



**Eurasia Business and Economics Society**  
www.ebesweb.org - ebes@ebesweb.org

## 29th EBES CONFERENCE - LISBON

## PROGRAM AND ABSTRACT BOOK

**October 10-12, 2019 / LISBON, PORTUGAL**

*Hosted by*

**ISCTE  IUL**  
**Instituto Universitário de Lisboa**



**ebes@ebesweb.org**

**www.ebesweb.org**

**Copyright © EBES Publications**  
**29th EBES Conference - Lisbon Program and Abstract Book**  
**ISBN: 978-605-67622-9-1**  
**Publisher: EBES**  
**Istanbul - Turkey**  
**October 2019**

**29th EBES Conference – Lisbon Program and Abstract Book**  
**(ISBN: 978-605-67622-9-1)**  
**EBES Publications / EBES Yayınları**  
**Mailing Address / Yönetim Yeri Adresi:** Akşemsettin Mah. Kocasinan Cad.  
Erenoğlu İş Merkezi No:8/4 34080 Fatih - İstanbul, Türkiye  
**Publisher / Baskı:** EBES  
Akşemsettin Mah. Kocasinan Cad. Erenoğlu İş Merkezi No:8/4  
34080 Fatih - İstanbul, Türkiye  
**Tel:** 0212 2205451 **Fax:** 0212 2205452  
**Publication Type / Yayın Türü:** Conference Book / Konferans Kitabı  
**Types of Material / Materyal Türü:** *Electronic Book / Elektronik Kitap*  
Istanbul - Turkey / İstanbul - Türkiye  
October 2019 / Ekim 2019

## Contents

|                                                |         |
|------------------------------------------------|---------|
| Contents.....                                  | i       |
| About EBES.....                                | ii      |
| Executive Board & Officers.....                | iii     |
| Advisory Board.....                            | iv      |
| Welcome - from the Conference Coordinator..... | v       |
| Scientific Committee.....                      | vi      |
| Keynote Speakers.....                          | vii     |
| Publication Opportunities.....                 | viii    |
| General Information.....                       | ix      |
| Conference Program - Day 1.....                | 1-8     |
| Conference Program - Day 2.....                | 9-18    |
| Conference Program - Day 3.....                | 19-27   |
| Abstract Book - Day 1.....                     | 28-76   |
| Abstract Book - Day 2.....                     | 77-140  |
| Abstract Book - Day 3 .....                    | 141-200 |
| List of Countries Represented.....             | 201     |
| List of Institutions Represented.....          | 202-206 |
| List of Conference Participants.....           | 207-219 |

EBES is a scholarly association for scholars involved in the practice and study of economics, finance, and business worldwide. EBES was founded in 2008 with the purpose of not only promoting academic research in the field of business and economics, but also encouraging the intellectual development of scholars. In spite of the term “Eurasia”, the scope should be understood in its broadest term as having a global emphasis.



EBES aims to bring worldwide researchers and professionals together through organizing conferences and publishing academic journals and increase economics, finance, and business knowledge through academic discussions. Any scholar or professional interested in economics, finance, and business is welcome to attend EBES conferences. Since our first conference in 2009, around 11,460 colleagues from 98 countries have joined our conferences and 6,546 academic papers have been presented. EBES has reached 2,105 members from 84 countries.

Since 2011, EBES has been publishing two journals. One of those journals, ***Eurasian Business Review - EABR***, is in the fields of industrial organization, innovation and management science, and the other one, ***Eurasian Economic Review - EAER***, is in the fields of applied macroeconomics and finance. Both journals are published quarterly by **Springer** and indexed in **Scopus**. In addition, EAER is indexed in the **Emerging Sources Citation Index (Clarivate Analytics)** and EABR is indexed in the **Social Science Citation Index (SSCI)**. EABR was recently assigned an Impact Factor of 2.143 (2018 JCR Impact Factor) which puts it in the top quartile among “Economics” journals.

Furthermore, since 2014 Springer has started to publish a new conference proceedings series (***Eurasian Studies in Business and Economics***) which includes selected papers from the EBES conferences. The 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup> and 20<sup>th</sup> (Vol.2) EBES Conference Proceedings have already been accepted for inclusion in the **Conference Proceedings Citation Index - Social Science & Humanities (CPCI-SSH)**. The 20<sup>th</sup> (Vol.1), 21<sup>st</sup> and subsequent conference proceedings are in progress.

On behalf of all EBES officers, I sincerely thank you for all your support in the past. We look forward to seeing you at our forthcoming conferences. We very much welcome your comments and suggestions in order to improve our future events. Our success is only possible with your valuable feedback and support!

I hope you enjoy the conference and Lisbon.

