

2016

Economic Theory, Policy & Applications Abstracts

Eleventh Annual International
Symposium on Economic
Theory, Policy and Applications,
18-21 July 2016, Athens, Greece

Edited by Gregory T. Papanikos

THE ATHENS INSTITUTE FOR EDUCATION AND RESEARCH



Economic Theory, Policy and
Applications Abstracts
11th Annual International
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Applications, 18-21 July 2016,
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TABLE OF CONTENTS

(In Alphabetical Order by Author's Family name)

Preface		7
Conference Program		9
1.	Public Policies and Social Technologies to Overcome the Extreme Poverty in Developing Countries <i>Gustavo Bittencourt Machado</i>	12
2.	Bubbles in a Small Open Economy <i>Petre Caraiani</i>	13
3.	Development and Discontent in North-Eastern States of India: A Critical Review <i>Anjan Chakrabarti</i>	14
4.	Endogenous Labour Supply to Different Purposes in Dynamic General Equilibrium Models <i>Cagacan Deger</i>	15
5.	Economic Freedom and Economic Performance: The Case of MENA Countries <i>Noha Emara & Constantine Alexandrakis</i>	16
6.	Interest-Free Banking and Economic Growth: Evidence from QISMUT Countries <i>Ekrem Erdem & Ali Gokhan Yucel</i>	17
7.	Education and Emigration Intentions: Evidence from a Natural Experiment <i>Z. Eylem Gevrek, Pinar Kunt & Heinrich Ursprung</i>	18
8.	Female Labor Force and Aggregate Productivity Growth in Japan: Evidence from Prefecture Panel Data <i>Keiji Hashimoto</i>	19
9.	The Regulatory Spillover Effect of 3rd Countries on Foreign Direct Investment <i>Soon-Cheul Lee</i>	20
10.	The Displacement Effect of Compulsory Pension Savings on Private Savings: An Identification Strategy using Institutional Differences across Occupations in the Netherlands <i>Yue Li</i>	21
11.	Introducing Sliding Modes in Economics <i>Cintia Martinez & Eduardo Cirera</i>	22
12.	Emotions of Altruism and Envy: Experimental Evidence <i>Alejandro Moreno, Lari Viiano & Daniel Garcia</i>	23
13.	Aid Effectiveness Revisited: How Plausible and Robust are the Results Related to the Aid-Income Link? <i>Felicitas Nowak-Lehmann, Inmaculada Martínez-Zarzoso & Stephan Klasen</i>	24
14.	Global Trends in International Trade and Turkey's Export Targets <i>Ayla Ogus Binatli</i>	25

15.	Choice Feminism and Adult Worker Model in Neoliberal Era. Some Effects of Inclusive Policies <i>Alessandra Pera & Serena Marceno</i>	27
16.	Economic Theory, Policy and Applications when the Transnational Enterprises to be a Sponsorship of the Olympic and Paralympic Games Rio 2016 <i>Claudia Ribeiro Pereira Nunes</i>	29
17.	The Future of Economics Teaching <i>Anthony Stokes, John Lodewijks & Sarah Wright</i>	30
18.	Political Economy of EU's Response to Greek Debt Crisis <i>Fahrettin Sumer</i>	31
19.	Factors Influencing the Choose of Touristic Destination of the Catalan Consumer <i>Cristina Tomas Perez & Arnold M. Perez-Volquez</i>	33
20.	Diagnostics, Assessment and Analysis of Investment Climate and Investment Risks <i>Irina Vyakina, Gennady Alexandrov & Galina Skvortsova</i>	34
21.	The Efficient Exam <i>Shlomo Yitzhaki</i>	35
22.	Political Party Impacts on Direct Democracy: The 2015 Greek Austerity Referendum <i>Ryan Yonk, Megan Hansen & William F. Shughart</i>	36

Preface

This abstract book includes all the abstracts of the papers presented at the 11th Annual International Symposium on Economic Theory, Policy and Applications, 18-21 July 2016, Athens, Greece, organized by the Athens Institute for Education and Research. In total, there were 22 papers and 23 presenters, coming from 17 different countries (Argentina, Australia, Brazil, Germany, India, Iraq, Israel, Italy, Japan, Mexico, Romania, Russia, South Korea, Spain, The Netherlands, Turkey, USA). The conference was organized into seven sessions that included areas such as Labour Market, Microeconomics & Regulation Analyses, International Economics and other related fields. As it is the publication policy of the Institute, the papers presented in this conference will be considered for publication in one of the books of ATINER.

The Institute was established in 1995 as an independent academic organization with the mission to become a forum where academics and researchers from all over the world could meet in Athens and exchange ideas on their research and consider the future developments of their fields of study. Our mission is to make ATHENS a place where academics and researchers from all over the world meet to discuss the developments of their discipline and present their work. To serve this purpose, conferences are organized along the lines of well established and well defined scientific disciplines. In addition, interdisciplinary conferences are also organized because they serve the mission statement of the Institute. Since 1995, ATINER has organized more than 150 international conferences and has published over 100 books. Academically, the Institute is organized into six research divisions and twenty-seven research units. Each research unit organizes at least one annual conference and undertakes various small and large research projects.

I would like to thank all the participants, the members of the organizing and academic committee and most importantly the administration staff of ATINER for putting this conference together.

Gregory T. Papanikos
President

FINAL CONFERENCE PROGRAM
**11th Annual International Symposium on Economic Theory, Policy
and Applications, 18-21 July 2016, Athens, Greece**

Conference Venue: [Titania Hotel](#), 52 Panepistimiou Street, 10678 Athens, Greece

Monday 18 July 2016

(all sessions include 10 minutes break)

08:00-08:30 Registration and Refreshments

08:30-09:00 Welcome & Opening Address (ROOM A-10th Floor)

- Gregory T. Papanikos, President, ATINER.
- George Poulos, Vice-President of Research, ATINER & Emeritus Professor, University of South Africa, South Africa.

