in market expectations, and explores the adaptability of different exchange rate systems in a complex external environment. The study uses a combination of qualitative and quantitative methods to comprehensively evaluate the advantages and disadvantages of China's current exchange rate system and compare it with other exchange rate arrangements. The results show that the trade war has exacerbated the multiple drivers of exchange rate fluctuations, and scientific institutional choices are crucial to maintaining financial stability and promoting economic growth. This paper not only enriches the theoretical framework of exchange rate system selection, but also provides policy recommendations for China to deal with external shocks.

Keywords: US-China Trade War，Exchange Rate Volatility，Exchange Rate Regimes，Market Expectations
Jel Codes: F31

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The impact of HRM practices on organizational performance: Evidence from employee-level data in the Albanian private sector

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Abstract

In response to the increasing economic, Human Resource Management (HRM) has gained prominence as a strategic function for enhancing organizational performance and competitiveness. This study investigates the impact of HRM practices on organizational performance in the Albanian private sector, with a unique focus on employee-level analyses. Data were collected through structured questionnaires from companies with over 50 employees, covering key HRM practices—recruitment and selection, training and development, and rewards and motivation—and their influence on HR outcomes, such as job satisfaction, engagement, and retention. The results reveal that reward and motivation practices are the strongest predictors of positive employee outcomes, thereby reinforcing the strategic role of HRM. These findings contribute to the HRM literature in transitional economies and offer practical implications for managers and policymakers aiming to align HR with the organizational performance goals.

Keywords: HRM Practices, HR Outcome, Performance of Organization.
Jel Codes: O10

How does gender inequality in education and labor force participation affect Afghanistan's economic growth?

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Abstract

This study examines the effect of gender inequality in education and labor force participation on Afghanistan's economic growth. Using time-series data from 2000 to 2022 and applying the Autoregressive Distributed Lag (ARDL) model, the results reveal that gender inequality in both employment and education significantly hinders economic growth. Particularly, a 1% increase in gender inequality in education leads to a 9.039% decline in economic growth, while a similar increase in labor force participation inequality results in a 16.67% reduction. These findings highlight the essential role of women's full participation in education and the workforce as a key driver of economic growth. Given Afghanistan's current political, social, and economic crises—where women have been systematically deprived of their fundamental rights, including access to education and employment—this study underscores the urgent need for national and international interventions. Policy recommendations emphasize expanding educational opportunities through scholarships and distance learning programs for girls and women, creating employment initiatives to enhance women's participation in the labor market, and fostering national and international collaboration to drive political and structural reforms aimed at restoring gender equality. The study ultimately concludes that addressing gender inequality is not only a matter of human rights but also an economic necessity for Afghanistan's long-term stability and development. Ensuring equal access to education and employment for women is imperative for fostering inclusive economic growth and breaking the cycle of poverty and underdevelopment.

Keywords: Gender Inequality, Education, Workforce, Afghanistan
Jel Codes: J16, O53

www.rsepconferences.com CONFERENCE PROCEEDINGS/ABSTRACTS ISBN: 978-625-93894-0-0/ September 2025

Gender pay gap and selection into formal and informal employment: Evidence from Morocco

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Abstract

Given the large share of informal employment in Morocco, we examine gender wage gaps within the formal and informal sectors. Drawing on the 2012 and 2017 Labor Force Surveys, we begin by estimating a probit model of work status, followed by sector-specific wage equations. By adopting Lee and McFadden approaches, these estimates are then employed to correct for selection bias in the decomposition of gender wage gaps. The results show that wage inequalities vary considerably across sectors and education levels. Although it has narrowed over time, the overall wage gap in the informal sector reached 17.7% in 2017, rising to 21.4% among less educated workers. The total wage gap is not significant in the formal sector; however, it rises to 16.7% among highly educated individuals, suggesting that women, despite holding higher educational qualifications, do not receive equivalent compensation to men. The gender wage gap remains significant in both sectors even when controlling for observable characteristics. When accounting for selection into formal and informal jobs, we find that female wage earners are positively selected into informal employment and may face structural barriers that limit their access to higher-paying jobs in the formal sector. Our findings highlight the importance of accounting for selection into work statuses when analyzing gender labor market inequalities.