With my very best wishes,

Klaus F. ZIMMERMANN  
President

## EXECUTIVE BOARD

- **Klaus F. Zimmermann**, *Central European University, Hungary*
- **Jonathan Batten**, *Universiti Utara Malaysia, Malaysia*
- **Iftekhar Hasan**, *Fordham University, U.S.A.*
- **Euston Quah**, *Nanyang Technological University, Singapore*
- **John Rust**, *Georgetown University, U.S.A.*
- **Dorothea Schafer**, *German Institute for Economic Research DIW Berlin, Germany*
- **Marco Vivarelli**, *Università Cattolica del Sacro Cuore, Italy*

## OFFICERS

**Klaus F. Zimmermann, PhD**

(President)

Central European University, Hungary

**E-mail:** zimmermann@merit.unu.edu

**Mehmet Huseyin Bilgin, PhD**

(Vice President)

Istanbul Medeniyet University, Turkey

**E-mail:** bilgin@ebesweb.org

**Hakan Danis, PhD**

(Vice President)

MUFG Union Bank, U.S.A.

**E-mail:** danis@ebesweb.org

**Alina Klonowska, PhD**

(Executive Secretary)

Cracow University of Economics, Poland

**E-mail:** klonowska@ebesweb.org

**Orhun Guldiken, PhD**

(Treasurer)

Manhattan College, U.S.A.

**E-mail:** guldiken@ebesweb.org

**Ender Demir, PhD**

(Conference Coordinator)

Istanbul Medeniyet University, Turkey

**E-mail:** demir@ebesweb.org

**Sofia Vale, PhD**

(Conference Coordinator in Europe)

ISCTE - IUL, Portugal

**E-mail:** vale@ebesweb.org

**Jonathan Tan, PhD**

(Conference Coordinator in Asia)

Nanyang Technological University, Singapore

**E-mail:** tan@ebesweb.org

**Ugur Can**

(Administrative Director of the EBES Office)

**E-mail:** can@ebesweb.org

**Aylin Akin**

(Assistant Editor of the EBES Publications)

**E-mail:** akin@ebesweb.org

**Merve Erdemir**

(Assistant of the Director)

**E-mail:** erdemir@ebesweb.org

- **Ahmet Faruk Aysan**, *Istanbul Sehir University*, Turkey
- **Michael R. Baye**, *Indiana University*, U.S.A.
- **Mohamed Hegazy**, *The American University in Cairo*, Egypt
- **Cheng Hsiao**, *University of Southern California*, U.S.A.
- **Noor Azina Ismail**, *University of Malaya*, Malaysia
- **Irina Ivashkovskaya**, *Higher School of Economics - National Research University*, Russia
- **Hieyeon Keum**, *University of Seoul*, South Korea
- **Christos Kollias**, *University of Thessaly*, Greece
- **Wolfgang Kursten**, *Friedrich Schiller University Jena*, Germany
- **William D. Lastrapes**, *University of Georgia*, U.S.A.
- **Justin Y. Lin**, *Peking University*, China
- **Brian Lucey**, *The University of Dublin*, Ireland
- **Rita Martenson**, *Goteborg University*, Sweden
- **Steven Ongena**, *University of Zurich*, Switzerland
- **Peter Rangazas**, *Indiana University-Purdue University Indianapolis*, U.S.A.
- **Peter Szilagyi**, *Central European University*, Hungary
- **Amine Tarazi**, *University of Limoges*, France
- **Russ Vince**, *University of Bath*, United Kingdom
- **Adrian Wilkinson**, *Griffith University*, Australia
- **Naoyuki Yoshino**, *Keio University*, Japan

## Welcome to the 29th EBES Conference - Lisbon

We are excited to jointly organize our 29th conference will take place on October 10th, 11th, and 12th, 2019 at the *ISCTE-IUL Instituto Universitário de Lisboa* in Lisbon, Portugal with the support of the *Istanbul Economic Research Association*. The conference will be hosted by *ISCTE-IUL Instituto Universitário de Lisboa*. We are honored to have received top-tier papers from distinguished scholars from all over the world. We regret that we were unable to accept more papers. In the conference, 311 papers will be presented and 548 colleagues from 52 countries will attend the conference.



We are pleased to announce that distinguished colleagues **Amine Tarazi** from the *University of Limoges*, France and **Robert William Vivian** and **Christo Auret** from *University of the Witwatersrand*, South Africa will join the conference as the keynote speakers.

Throughout the years, EBES conferences have been an intellectual hub for academic discussion. Participants have found an excellent opportunity for presenting new research, exchanging information and discussing current issues. We believe that our future conferences will improve further the development of knowledge in our fields. In addition, based on the contribution of the paper to the field, the *EBES Award Committee* has selected one of the papers for the *Best Paper Award*. The *Best Paper Award* winner will be announced during the conference.

On behalf of EBES, I would like to thank to the *ISCTE-IUL Instituto Universitário de Lisboa* for their hospitality and our sponsor *Istanbul Economic Research Association*, all presenters, participants, board members, and keynote speakers.