09:00-11:00 Session I (ROOM A-10th Floor): Labour Market

Chair: John Roufagalas, Head, Economics Research Unit, ATINER & Professor, Troy University, USA.

1. Keiji Hashimoto, Professor, Otemon Gakuin University, Japan. Female Labor Force and Aggregate Productivity Growth in Japan: Evidence from Prefecture Panel Data.
2. Cagacan Deger, Assistant Professor, Ege University, Turkey. Endogenous Labour Supply to Different Purposes in Dynamic General Equilibrium Models.
3. Z. Eylem Gevrek, Assistant Professor, University of Konstanz, Germany, Pinar Kunt, Ph.D. Student, University of Konstanz, Germany & Heinrich Ursprung, Chair of Political Economy, University of Konstanz, Germany. Education and Emigration Intentions: Evidence from a Natural Experiment.
4. Yue Li, Ph.D. Student, Vrije Universiteit Amsterdam, The Netherlands. The Displacement Effect of Compulsory Pension Savings on Private Savings: An Identification Strategy using Institutional Differences across Occupations in the Netherlands.

11:00-13:00 Session II (ROOM A-10th Floor): Microeconomics & Regulation Analyses

Chair: Keiji Hashimoto, Professor, Otemon Gakuin University, Japan.

1. Soon-Cheul Lee, Professor, Busan University of Foreign Studies, South Korea. The Regulatory Spillover Effect of 3rd Countries on Foreign Direct Investment.
2. Irina Vyakina, Associate Professor, Tver State Technical University, Russia, Gennady Alexandrov, Professor, Tver State Technical University, Russia & Galina Skvortsova, Associate Professor, Tver State Technical University, Russia. Diagnostics, Assessment and Analysis of Investment Climate and Investment Risks.
3. *Cristina Tomas Perez, Director of the Graduate School, EAE Business School, Spain & Arnold M. Perez-Volquez, Lecturer, EAE Business School, Spain. Factors Influencing the Choose of Touristic Destination of the Catalan Consumer.

13:00-14:00 Lunch

14:00-15:30 Session III (ROOM A-10th Floor): International Economics

Chair: Z. Eylem Gevrek, Assistant Professor, University of Konstanz, Germany.

1. *Ekrem Erdem, Professor and Dean of Faculty of Economics, Erciyes University, Turkey & Ali Gokhan Yucel, Ph.D. Candidate, Erciyes University, Turkey. Interest-Free Banking and Economic Growth: Evidence from QISMUT Countries.
2. Ayla Ogus Binatli, Professor, Izmir University of Economics, Turkey. Global Trends in International Trade and Turkey's Export Targets.
3. *Petre Caraiani, Senior Researcher, Institute for Economic Forecasting, Romanian Academy, Romania. Bubbles in a Small Open Economy.

15:30-17:30 Session IV (ROOM A-10th Floor): Special Topics in Economics Analysis I

Chair: *Ekrem Erdem, Professor and Dean of Faculty of Economics, Erciyes University, Turkey.

1. Shlomo Yitzhaki, Professor Emeritus, Hebrew University and Hadassa Academic College, Israel. The Efficient Exam.
2. Ryan Yonk, Professor, Utah State University, USA, Megan Hansen, Graduate Student, Utah State University, USA & William F. Shughart, Professor, Utah State University, USA. Political Party Impacts on Direct Democracy: The 2015 Greek Austerity Referendum.
3. Alejandro Moreno, Associate Professor, University of Guanajuato, Mexico, Lari Viianto, Associate Professor, University of Guanajuato, Mexico & Daniel Garcia, Research Assistant, University of Guanajuato, Mexico. Emotions of Altruism and Envy: Experimental Evidence.
4. Anthony Stokes, Senior Lecturer, Australian Catholic University, Australia, John Lodewijks, Dean and Professor, S P Jain School of Global Management and University of New South Wales, Australia & Sarah Wright, Lecturer, Australian Catholic University, Australia. The Future of Economics Teaching.

17:30-20:00 Session V (ROOM A-10th Floor): A Round-Table Discussion on Teaching Economics in a Global World

Chair: John Roufagalas, Head, Economics Research Unit, ATINER & Professor, Troy University, USA.

1. Dr **Ekrem Erdem**, Professor and Dean of Faculty of Economics, Erciyes University, Turkey. "Changing Paradigm in Teaching Economics in Turkey: Theory-Oriented or Practice-Oriented? Numerical or Verbal Economics?"
2. Dr **Shlomo Yitzhaki**, Professor Emeritus, Hebrew University and Hadassa Academic College, Israel. "The Use and Misuse of Econometrics in Economic Research".
3. Dr **Soon-Cheul Lee**, Professor, Busan University of Foreign Studies, South Korea. "Teaching Korea-India Economic Cooperation".
4. Dr **Anthony Stokes**, Senior Lecturer, Australian Catholic University, Australia. "The Demise of Quality Teaching in Economics in Australian Universities in Quest of Corporate Profits"
5. Dr **Ayla Ogus Binatli**, Professor, Izmir University of Economics, Turkey. "Collaborative Online International Learning in Economics".
6. Dr **Irina Vyakina**, Associate Professor, Tver State Technical University, the Russian Federation.
7. Dr **Anjan Chakrabarti**, Assistant Professor and Head of the Department of Economics, St. Joseph's College, India. "Increasing Heterogeneity in Teaching Economics at Undergraduate and Post Graduate Level in Indian Universities: Few Critical Issues".
8. Dr **Petre Caraiani**, Senior Researcher, Institute for Economic Forecasting, Romanian Academy, Romania. "Introducing Advanced Macroeconomics to Students".