Keywords: Gender wage Gaps, Formal Sector, Informal Sector, Selection into employment statuses, Morocco.
Jel Codes: J31, J16, J46

The impact of tariffs on quality-differentiated products in international trade: A comparative static analysis

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Abstract

The paper analyses the repercussions of tariff imposition on quality-differentiated goods. The model captures the quality-difference and the uniform distribution of consumers based on income. Employing a comparative static approach, the analysis of the pre-tariff scenario reveals that consumers exhibit a propensity towards quality prioritization over pricing considerations. Subsequently, the imposition of tariffs induces changes in optimal values. The prices change due to tariff imposition, leading nations to strategically move by decreasing (increasing) the prices of their products and simultaneously working on decreasing (increasing) the quality (Proposition 1, Proposition 2). The demand remains unimpacted pre and post tariff imposition, indicating that consumers prefer the quality of the product over its price (Proposition 3). The producers' side state that tariff imposed by a country leads to fall in profits of firm in another country(Proposition 4). Alternately, there is a positive impact of tariffs on the consumers' surplus. This paper also draws conclusions comparing the results with the Brander-Spencer model. The tariff imposed has no impact on a nation's welfare gains. However, optimal tariffs have been calculated to deduce how tariffs imposed of a certain magnitude can help nations' gain (Proposition 5).

Keywords: Quality-Differentiated Products, Tariff, North-South, Comparative Static, Welfare, Brander-Spencer model
Jel Codes: L15, D4, F120, F1

The impact of microfinance on the success of the micro and the small enterprises: An empirical review

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Abstract

The study aims to assess the extent to which access to microfinance through services such as microloans, group lending, savings schemes, and non-financial support like entrepreneurship training and business advisory contributes to the growth, profitability, and sustainability of the micro and small enterprises (MSEs). The study used the extensive body of existing research placed in the most popular academic resources, such as Google Scholar, SpringerLink, Wiley, ScienceDirect, JSTOR, Emerald, Scopus, and EBSCOHOST. The review is informed by 93 published empirical research articles describing a wide range of approaches used. The results indicate that microfinance exerts a positive, although contextual, effect on business performance indicators including enterprise income, employment status, capital investment and enterprise survival rates. Empirical evidence also indicates that microfinance may enhance short-term access to liquidity and stabilize business, but it does not necessarily lead to long-term economic growth and employment creation unless complemented by a wider set of structural enablers, which may include, among others, infrastructure, legal and regulatory frameworks, and economic stability. The study also summarized the most relevant success factors in effective microfinance intervention, including loan design, repayment flexibility, client education, gender-informed methodology, mobile-digital applications, and combination with enterprise development services. Furthermore, regulatory control, capped interest rates, and institutional responsibility are imperative to make certain that MFIs are financially inclusive and ethically responsible. The paper concludes that microfinance is not a silver bullet but can be an important tool in helping MSEs thrive. Particularly, when designed to meet the needs of the targeted population and combined with non-financial services, microfinance can be critical in uplifting underserved communities.

Keywords: Microfinance, Micro and Small Enterprises (MSEs) & Micro-Enterprise Success
Jel Codes: G21, G28, and O17.

www.rsepconferences.com CONFERENCE PROCEEDINGS/ABSTRACTS ISBN: 978-625-93894-0-0/ September 2025

The effect of public debt on private investment in Ethiopia: An ARDL approach

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Abstract

Ethiopia has been borrowing heavily from domestic as well as foreign sources to finance its economic growth. Standard debt sustainability indicators reveal that the country's recent debt accumulation appears to be unsustainable. Such borrowing and accumulation of public debt will affect the macroeconomic indicators and private investment of the country. This study examines whether public debt crowds out/in private investment in Ethiopia over the period 1981 to 2018. The study employs Autoregressive Distributed Lag (ARDL) model to examine the long-run and short-run effects of public debt on private investment. The results of the ARDL analysis show that public debt has a significant positive effect on private investment. The result suggests that public debt crowds in private investment in Ethiopia. This challenges the crowding out hypothesis that public debt crowds out private investment and suggests that in the case of Ethiopia, it crowds in private investment. This implies the possibility that public debt has a positive impact on private sector growth, particularly in developing countries with limited access to private capital. Moreover, credit access, gross fixed capital formation by the government, and human capital development are associated positively and significantly with private investment while real interest rate has a negative effect on private investment. The findings imply that gross fixed capital formation by the government, which might be used for the provision of adequate physical infrastructure and social infrastructure networks and enhancing investment in human capital have the potential to stimulate investment by the private sector. Finally, the findings also indicate that lowering the lending interest rate and facilitating enhanced access to credit could promote private investment in the country. This study contributes to the inconclusive literature on public debt and private investment by highlighting the potential positive impact of public debt o