I am looking forward to meeting you in person in Lisbon and seeing you all again at the upcoming EBES conferences.

Best regards,

Ender Demir, PhD  
Conference Coordinator

- **Sagi Akron**, *University of Haifa*, Israel
- **Hasan Fehmi Baklaci**, *Izmir University of Economics*, Turkey
- **Adam P. Balcerzak**, *Nicolaus Copernicus University*, Poland
- **Marco Bisogno**, *University of Salerno*, Italy
- **Gabor Bota**, *Budapest University of Technology and Economics*, Hungary
- **Laura Brancu**, *West University of Timisoara*, Romania
- **Taufiq Choudhry**, *University of Southampton*, UK
- **Joel I. Deichmann**, *Bentley University*, USA
- **Ivana Dražić Lutilsky**, *University of Zagreb*, Croatia
- **Irene Fafaliou**, *University of Piraeus*, Greece
- **Clara García**, *Universidad Complutense de Madrid*, Spain
- **Tamara Jovanov**, *University Goce Delcev - Shtip*, Macedonia
- **Alexander M. Karminsky**, *National Research University*, Russia
- **Ashraf A. Khallaf**, *American University of Sharjah*, UAE
- **Tipparat Laohavichien**, *Kasetsart University*, Thailand
- **Gregory Lee**, *University of the Witwatersrand*, South Africa
- **Roman Mentlik**, *University of Finance and Administration*, Czech Republic
- **Veljko M. Mijušković**, *University of Belgrade*, Serbia
- **Alexander Redlein**, *Vienna University of Technology*, Austria
- **Nives Botica Redmayne**, *Massey University*, New Zealand
- **Liza Rybina**, *KIMEP University*, Kazakhstan
- **Hunik Sri Runing Sawitri**, *Universitas Sebelas Maret*, Indonesia
- **Irina Sennikova**, *RISEBA University*, Latvia
- **Pekka Tuominen**, *University of Tampere*, Finland
- **Manuela Tvaronavičienė**, *Vilnius Gediminas Technical University*, Lithuania
- **Sofia de Sousa Vale**, *ISCTE Business School*, Portugal



# CONFERENCE PROGRAM

## THURSDAY, OCTOBER 10 (DAY 1)

REGISTRATION: 08:30-16:00

WELCOME SPEECH: 09:00-09:20

**Room:** Auditório J.J. Laginha

Maria João Cortinhal, Dean, *ISCTE Business School*, Portugal

Mehmet Huseyin Bilgin, Vice President, *EBES & GLO & Istanbul Medeniyet University*, Turkey

### DAY 1 - SESSION I: 09:20-11:20

#### ACCOUNTING/AUDIT I

**Chair:** Imtiaz Badshah

**Room:** Auditório B203

*IFRS Convergence Moderates Managerial Ownership and Institutional towards Earnings Management on the Indonesia Stock Exchange*

Sistya Rachmawati, Trisakti University, Indonesia and Etty Murwaningsari, Trisakti University, Indonesia

*The Impact of CEO Overconfidence on Firm's Accounting and Stock Performance: A Firm's Life Cycle Perspective*

Tuba Toksoz, Koc University, Turkey

*The Accuracy of Cross-Country Valuation by Multiples Using Comparables - The Cultural Aspect*

Finn Alexander Schoeler, Aarhus University, Denmark

*Impairment of Financial Assets - Step of Preparation of the Financial Statements in Accordance with IFRS 9*

Liliya Rangelova, University of National and World Economy, Bulgaria

*Insights from Lobbying Research on the Accounting Standard-Setting Process through Comment Letter Submissions*

Lucia Mellado, Universidad Nacional de Educación a Distancia (UNED), Spain and Laura Parte, Universidad Nacional de Educación a Distancia (UNED), Spain

*Environmental Disclosures and Corporate Governance Mechanism: Evidence from Emerging Markets*

Fitri Wahyuni, Universitas Muhammadiyah Yogyakarta, Indonesia; Evi Rahmawati, Universitas Muhammadiyah Yogyakarta, Indonesia; and Shabrina Rahma Anindya, Universitas Muhammadiyah Yogyakarta, Indonesia

#### BANKING I

**Chair:** Amine Tarazi

**Room:** Room C2.02

*Financial Distress, Contract Enforcement and Asset Grabbing: An Investigation of Repossession Reform in China*

Julian Frank, London Business School, United Kingdom; Meng Miao, Renmin University of China, China; and Oren Sussman, University of Oxford, United Kingdom

*Does Financial Inclusion Bring Financial Stability? Evidence from European Banks*