21:00-23:00 Greek Night and Dinner (Details during registration)

Tuesday 19 July 2016

08:00-11:00 Educational and Cultural Urban Walk Around Modern and Ancient Athens (Details during registration)

11:00-13:00 Session VI (ROOM A-10th Floor): Development Economics

Chair: *Cristina Tomas Perez, Director of the Graduate School, EAE Business School, Spain.

1. Gustavo Bittencourt Machado, Professor, Federal University of Bahia, Brazil. Public Policies and Social Technologies to Overcome the Extreme Poverty in Developing Countries.
2. *Anjan Chakrabarti, Assistant Professor and Head of the Department of Economics, St. Joseph's College, India. Development and Discontent in North-Eastern States of India: A Critical Review.
3. *Noha Emara, Assistant Professor, Rutgers University, USA & Constantine Alexandrakis, Associate Professor, Hofstra University, USA. Economic Freedom and Economic Performance: The Case of MENA Countries.
4. Felicitas Nowak-Lehmann, Senior Researcher, University of Goettingen, Germany, Inmaculada Martínez-Zarzoso, Professor, University of Jaume I, Spain and Associate Professor, University of Goettingen, Germany & Stephan Klasen, Professor, University of Goettingen, Germany. Aid Effectiveness Revisited: How Plausible and Robust are the Results Related to the Aid-Income Link?

13:00-14:00 Lunch

14:00-16:00 Session VII (ROOM A-10th Floor): Special Topics in Economics Analysis II

Chair: *Noha Emara, Assistant Professor, Rutgers University, USA.

1. Claudia Ribeiro Pereira Nunes, Professor and Researcher, Veiga de Almeida University, Brazil. Economic Theory, Policy and Applications when the Transnational Enterprises to be a Sponsorship of the Olympic and Paralympic Games Rio 2016.
2. Alessandra Pera, Associate Professor, University of Palermo, Italy & Serena Marceno, Assistant Professor, University of Palermo, Italy. Choice Feminism and Adult Worker Model in Neoliberal Era. Some Effects of Inclusive Policies.
3. *Cintia Martinez, Assistant Professor, University of Buenos Aires, Argentina & Eduardo Cirera, Professor, Universidad Nacional del Nordeste, Argentina. Introducing Sliding Modes in Economics.
4. *Fahrettin Sumer, Chair / Assistant Professor, American University of Iraq, Sulaimani, Iraq. Political Economy of EU's Response to Greek Debt Crisis. (*Forum on European Integration*)

21:00-22:30 Dinner (Details during registration)

Wednesday 20 July 2016
Cruise: (Details during registration)

Thursday 21 July 2016
Delphi Visit: (Details during registration)

Gustavo Bittencourt Machado

Professor, Federal University of Bahia, Brazil

Public Policies and Social Technologies to Overcome the Extreme Poverty in Developing Countries

This paper aims to present the results of the research called Public Policies and social technologies to overcome the extreme poverty in developing countries, result of our post-doctorate at AgroParistech, France, in 2016. This study is structured in two approaches: one from the demand (public policies) and other from the offer (social technologies). The first approach aims to comprehend the strategies to overcome the extreme poverty in the developing countries according to compared study among the public policies to overcome the extreme poverty, including the brazilian experience and others in the world, accompanied and promoted by Food and Agriculture Organization (FAO). The second one aims to analyze and reflect on development and social technologies in the local and regional communities, related to formulate specific actions that contribute for the development, as well as the knowledge transfer and socialization among the economic agents in their inter-generation dimension. The activity and agricultural production systems and its knowledge and techniques are transmitted among the generations in order to structure the regional agrarian systems. What are the social processes that structure the plural production systems in the rural communities? This study demonstrates two process: affection and reflective expectancy. These communities produce social technologies but they get external technologies to introduce into its agricultural and non-agricultural production systems. As case study, the results of the researches in brazilian semiarid regions are considered to compare different production systems types and their similarities and differences, using the agrarian system Diagnosis-Analysis Method.

Petre Caraiani

Senior Researcher, Institute for Economic Forecasting,
Romanian Academy, Romania

Bubbles in a Small Open Economy

Following the last financial crisis, there is a huge interest in expanding standard macroeconomic model to feature characteristics that can help explain in a realistic manner the financial crises. A lot of effort has been put into expanding models with financial frictions. To a lesser extent, researchers have also tried to incorporate bubbles in a DSGE setting. This paper proposes an analysis of the role of bubbles in a small open economy setting. The paper constructs a small open economy DSGE model, featuring financial frictions and a monetary policy rule. The financial frictions are in the form of the well-known financial accelerator due to Bernanke, Gertler and Gilchrist (1999). The model features bubbles in the relative price of capital. The bubbles are rational, following the general approach from the literature. The paper estimates the model for small open economies like United Kingdom, using quarterly macroeconomic data series using a Bayesian approach. The model is analyzed with respect to the qualitative and quantitative effects of bubbles, the impact of bubbles on the economic policy. The paper also analyzes the mechanisms through bubbles work in an open economy setting, whether the effects are different relative to a closed economy and the degree to which key features of small open economies are affected by bubbles, i.e. exchange rates, trade balance, etc.

Anjan Chakrabarti

Assistant Professor and Head of the Department of Economics,
St. Joseph's College, India

Development and Discontent in North-Eastern States of India: A Critical Review

It was a daunting task before the Nehru-led government to frame a suitable policy of governance for secluded North-Eastern states which were completely separated from the mainstream British India. Due to the historical background as well as the geographical location of the region the government of India has long been tried to integrate the North-Eastern states with mainland India keeping social and cultural institutions of that region unaltered. With the continuous pursuance of protective and proactive role by the government growth scenario of the North-Eastern states has turned out to be satisfactory. Per-capita income has also been growing at a moderate rate and poverty both in absolute and relative term and inequality are declining. However, the worrying factor is that growth is pronounced where government is acting as principal economic actor. In addition, most of the North-Eastern states have demonstrated very poor fiscal condition and solely relying on central assistance. Economic integration sought under a decentralised development model on the failed promise of bringing equitable development across the North-Eastern states has acted as an incentive to raise the demand for special constitutional arrangements, separate state or country based on ethnicity or identity. Finally, occasional use of coercive forces, doling out of funds, and providing autonomy without accountability are the ad-hoc measures often used by the state to settle the unsettled culturo-social and politico-economic issues rooted in the Indian soil based on the notion of the abortive post-colonial Indian nationhood. Resultantly, the grand Indian nation state would certainly suffer from hyper-paranoia and a dreamer for 'pluralistic society' will continue to be interrogated amidst the quagmire of movements based on identity and ethnicity.