Keywords: Public debt, private investment, crowd in/out effect, Ethiopia, ARDL mode
Jel Codes: JEM, JEP

Macroeconomic, environmental, and social determinants of tourism growth under globalization: Evidence from G-7 countries

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Abstract

Tourism serves as a vital engine of economic growth in G-7 countries, significantly contributing to GDP and employment. Yet, its rapid expansion also intensifies environmental pressures, particularly through rising CO_2 emissions and increased resource use. Amidst this context, globalization and green technology present both challenges and opportunities for achieving sustainable tourism development. This study investigates the dynamic interlinkages between economic growth, climate change, green innovation, globalization, government effectiveness, and tourism growth in G-7 economies over the period 1996–2019. Employing the Cross-Sectionally Augmented Autoregressive Distributed Lag (CS-ARDL) model, the analysis uncovers that both GDP and green technological innovation exert a statistically significant and positive influence on tourism growth, with elasticities of 0.83% and 4.71%, respectively. In contrast, a 1% increase in CO_2 emissions is associated with a 0.77% decline in tourism growth. These findings underscore the critical role of economic development and environmentally friendly innovation in driving sustainable tourism. The study offers timely policy insights for advanced economies seeking to balance tourism expansion with environmental sustainability under the pressures of globalization.

Keywords: Tourism growth; GDP; CO2 emission; Green technology innovation; Government effectiveness; CS-ARDL
Jel Codes: F63, Q56, C33

Intellectual property rights and renewable energy innovation: Legal and economic perspectives from emerging economies

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Abstract

Renewable energy transition is, not only, an environmental obligation; it is also an economic opportunity to the emerging economies. Nevertheless, the legal frameworks rely much on the regulation of the intellectual property rights (IPR) in determining the rate and level of this transition. This paper explores the impact of IPR regimes on the development, and diffusion of renewable energy technologies, and in particular the consequences of the regimes in the emerging economies. Through a mixed-methodology, the work combines both legal review of patent statutes and licensing models and technology-sharing/pooling arrangements with an economic perspective on innovation, investments trends, and competitiveness in the renewable energy market. Evidence provided by case study in Sri Lanka, India, and some countries of the ASEAN group represents the conflict between the necessity to preserve the rights of innovators and the need to provide equal access to green technologies. The results indicate that excessive IPR protection may have a negative effect on the process of technology diffusion whereas perfect balanced models with incentives like green patents, compulsory licensing, and collaboration with other countries may act as combo to encourage innovation and uptake by all of sustainable energy. The paper ends with policy recommendations as to how to balance IPR protection with the pressing need to find affordable, scalable solution in renewable energy provision in the emerging economies

Keywords: Intellectual Property Rights, Renewable Energy, Green Innovation, Technology Transfer, Emerging Economies, Energy Economics.
Jel Codes: Q42, M21

www.rsepconferences.com CONFERENCE PROCEEDINGS/ABSTRACTS ISBN: 978-625-93894-0-0/ September 2025

Assessing the heterogeneous impact of ICT Investment on TFP: Evidence from Indian manufacturing sectors

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Abstract

Although many studies have explored the role of ICT in boosting productivity, there is limited evidence on how ICT expenses impact Total Factor Productivity (TFP) differently across different technical-intensive firms. This study addresses this gap by examining ICT investment in the TFP of Indian manufacturing firms using a panel data model. The findings indicate that ICT investment have a significant, positive effect on TFP overall, with a notably significant impact in high-tech and medium-tech manufacturing firms. However, the benefits of ICT investment aren't pronounced in low-tech firms, suggesting that these firms may lack the infrastructure or digital bottlenecks. From a policy perspective, it is crucial for the Indian government to support low-tech manufacturing firms in upgrading their technical capabilities, enabling them to compete more effectively and improve TFP in the context of Industry 4.O.

Keywords: ICT, TFP, Control Function Method, Panel Data, Indian Manufacturing Sector
Jel Codes: O33, D24, C36, C23, L60