Gamze Ozturk Danisman, Bahcesehir University, Turkey

*A Decade after Financial Crisis: An Approximation to the Spanish Case*

Julian Llorent Jurado, Pablo de Olavide University, Spain; Jose Antonio Ordaz Sanz, Pablo de Olavide University, Spain; Maria del Carmen Melgar Hiraldo, Pablo de Olavide University, Spain; and Flor María Guerrero Casas, Pablo de Olavide University, Spain

*An Empirical Study of Blockchain Technology, Innovation, Service Quality and Firm Performance in the Banking Industry*

Rekha A G, State Bank Institute of Leadership, India and Resmi A G, University of Kerala, India

*Determinant Analysis of Islamic Banks' Market Share in Indonesia and Malaysia*

Ilham Maulana Saud, Universitas Muhammadiyah Yogyakarta, Indonesia; Meti Novi Prihastuti, Universitas Muhammadiyah Yogyakarta, Indonesia; and Fitri Wahyuni, Universitas Muhammadiyah Yogyakarta, Indonesia

*Cross-Border Bank Claims and Fiscal Rules*

Joanna Siwinska-Gorzelak, University of Warsaw, Poland

## INVESTMENT I

**Chair:** Yudhvir Seetharam

**Room:** Room C2.05

*Do Islamic Fundamental Weighted Indices Outperform Their Conventional Counterparts? An Empirical Investigation during the Crises in the MENA Region*

Rasha Tawfiq Abadi, University of Minho, Portugal and Florinda Silva, University of Minho, Portugal

*Spillover Effects of News Releases: From Euro Area to New EU Member States*

Ewa Stawasz-Grabowska, University of Lodz, Poland and Piotr Szczepocki, University of Lodz, Poland

*Modeling Mutual Fund Flows and Fund Risk from a Spatial Perspective*

Antonio F. Miguel, ISCTE- IUL, Instituto Universitário de Lisboa, Portugal and Sevgi Eda Tuzcu, Ankara University, Turkey

*Morally Questionable Investment Returns: A South African Case Study*

Jannie Rossouw, University of the Witwatersrand, South Africa and Stephanus Johannes Joubert, University of South Africa (Unisa), South Africa

*Over-Regulated World of Finance*

Danuta Dziawgo, Nicolaus Copernicus University, Poland and Leszek Dziawgo, Nicolaus Copernicus University, Poland

*Decomposing Value Globally*

Yigit Atilgan, Sabanci University, Turkey; K. Ozgur Demirtas, Sabanci University, Turkey; Doruk Gunaydin, Sabanci University, Turkey; and Rabia Imra Kirli Ozis, Sabanci University, Turkey

## MARKETING I

**Chair:** Doris Berger Grabner

**Room:** Room C1.01

*The Impact of the Perceived Experiential Value of AR Technology on Consumers' Buying Decision*

Ela Sibel Bayrak Meydanoglu, Turkish-German University, Turkey; Rıza Ozturk, Bielefeld University of Applied Sciences, Germany; and Muge Klein, Turkish-German University, Turkey

*An Investigation on Voluntary Simplicity Movement in the Context of Sustainable Consumption Behavior against the Overconsumption Tendency*

Emel Celep, Selcuk University, Turkey and Meltem Diktas, Selcuk University, Turkey

*The Effect of Moral Identity on Consumer Engagement in Sustainable Consumption*

Zaneta Pilgrimiene, Kaunas University of Technology, Lithuania; Aiste Dovaliene, Kaunas University of Technology, Lithuania; and Jurate Banyte, Kaunas University of Technology, Lithuania

*Unconscious Consumer Perception and Evaluation of Customer Excitement Elements*

Doris Berger Grabner, IMC FH Krems, Austria

*Differences in Consumer Behavior from the Viewpoint of the Education and Gender*

Robert Stefko, University of Presov in Presov, Slovakia; Tatiana Lorincová, Prešov University in Prešov, Slovakia; and Ivana Ondrijová, Prešov University in Prešov, Slovakia

*Research on Upgrading Process with a Dynamic Marketing Capabilities Perspective: A Longitudinal Study of a Chinese Ceramic Manufacturing Enterprise*

Fuxian Liu, GuangDong University of Foreign Studies, China; Yangchun Liu, Sun Yat-sen University, China; and Yunshi Mao, Sun Yat-sen University, China

## **GROWTH & DEVELOPMENT I**

**Chair:** Pari Kasliwal

**Room:** Auditório J.J. Laginha

*Economic Aspects of the Development of Smart Rural Areas*

Agnieszka Budziewicz Guzlecka, University of Szczecin, Poland

*Analysis of Income Distribution of Wealthy Households in Poland*

Alina Jedrzejczak, University of Lodz, Poland and Dorota Pekasiewicz, University of Lodz, Poland

*The Effects of Globalization, Poverty and Economic Growth on the Income Inequality of Developing Countries - A Panel Data Analysis*

Ana Catarina Kaizeler, ISCAL-IPL, Portugal

*Youth Unemployment with Different Indicators and Economic Growth in Japan*

Keiji Hashimoto, Otemon Gakuin University, Japan

*Testing the Middle Income Trap*

Bozena Leven, The College of New Jersey, U.S.A.