Cagacan Deger

Assistant Professor, Ege University, Turkey

Endogenous Labour Supply to Different Purposes in Dynamic General Equilibrium Models

Endogenous labor supply decision in dynamic general equilibrium models is well established. The common practice is to introduce leisure into lifetime utility and calculate labor supply as a residual from the time constraint. However, the distribution of labor to different uses is generally left exogenous and depends on given parameter values. A good example is skilled and unskilled labor distribution; common practice is to simply divide labor via a calibrated parameter. Such practices overlook the impact of reallocation of consumer's labor supply across economic activities. In a multi sector model, consumer's decision to work less in one sector can be crucial and provide insight to structural evolution of economies. In endogenous growth models with R&D, decision to supply less labor to R&D activities may have considerable growth consequences. Hence it is crucial to endogenise not only the decision to supply labor, but also the distribution of labor to various activities.

This paper presents a small scale infinite horizon dynamic general equilibrium model with endogenous labor supply. The decision to supply labor to various activities is endogenised through nested structures on the consumer side. Implications of endogenous distribution of labor supply to various activities are discussed through numerical simulations. R&D related labor supply is especially emphasised.

Noha Emara

Assistant Professor, Rutgers University, USA

&

Constantine Alexandrakis

Associate Professor, Hofstra University, USA

Economic Freedom and Economic Performance: The Case of MENA Countries

The recent political up-rise in the Middle East and North African (MENA) economies sparks the light on evaluating the so called structural reforms that aimed at achieving economic freedom. This paper examines the impact of liberal policies on output per worker in 139 countries with a case study on MENA economies. Using panel least square estimation with fixed effects for a sample of 139 countries over the period 1970-2008, the study estimates the impact of different aspects of economic freedom on output per worker and its components; physical capital, human capital, and productivity. The economic freedom measure encompasses different areas including the size of the government, the protection of property rights and enforcement of contracts, the access to sound money, the freedom to access international markets, and the laxness of regulation of credit, labor, and business. In line with the results of Alexandrakis and Livanis. (2013), the study finds a non-uniform impact of different areas of economic freedom on output per worker, capital intensity, human capital per worker, or total factor productivity. For instance while trade freedom, fiscal freedom, monetary freedom, investment freedom, financial freedom, and freedom from corruption enhances output per worker, through the increase in human capital per worker, it do worsens it through a negative impact on capital intensity and total factor productivity. Furthermore, the study finds a significant reverse causality that runs from enhancing either output per worker or its three components on the economic freedom measure. While increasing output per worker or human capital per worker is reflected in an improvement in economic freedom measures, the opposite is found for the increase in capital intensity or total factor productivity. An important policy implication in this respect suggests that liberal economic policies in MENA countries might not be a pre-requisite for their enhanced future productivity.

Ekrem Erdem

Professor and Dean of Faculty of Economics, Erciyes University, Turkey

&

Ali Gokhan Yucel

PhD Candidate, Erciyes University, Turkey

Interest-Free Banking and Economic Growth: Evidence from QISMUT Countries

During the last a couple of decades many theoretical and empirical researches have been made on the impact of conventional finance and banking on economic growth. Actually this is a deep-rooted issue in monetary economics relating changes in monetary policy to real economic activity in both the short-run and the long-run. The issue known as “neutrality of money” is usually connected to the outside-money created by central banks but can also be related to the inside-money created by the commercial banks. For the commercial banks it might also be correlated from the other way around which is called as “reverse causality”.

On the other hand, there has been little qualitative and quantitative analysis of the relationship between interest-free banking and economic growth. However, interest-free banking loans may induce some young and conservative small and medium scale enterprises to invest more innovative activities. This might also have a reverse relationship from developing economic activity to interest-free loans. To the best of our knowledge, no previous research has investigated interest-free banking and economic growth nexus for the case of Turkey.

In order to contribute the literature, an attempt has been conducted to explore this relationship for the six key countries driving global Islamic finance, namely Qatar, Indonesia, Saudi Arabia, Malaysia, the United Arab Emirates and Turkey (denoted by the acronym QISMUT), by using time series data and spanning the period of 2005-2014. We use (as of now) interest-free banks’ allocated funds as a proxy for Islamic financial sector and Gross Domestic Product and Gross Fixed Capital Formation as proxies for real economic growth. Panel unit root tests, cross sectional dependence techniques and panel Granger causality analysis were implemented. The tentative results indicate that there is a bidirectional causality from interest-free banking to economic activity. These results have an important policy implication which is interest-free banks can play important role in promoting economic growth.

Z. Eylem Gevrek

Assistant Professor, University of Konstanz, Germany

Pinar Kunt

PhD Student, University of Konstanz, Germany

&

Heinrich Ursprung

Chair of Political Economy, University of Konstanz, Germany

Education and Emigration Intentions: Evidence from a Natural Experiment

We investigate the causal effect of education on emigration intentions using exogenous variation in schooling induced by the 1997 compulsory education reform in Turkey. Our instrumental variables (IV) estimates indicate that education has a positive impact on the propensity to report emigration intentions. An additional year of schooling increases the probability of expressing the intention to migrate by about 24 percentage points. Moreover, exploring potential mechanisms behind the estimated positive effect of education on emigration intentions, we provide evidence that education is likely to affect emigration intentions through its impact on dissatisfaction with the political situation.