*Is the Average Propensity to Consume Stationary in the Long Run? Testing Panel Data for Unit Roots Exploiting the Cross-Sectional Dependence, 1952-2014*

Andre de Mattos Marques, Federal University of Paraiba, Brazil and Fabio Pesavento, Escola Superior de Propaganda e Marketing, Brazil

## **COFFEE BREAK: 11:20-11:30**

## **KEYNOTE SESSION: 11:30-12:30**

**Room:** Auditório J.J. Laginha

**Chair:** Sofia Vale, ISCTE and BRU-UNIDE, Portugal

*On the Interaction of Bank Liquidity and Capital*

Amine Tarazi, University of Limoges, France

*The Omitted History of Portfolio Theory*

Robert William Vivian, University of the Witwatersrand, South Africa and Christo Auret, University of the Witwatersrand, South Africa

## **BEST PAPER AWARD CEREMONY: 12:30-12:50**

**Room:** Auditório J.J. Laginha

## **LUNCH: 12:50-13:50**

## MARKETING II

**Chair:** Ela Sibel Bayrak Meydanoglu

**Room:** Auditório B203

*Omnichannel Strategies under the Marketing 4.0 Paradigm: Conceptual Structure and Current Applications*

Ozlem Akgun, Selcuk University, Turkey and Emel Celep, Selcuk University, Turkey

*Brand Up-Scaling Strategy*

Myeong Hyeon Cho, Korea University Business School, Korea and Patrick DeGraba, Federal Trade Commission, U.S.A.

*Family Brands: Have a Better Recognition, Image and Purchase Intention in Sports Sponsorship?*

Soledad Zapata Aguera, Universidad Politécnica de Cartagena, Spain and Laura Martinez Caro, Universidad Politécnica de Cartagena, Spain

*The Analysis of Brand Loyalty in the Portuguese Mobile Telecommunication Market: A Generational Approach*

Sílvia Maria Pereira Silva Faria, Portucalense University Infante D. Henrique (UPT), Portugal and Pedro Ferreira, Portucalense University Infante D. Henrique (UPT), Portugal

*The Relationship between Logo Changes and Brand Equity in Creating Brand Awareness*

Meltem Diktas, Selcuk University, Turkey and Ozlem Akgun, Selcuk University, Turkey

*A Model for Measuring the Value of the Internal Brand*

Irena Kenarova-Pencheva, University of Ruse "Angel Kanchev", Bulgaria

## BEHAVIORAL FINANCE I

**Chair:** Amine Tarazi

**Room:** Room C2.02

*New Insights from Bitcoin Futures Market*

LehChyan So, National Tsing Hua University, Taiwan and Yi-Miao Chen, National Tsing Hua University, Taiwan

*Ignorance is Bliss: The Matter of Financial (in) Attention*

Ulkem Basdas, Philip Morris International, Turkey

*From Investor Behavior to Market Dynamics: Effect of Behavioral Tendencies in Agent-Based Model with Dual Decision-Making System and Fuzzy-Logic*

Mariusz Kicia, Maria Curie-Skłodowska University, Poland

*The Low Risk Anomaly in South Africa: A Game of Hide-and-Go-Seek (Alpha)*

Yudhvir Seetharam, University of the Witwatersrand, South Africa

*Institutions' Investment Horizon, Herding, and Stock Returns*

Muhammad Sabeeh Iqbal, Bilkent University, Turkey; Aslihan Salih, TED University, Turkey; and Levent Akdeniz, Bilkent University, Turkey

## POLITICAL ECONOMY & PUBLIC ECONOMICS I

**Chair:** Steven McNamara

**Room:** Room C2.05

*What is the Performance of Fiscal Institutions Regardless of their Classification?*

Patricia Sofia Figueiredo Martins, UTAD, Portugal and Leonida Correia, UTAD, Portugal

*Comparative Portfolio Analysis of Selected Sovereign Wealth Funds and Case of Turkey*

Ayşe Akdam Peker, Ankara Hacı Bayram Veli University, Turkey

*Media Competition and Firms' Pollution Abatement Effort: Evidence from China*  
Hua Cheng, Nankai University, China

*Problem with the Choice of the Price Index Formula While Using Scanner Data Sets in the CPI Measurement*

Jacek Henryk Bialek, University of Lodz, Poland and Elzbieta Roszko-Wojtowicz, University of Lodz, Poland

*The Western Balkans between Russia and the EU: Another Challenge to Enlargement?*

Ritsa Panagiotou, Centre of Planning and Economic Research, Greece

## **ACCOUNTING/AUDIT II**

**Chair:** Imtiaz Badshah

**Room:** Room C1.01

*Accountants' Perspectives on Corporate Social Responsibility*

Tânia Alves Jesus, ISCAL-IPL, Portugal; Manuela Duarte, ISCAL-IPL, Portugal; Manuela Sarmento, Universidade Lusíada, COMEGI, Portugal; and Pedro Pinheiro, ISCAL-IPL, Portugal

*Measures to Assess the Payment Behavior of Portuguese Local Governments (2011 to 2017)*

Paula dos Santos, ISCAL-IPL, Portugal and Carla dos Martinho, ISCAL/IPL, Portugal

*Determinants of Audit Fees focusing on Auditor's Independence - Evidence from the Czech Republic*

Michal Sindelar, University of Economics, Prague, Czech Republic

*Information Technology and Its Implications for Internal Auditing: An Empirical Study on Lebanese Organizations*

Ali Hussein Kassem, The Bucharest University of Economic, Romania

*Cost Calculation of Waste Disposal Fees - Example of Polish Communes*

Grzegorz Adam Bucior, University of Gdansk, Poland and Ewa Spigarska, University of Gdansk, Poland

*The Different Diopter of Internal Auditors versus External Auditors in the Observation of Internal Controls - Research in the Republic of North Macedonia*

Zorica Bozhinovska Lazarevska, University Ss Cyril and Methodius, Faculty of Economics, Macedonia

## **HUMAN RESOURCES I**

**Chair:** Muge Klein

**Room:** Auditório J.J. Laginha

*Measuring Thinking Styles and Emotional Expressivity for HRM Contexts: A Test of Two Instruments in China*

Yan Feng, ISCTE-IUL, Portugal and Nelson Jorge Campos Ramalho, ISCTE-IUL, Portugal

*Multi-Period Model of Investment Distribution in the Development of Regional Human Capital*

Lev Solomonovich Mazelis, Vladivostok State University Economics and Service, Russia and Kirill Igorevich Lavrenyuk, Joint-stock company, Russia

*The Performance Measurement System Choices Research in the Bulgarian Social Health Care Level of Decentralization*

Venelin Krastev Terziev, University of Rousse, National Military University, Bulgaria and Stoyanka Petkova - Georgieva, University "Prof. Dr. Assen Zlatarov", Bulgaria

*The Responses of Overqualified Employees*

Maria Jolanta Piotrowska, Wroclaw University of Economics, Poland

*Moving towards Self-Employment: Intentions and Constraints for Lithuanian Youth*

Nida Kvedaraite, Kaunas University of Technology, Lithuania and Brigita Stanikuniene, Kaunas University of Technology, Lithuania

*The Effect of Leader-Member Exchange on Organizational Innovativeness and the Mediating Role of Trust in Business Sector Organizations*

Julija Jacquemod, RISEBA University of Applied Sciences, Latvia and Iveta Ludviga, RISEBA University of Applied Sciences, Latvia

**COFFEE BREAK: 15:50-16:00**

**DAY 1 - SESSION III: 16:00-18:00**

## **BANKING II**

**Chair:** Gamze Ozturk Danisman

**Room:** Auditório B203

*The Bank Levy Impact on Banking Sector Profitability – Panel Data Analysis from UE Countries*

Malgorzata Twarowska-Ratajczak, Maria Curie-Sklodowska University, Poland

*Game Model of Financing Process and a Group of Screening Contracts*

Nan Wu, University of Technology Sydney, Australia and Ou Yang, The University of Melbourne, Australia

*The Impact of Customer Behavior on Banking Service Management: Evidence from Latvia*

Tatjana Vasiljeva, RISEBA University of Applied Sciences, Latvia; Gatis Kreituss, RISEBA University of Applied Sciences, Latvia; and Ilmars Kreituss, RISEBA University of Applied Sciences, Latvia

*Interactions between Effectiveness and Consolidation of Commercial Banks. Cause and Effect Analysis in the Polish Banking Sector*

Irena Pyka, University of Economics in Katowice, Poland; Aleksandra Nocon, University of Economics in Katowice, Poland; and Anna Pyka, University of Economics in Katowice, Poland

*Capital Inflows and Bank Stability around the Financial Crisis: The Mitigating Role of Macro-prudential Policies*

Iness Aguir, American University of Sharjah, U.A.E.