Keiji Hashimoto

Professor, Otemon Gakuin University, Japan

Female Labor Force and Aggregate Productivity Growth in Japan: Evidence from Prefecture Panel Data

Demographic change due to ageing population combined with the diminishing number of children is a quite serious problem in Japan. It is evident that high productivity growth is essential for Japan to maintain economic growth and living standards. Another distinguishing feature of population structure is that the shares of the people highly educated, regardless of sex, keep constantly increasing. The focus of this study is to empirically investigate how the share of workers classified by age and education background, especially taking into account the effect of the female labor force, affects the labor productivity by using the econometric models based on the data on all 47 prefectures, covering 1982-2012 (quinquennial).

So far, the empirical analysis from the macroeconomic view on the relationship between the female labor force and economic growth in Japan has never been examined. In this study, estimating results on the production function augmented with capital stock and the labor differentiated by age, education background and sex are reported.

Our estimating results show that both older and younger workers, divided at the age 55 years, with higher education have positively contributed to productivity growth. But in the case that the labor force is divided by sex, the female labor force with higher education is statistically irrelevant to aggregate productivity growth. It is considered that one of the reasons is the low employment rates of female labor force especially in the case of highly educated. In fact, the rate of labor force participation by women with a higher education background tends to fall at more advanced ages in Japan. As a policy implication in order that the female labor force has the positive effect on aggregate productivity growth, it is shown that the employment rates of women with university degree should be raised at least to the ones of high school graduates.

Soon-Cheul Lee

Professor, Busan University of Foreign Studies, South Korea

The Regulatory Spillover Effect of 3rd Countries on Foreign Direct Investment

This study is to analyze the effect of regulatory divergence of 3rd countries on FDI through both product market regulations (PMR) and FDI restrictiveness index with the gravity model using a Poisson estimator and a spatial autoregressive model. The latest studies reveal that the heterogeneity of product market regulations has a large and robust negative impact on cross-border investment. However, the study of the role of 3rd countries' regulations on FDI is scarce. This study extends the role of regulatory divergence on FDI to explore the effect of FDI regulatory restrictiveness of 3rd countries by additionally including weighted 3rd countries' FDI differential regulation matrix in the model. The 3rd countries' regulations is expected to play a role of a substitute or complement for cross-border investment by either expanding or reducing the inflow of FDI. The study expands the gravity model with weighted 3rd countries' FDI restricted index distance matrix and distance-weighted matrix with the restrictiveness index, explaining the spillover effect of 3rd countries in terms of FDI regulations in the cross-border investment. The study also explores the impact of FTA on FDI with bilateral FTAs and FTAs for each countries. The goal of the study is to measure how regulatory divergence or regulatory distance of 3rd countries affects FDI and gives some implications for cross-border investment.

Yue Li

PhD Student, Vrije Universiteit Amsterdam, The Netherlands

**The Displacement Effect of Compulsory Pension Savings
on Private Savings: an Identification Strategy using
Institutional Differences across Occupations in the
Netherlands**

We study the displacement effect of mandatory occupational pension saving on private household wealth in the Netherlands, taking into account institutional differences among occupations, and performing a quasi-natural experiment. We use rich administrative data on (pension) wealth and income and apply a range of identification strategies to determine the displacement effect, from standard OLS and IV regressions to propensity score matching and difference in difference analyses. Our preferred analyses on couple households show a displacement effect of -35% for wage-employed and of -66% for self-employed. Propensity score matching and difference in difference analyses confirm the existence of a substantial displacement effect, though not all results are significant. The higher displacement effect we find for self-employed might be explained by the fact that self-employed are on average less risk-averse than wage-employed, and can thus be expected to hold less precautionary savings. Another potential explanation is that the self-employed are more aware of their pension accrual, or lack thereof, because there is no employer who pays their pension premiums for them or adds an employer contribution.

Cintia Martinez

Assistant Professor, University of Buenos Aires, Argentina
&

Eduardo Cirera

Professor, Universidad Nacional del Nordeste, Argentina

Introducing Sliding Modes in Economics

We propose a novel technique for modeling Economics theories (Sliding Modes or SM), but widely used as control models in Engineering. The beginning laboratory is the inflation as a phenomena to explain and control. The two main objectives of this work are: first, to contribute to mathematical Economic modelling and second, the analysis of medium-high inflation in Latin American countries, and its undesirable social consequences. Here we propose SM for testing a traditional economic theory like an augmented Phillips curve showed as amultiequational differential model.

The first variable structure with sliding mode control models were developed by Emelyanov and other authors as Utkins and Itkis in the early 1950s. Here we explain how a SM work, its conditions and properties, in a theoretical way. The next step is to find values for the parameters of the system; for that, we have chosen the Chilean economy during the period 1985-2009; the estimation of the parameters use VAR econometrics models. With the multiequational system and values of the parameters, simulations are held for controlling the variable inflation. The research ends with conclusions limited to the assumptions pertinent to the theory selected. Its selection is just a beginning, with the ambition of extending it to other hypothesis and theories testing.

Alejandro Moreno

Associate Professor, University of Guanajuato, Mexico

Lari Viiano

Associate Professor, University of Guanajuato, Mexico

&

Daniel Garcia

Research Assistant, University of Guanajuato, Mexico

Emotions of Altruism and Envy: Experimental Evidence

We run an economic experiment in order to know the preferences of both altruism and envy at individual level. We extend Andreoni and Miller (2002) series of Dictator Experiments and Fisman et al. (2007) graphical experiment in order to have a more comprehensive understanding of individuals' preferences of altruism and envy. With a graphical interface, we run 55 dictator games including some with a positive relation between the money the Dictator and the Receiver obtain, in order to estimate individual preferences for envy. Our program is interactive, as it looks for the regions where individuals' preferences change from altruist to envy, and changes the form of the budget sets. We find that most individuals in a region where another individual have similar income as them have the emotion of altruism. However, some individuals when facing a region where another individual have much more income than them display the emotion of envy. More surprisingly, some individuals that are in a region where they have much more income than another individual reveal the emotion of "guilt" and sacrifice some of their income in order decrease their difference.

Felicitas Nowak-Lehmann

Senior Researcher, University of Goettingen, Germany

Inmaculada Martínez-Zarzoso

Professor, University of Jaumé I, Spain and Associate Professor,

University of Goettingen, Germany

&

Stephan Klasen

Professor, University of Goettingen, Germany

Aid Effectiveness Revisited: How Plausible and Robust are the Results Related to the Aid-Income Link?

This study analyzes whether foreign aid is able to raise per capita income in the recipient countries re-examining the aid-income link based on a panel data set which is downloadable at the Canadian Journal of Economics 45(1), 2012 issue. Longer time series data are available for a group of 58 countries and run from 1960 to 2007. In particular, the current study uses special time series techniques and examines whether the more recent finding that development aid has an insignificant impact on per capita income is plausible and robust. Plausibility is checked by looking at the transmission channels of aid (its impact on investment, domestic savings, productivity and the real exchange rate). Robustness is checked by investigating sub-samples of the 58-country sample. We find development aid to have a positive impact on investment (as desired) but to have negative (unwanted) impacts on domestic savings, productivity and the real exchange rate. Hence, we do not find it surprising that the overall impact of development aid on per capita income is insignificant. All in all, we can confirm that the result of an insignificant impact of aid on per capita income is robust taking a long-run perspective. However, not being able to establish a significant impact of aid on income in the long run does not rule out that in the short to medium run significant positive (or negative) effects of aid can appear and, therefore, a positive short-run contribution of aid is a possible result and no counter-evidence for the findings related to the long run.

Ayla Ogus Binatli

Professor, Izmir University of Economics, Turkey

Global Trends in International Trade and Turkey's Export Targets

This paper analyzes the change in international trade pattern of Turkey since 1980 utilizing bilateral trade data and economic complexity analysis of the Atlas of Economic Complexity (<http://atlas.media.mit.edu/>). The development of international trade in medium to high technology goods is investigated and the aspirations of Turkey to join the top ten economies in the world by 2023 is criticized with a comparison of the current trade patterns of top ten economies with Turkey. Figures 1 through 3 provide a visual description of the evolution of Turkey's international trade from 1980 to 2010. Agricultural products constituted an important share of exports in 1980, replaced by textiles by 2000 and by automobiles and electronics by 2010. Turkey's share in world exports increased from 0.1 percent in 1980 to 0.7 percent in 2010. The paper then discusses potential development axes for Turkey's international trade to increase its export volume and share in world exports.

Figure 1. *Composition of Exports (1980)*

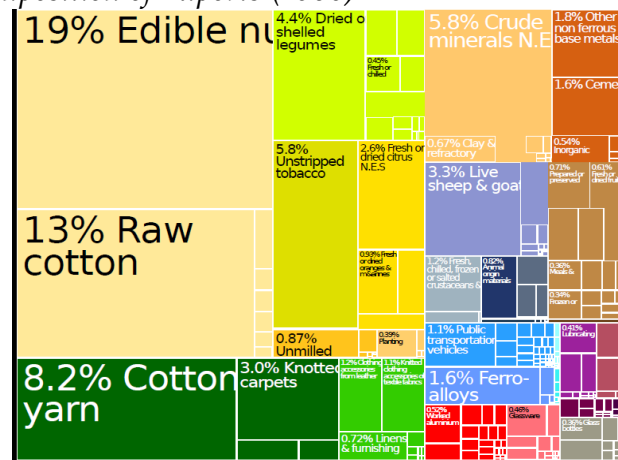


Figure 2. Composition of Exports (2000)

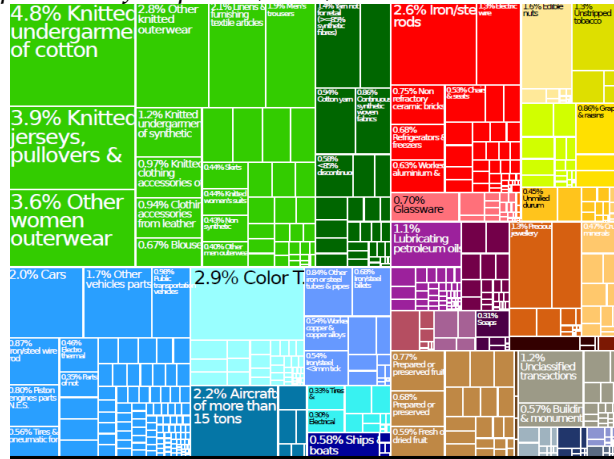
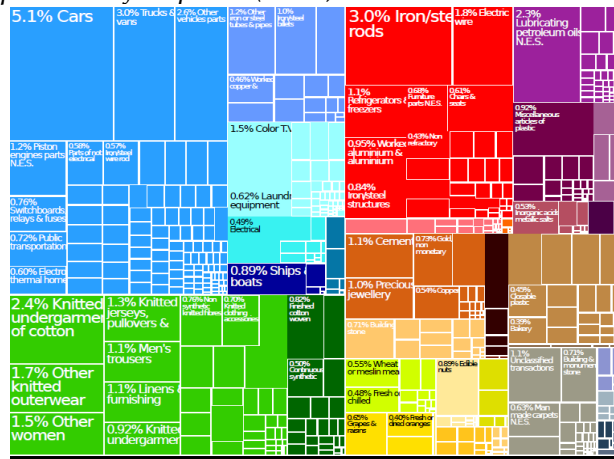


Figure 3. Composition of Exports (2010)



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Choice Feminism and Adult Worker Model in Neoliberal Era. Some Effects of Inclusive Policies

In the last decade, the adult work model in the last decade has been invoked both by the EU social reformers and at an international level by the International Monetary Fund and the World Bank to orient their respective policies on feminine work and social inclusion at different levels.