*New Solutions in the European Financial Market and Their Impact on the Polish Market*

Malgorzata Mikita, Warsaw School of Economics, Poland

## **INTERNATIONAL TRADE I**

**Chair:** Andrzej Cieslik

**Room:** Room C2.02

*Foreign Direct Investment as a Factor of Creating Comparative Advantages in Foreign Trade in the CEE Countries*

Katarzyna Twarowska, Maria Curie-Sklodowska University, Poland

*Do Experience and Gender of Top Managers Matter for Exporting? The Case of Central and East European Countries and Turkey*

Jan Jakub Michalek, University of Warsaw, Poland

*Is the China's Export of Services to the EU a Threat (Challenge) to the Intra-EU Trade in Services?*

Adam A. Ambroziak, SGH - Warsaw School of Economics, Poland and Joanna Stefaniak, University of Gdansk, Poland

*Offshoring, Intellectual Property Rights and Associated Risks*

Elena Huergo Orejas, Complutense University of Madrid, Spain; David Rodríguez González, EAFIT University, Colombia; and Mery Patricia Tamayo Plata, EAFIT University, Colombia

*Panel Estimation of High Technology Export Determinants: Evidence from Fast Growing Countries*

Sevilay Konya, Selcuk University, Turkey; Mucahide Kucuksucu, Necmettin Erbakan University, Turkey; and Zeynep Karacor, Selcuk University, Turkey

## SMALL AND MEDIUM-SIZED ENTERPRISES I

**Chair:** Fabio Pieri

**Room:** Room C2.05

*Debt Financing and Financial Performance of SMEs: Empirical Evidence from Indian SMEs Listed in BSE-SME Platform*

Rajamani Kandasamy, State Bank Institute of Leadership, India

*International Diversification of SMEs: The Role of Foreign Capital*

Luís Miguel Pacheco, Portucalense University, Portugal; Carla Azevedo Lobo, Portucalense University, Portugal; and Isabel Maldonado, Portucalense University, Portugal

*Understanding the Factors Influencing Entrepreneurship Intention in College Students: The Role of Absorptive Capacity and Entrepreneurship Ability*

Cheng-Min Chao, National Taichung University of Science and Technology, Taiwan; TaiKuei Yu, National Quemoy University, Taiwan; TangXi Chen, National Quemoy University, Taiwan; and YiJie Wang, Lomonosov Moscow State University, Russia

*The Competitive Intensity of the Environment Effect on the Strategic Entrepreneurship Relationship and the Results of the Organization*

Marina Estrada-Cruz, Miguel Hernandez University, Spain; Antonio Verdu-Jover, Miguel Hernandez University, Spain; José María Gómez Gras, Miguel Hernandez University, Spain; Noelia Rodriguez-Hernandez, Miguel Hernandez University, Spain; Ignacio Mira-Solves, Miguel Hernandez University, Spain; and Lirios Alos-Simo, Miguel Hernandez University, Spain

*Assessing Opinions towards Women's Employment and Entrepreneurship with Market Basket Analysis*

Anil Boz Semerci, Hacettepe University, Turkey; Ayse Abbasoglu Ozgoren, Hacettepe University, Turkey; and Duygu Icen, Hacettepe University, Turkey

*The Impact of Empowerment on the Sustainability of the Company, Through Female Entrepreneurship*

Cristina Mora Rodriguez, Miguel Hernandez University, Spain; Jose Maria Gomez Gras, Miguel Hernandez University, Spain; and Antonio J. Verdu, Miguel Hernandez University, Spain

## CORPORATE FINANCE I

**Chair:** Ulkem Basdas

**Room:** Room C1.01

*Dynamic and Static Bankruptcy Prediction Models*

Tomasz Korol, Gdansk University of Technology, Poland

*Anticipating Synergy through Premiums Paid in M&As: Case Studies on the Example of Romania*

George Marian Aevoae, Alexandru Ioan Cuza University of Iasi, Romania; Roxana Manuela Dicu, Alexandru Ioan Cuza University of Iasi, Romania; and Daniela Mardiros, Alexandru Ioan Cuza University of Iasi, Romania

*Analysis of External Cash Flows of Polish Capital Groups. Selected Aspects*

Edyta Anna Mioduchowska-Jaroszewicz, University of Szczecin, Poland

*A Multigroup Structural Equation Modelling Analysis: Portuguese Accountants' Perceptions of Corporate Autonomous Taxation*

Ana Arromba Dinis, Polytechnic Institute of Cavado and Ave (IPCA - CICF), Portugal

*The Theoretical Framework for the Concept of Social Cost of Capital*

Artur Piotr Walasik, University of Economics in Katowice, Poland

*Coverage Probabilities of Confidence Intervals for the Population Standard Deviation on the Example of the Measure of the Systematic Risk*

Ivana Ivkovic, University of Belgrade, Serbia

## HEALTH ECONOMICS I

**Chair:** Huseyin Kaya

**Room:** Auditório J.J. Laginha

*The Health and Safety Problems according to the Pesticides Usage in the Ecosystem*

Venelin Krastev Terziev, University of Rousse, National Military University, Bulgaria and Stoyanka Petkova – Georgieva, University “Prof. Dr. Assen Zlatarov”, Bulgaria

*Trends in Well-being in Turkey: Evidence from Life Satisfaction Surveys*

Zehra Bilgen Susanli, Isik University, Turkey

*Current Developments on the Economics of Happiness*

Ayse Ozge Artekin, Selcuk University, Turkey

*On the Timing and Probability of Presurgical Teledermatology: How it becomes the Dominant Strategy*