This neoliberal model assumes that feminization of work implies treating women as autonomous individuals, who are free to choose in the job market their carrier in the job market or to decide whether to work, to take care of their family or to find time and spaces to conciliate work and family.

Yet, do those choices really exist?

The aims of this study is to demonstrate that those free choices are not really free and voluntary, by investigating three different paradigmatic experiences in the EU area: the Italian, the Greek and the German one.

Different methodological approaches, both deductive and inductive, will be combined in the paper, together with comparative and philosophical insights on statistical data and scholar writings.

The legal systems taken into account are different in aspects concerning the way in which they approach and decline concepts such as subsidiarity, empowerment and human security in female social inclusion policies, but they all seems to register a common trend towards temporary and occasional work for women.

A premise funded on the free choice is misleading, according to the western legal tradition and policies, where the ideological approach of separation between public and private sphere is still dominant, and care has been confined in a private space, concealed insight family. At the same time, feminization of paid work has become a synonymous of precarious life, which involves both women and young men, and the rhetoric of individual responsibility and empowerment has been combined with harsh stabilization and structural adjustments policies and reduction of social policy. Despite the disabling economic and social condition that helped to keep a large number of women in a state of poverty and deprivation, these policies have been represented as the

rise of a new paradigm of choice feminism, where women are subjects free to choice.

This study highlights that choice feminism is a dangerous concept. It has been constructed both on the basis of a naturalistic model of contract between individuals assumed as free, equal and autonomous and the neoliberalistic ratio which produces (women) subjects as human capital imposing a market rationale for decision making in all the sphere. Neoliberalism assumes a particular form of choice, which is blind to the context and to its economical, social and cultural constraints. The study aims to show that there is a gap between global principles and the outcomes in the case of gender equality, and access to free choice and decision making power.

In the three experiences analyzed, even though with a different intensity, family far from being perceived at political level as an entity on which it is necessary to invest economic resources, become a source of both economic and human resources (i.e. finance, employment, education, social security, etc.), useful to replace services which have been dismantled because of the welfare state crisis.

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**Economic Theory, Policy and Applications when the
Transnational Enterprises to be a Sponsorship of the
Olympic and Paralympic Games Rio 2016**

To adapt to the global context, legal persons can pass or not for a few steps of strategic and structural development that characterizes as international corporations, multinational, global or transnational. The study presented aims to indicate the best way of transnational corporations sponsor amateur sports in the Olympic and Paralympic Games, which is one of the contemporary issues that deserves attention for its relevance and necessity. First explanation about Globalization in the design of Ulrich Beck, besides the commercialization of the Games. A) The Olympics. B) The Paralympic Games. Third point: Definition about Sports sponsorship, and presents the list of the sponsors transnational corporations of the Olympic and Paralympic Games for the Olympics contract made directly with the International Olympic Committee and for the Olympics by local contract. After Will do the same for the Paralympic Games with contract made directly at the International Olympic Committee and for the Paralympic Games by local contract. Finally, explaining how to sponsor amateur sports that will be presented at the Olympic and Paralympic Games for the Sports Incentive Law? Highlight the economic theory, policy and application by the actions of transnational corporations based in the Sports Incentive Law both at the Olympics and in the Paralympics will be held in the city of Rio de Janeiro in 2016.

This study is a work from Research Line 2 - State, globalization and citizenship - on Research Project: Economic development, globalization and sustainability.

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&

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The Future of Economics Teaching

There are some alarming stories coming out of the UK about the state of Economics teaching and research. It appears that Economics is becoming an elite subject for elite UK universities. This paper examines the Australian situation and considers the trends in terms of the reduced availability of Economics degrees across the nations and looks at the implications of these trends in Australia in terms of the teaching and learning of Economics. The similarities between the UK and Australian situation are disturbing and present a challenge for the teaching of Economics. This paper questions whether the current developments in the learning and teaching of Economics will allow for the needs of the students to be met and whether the future relevance of the Economics discipline will be a benefit to society as a whole.

This paper will consider the impact of these trends of reduced opportunities for the socially disadvantaged and a narrowing of the Economics curriculum in the UK and Australia. The issues at stake are considerable; in essence they amount to depriving large numbers of university students of economic literacy. The skewing of access to the study of Economics has the potential to not just harm the career prospects of the socially disadvantaged but also to weaken public discussion of pressing economic issues and increase income inequality.

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Political Economy of EU's Response to Greek Debt Crisis

The recent global financial crisis that started within the US housing market in 2007 reached Europe by 2008. Greece's sovereign debt crisis has been the severest one in the Eurozone and raised multiple concerns about the future of the Euro as well as the functionality of the EU's mechanisms and institutions. The roots of the Greek debt crisis go back to Greece's political and institutional contexts at the domestic and at EU levels. Political and institutional factors also affected how Greek governments and the EU's leading countries and institutions responded to the crisis. Factors that led to the deterioration of Greece's economic/financial and fiscal variables, which made the country susceptible to a crisis, also played an important role during the Greek government's delayed policy responses and their resistance to EU-prescribed reforms.

Resolving the Greek sovereign debt crisis involved a complex network of actors, including the leaders and governments of major EU countries, EU institutions such as the ECB, the IMF, private financial institutions, the Greek government, and the Greek public, including various interest groups. All of these had an interest in achieving a resolution to the crisis, but each tried to minimize the cost of the resolution for themselves. This paper aims at explaining the interaction of these various actors and the EU's overall response to the Greek crisis using some concepts and theories of political economy. Self-interested actors tried to minimize the cost of resolution for themselves within the EU's institutional framework, the primary purpose of which was to balance different interests. Decision-making authority has been dispersed over several levels of government in this institutional framework, which is referred to as multilevel governance by some. The bailout deals that came with austerity measures occurred because they were preferred by all parties to a unilateral and disorderly Greek default. The Eurozone leaders, in particular French and German leaders, had a clear interest in solving the Greek crisis as smoothly as possible and avoiding a Greek default. They ensured that these loans were conditioned on austerity measures to prevent repetition of the same situation and a moral hazard. According to Oatley (2012), "the Greek debt crisis brought into the open for the first time a distributive conflict that had always been implicit in the EU's monetary union. This distributive conflict focused on one central question: who would bear the cost of Greece's excessive debt burden?" The EU governments tried to shape the responses to the crisis according to their interests and pushed for the policy option that brought the least cost them. This

paper argues that the bailout package(s) came as a result of a negotiated solution to distributive conflicts among involved EU members and institutions.

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Factors Influencing the Choose of Touristic Destination of the Catalan Consumer

Economic and social factors condition Catalan consumers in the purchase decision process of tourism destinations. The aim of the study is to obtain information to define economic and social factors or indicators taken into account in our target population, when choosing where to move for sightseeing, in order to help tour operators, governments, or public and or private institutions to promote the tourist destinations of their country/city/region.

Catalan consumer's choice is interesting from the standpoint of the study for the reason that this is an area where many tourists visits from all over the world, and we know, from the records kept, where these consumers come from. Now, we barely know what the principal destinations of the native consumer are because of the lack of bibliography focused on the outbound tourism of our domestic population.

Therefore, it is important to establish a categorization of these factors, such as province of residence, type of housing, gender, income level, age, educational level and social status, purpose of travel, frequency of travel, preferred dates of travel, for how long, preferred destination, transportation, where to stay, average expenditure, booking or preferred activities when travelling. But also some other relevant sources of influencing factors coming from media products (movies, series, etc.), that show us different landscapes, culture, and natural resources, or the word to mouth propaganda, in terms of how much can we be influenced by our friends and relatives about they touristic experiences.

From the data analysis, results describe some patterns depending of what the consumer is looking for: pleasure, low-cost, fashion, price, environment or culture or other statements related to ecological destinations, and social status, distance to destination and income level or family issues.

The categorization of these factors and this knowledge will lead to tourist destination to satisfy consumer demand for particular segments of population.

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Diagnostics, Assessment and Analysis of Investment Climate and Investment Risks

We propose a unique approach for assessment of factors determining the investment climate and the non-systematic constituent of the investment risk grounded in the original AVS-matrix (according to names of all co-authors Aleksandrov G.A., Viakina I.V., Skvortsova G.G.). The matrix indicates factors forming the investment climate as they emerge at different hierarchy levels of the economy, i.e. within the system of business – industry – region – national economy.

The situation emerging in the sphere of investment in Russia's national economy as a whole, and capital investment first and foremost, results in a significant outflow of foreign investments from Russia's national economy along with their low influx.

This calls for significant improvement in attractiveness of investment climate implying a more supporting environment for investment at all hierarchy levels of the economy. Moreover, while attracting foreign investments, greater importance is attached to the investment climate at the regional and national levels along with the situation shaping itself in specific businesses and industries.

Thus we offer methods and methodology that essentially differ from other ways of assessing investment climate and its attractiveness. They assume an integrated approach to economic, administrative and legislative, socio-environmental and resource and technological factors in their relation to levels of economic hierarchy: entry level (enterprise) – industry (type of business activity) – region – national economy.

AVS-matrix assessments of investment climate attractiveness and investment risks prove to be objective foundation for identification of priorities to implement the reform of investment policy at all levels of economic hierarchy that will aim to increase the investment attractiveness of enterprises, industries, region (territories, lands, federal districts and the like) and national economies as a whole.

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The Efficient Exam

This paper defines the efficient exam as the one that for a given number of questions maximizes the revealed variability in the distribution of abilities of examinees. Variability is measured by the Gini coefficient which is a robust measure of inequality. Using the properties of the Gini enables the classification of abilities into different distinguishable types, and differentiating between the concepts of discriminatory power and difficulty of a question. Discriminatory power of a question is defined as the ability of the question to stratify the distribution of examinees according to whether they were able or unable to answer the question, while difficulty is characterized according to whether the ability to answer a specific question increases with the ability demonstrated in the exam. Illustrations of the methodology are presented.

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&

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Political Party Impacts on Direct Democracy: The 2015 Greek Austerity Referendum

On July 5, 2015, Greek voters were asked to vote on whether the country should accept the terms of austerity offered by the European Union for bailout from the country's financial crisis. With a turnout rate of 62.5 percent overall, 61.3 percent of Greeks voted "no." While a majority of voters in every district opposed the terms of the bailout, the margin against the proposed austerity measures ranged from 51.2 percent in Lakonias to 73.8 percent in Chanion. This paper explores whether political parties influenced Greek voters' decision to accept or reject the EU's budgetary reforms. We first review the literature relevant to that question, focusing on the argument that party platforms are merely "cheap talk" or instead are salient in determining both voter turnout rates and electoral outcomes. We then test our hypothesis empirically at the voting district level. In this model, our key independent variable is party influence, which is measured using the party vote share from the nationwide election held in January of 2015. The dependent variable is the percent that voted "no" to austerity in July 2015 for all 56 electoral districts. We also control for average age across regions, as well as the percent of first-time voters in each electoral district. After conducting simple regression analysis, we find evidence that party influence was a significant factor in influencing the outcome of the referendum on austerity. This research finding bolsters the claim that parties affect the outcomes of direct democracy measures such as referenda.