Felipa de Mello-Sampayo, ISCTE-IUL, Portugal

*Health Spending and Medical Innovation: A Theoretical Analysis*

Toshitaka Fukiharu, School of Business Administration, Kansai University of International Studies, Japan

**WELCOME RECEPTION: 18:00-19:00**



## FRIDAY, OCTOBER 11 (DAY 2)

REGISTRATION: 08:30-16:00

DAY 2 - SESSION I: 09:00-11:00

### CORPORATE FINANCE II

**Chair:** Leszek Dziawgo

**Room:** Auditório B203

*Asset Pricing on Multiple Segmented Markets*

Ahmed Badreldin, Philipps University of Marburg, Germany and Bernhard Nietert, Philipps University of Marburg, Germany

*The Wealth Effect in M&As: The Acquisition-Induced Abnormal Returns of the Romanian Companies*

George Marian Aevoae, Alexandru Ioan Cuza University of Iasi, Romania; Roxana Dicu, Alexandru Ioan Cuza University of Iasi, Romania; and Daniela Mardiros, Alexandru Ioan Cuza University of Iasi, Romania

*Profitability and Working Capital Management: Evidence from Warsaw Stock Exchange*

Jacek Jaworski, WSB University in Gdansk, Poland and Leszek Czerwonka, University of Gdansk, Poland

*Social Innovation and the CSR Activity - The Study on Social Innovations Implemented by the Polish Socially Responsible Enterprises*

Maria Gorczynska, University of Economics in Katowice, Poland

*Earnings Manipulation Phenomenon: Does its Level Differ across Emerging Markets?*

Joanna Lizinska, Poznan University of Economics and Business, Poland; Leszek Czapiewski, Poznan University of Economics and Business, Poland; and Jaroslaw Kubiak, Poznan University of Economics and Business, Poland

*An Empirical Investigation of EU Companies' Financial Performance*

Stefania Cristina Curea, The Bucharest University of Economic Studies, Romania

### ACCOUNTING/AUDIT III

**Chair:** Veljko Milan Mijuskovic

**Room:** Room C2.02

*The Efficiency Measurement System as a part of the Internal Audit in the Polish Budgetary Unit*

Adam Bujak, Maria Curie-Sklodowska University, Poland and Olga Szolno, Maria Curie-Sklodowska University, Poland

*Bulgarian Life Insurance Sector - Review and Analysis of Investments*

Atanaska Ivova Filipova-Slancheva, University of National and World Economy, Bulgaria

*Comparative Analysis of Trends of the Value Relevance of Accounting Information in USA, China and South Korea*

Seung-Hyun Lee, Kyungpook National University, Korea; Ki Se Lee, Kyungpook National University, Korea; and Seong Pyo Cho, Kyungpook National University, Korea

*The European Audit Reform from the External Auditors Point of View*

Victor Nunes, ISCAL-IPL, Portugal; Gabriel Alves, ISCAL-IPL, Portugal; and Fábio Albuquerque, ISCAL-IPL, Portugal

*Determinants of Goodwill Impairment for Non-Financial Firms Listed on PSI 20 and IBEX 35 (2013 to 2017)*

Carla dos Martinho, ISCAL-IPL, Portugal; Paula dos Santos, ISCAL/IPL, Portugal; and Hauria dos Teixeira, ISCAL/IPL, Portugal

*The Limitations of the Financial Accounting in Poland Regarding the Human Resources*

Adam Bujak, Maria Curie-Skłodowska University, Poland and Olga Szolno, Maria Curie-Skłodowska University, Poland

## **ECONOMICS OF INNOVATION I**

**Chair:** Sofia Vale

**Room:** Room C2.05

*Peer-To-Peer Lending Development in Latvia: Risks and Opportunities*

Ilmars Kreituss, RISEBA University of Applied Sciences, Latvia and Irina Petersone, RISEBA University of Applied Sciences, Latvia

*A Comparative Study on Intellectual Property Valuation Methods: "Valuation Case" Matters*

Aysun Beyazkilic Koc, Istanbul Technical University, Turkey and Nihan Yildirim, Istanbul Technical University, Turkey

*Jumps, Falls and Persistence in High-Growth: A Long-Run Analysis of Spanish Manufacturing Firms*

Silviano Esteve-Perez, University of Valencia, Spain; Fabio Pieri, University of Trento, Italy; and Diego Rodriguez, Universidad Complutense de Madrid, Spain

*The Impact of Research and Development Activity on the TFP Level in Manufacturing in Poland*

Elzbieta Roszko-Wojtowicz, University of Lodz, Poland; Maria M. Grzelak, University of Lodz, Poland; and Iwona Laskowska, University of Lodz, Poland

*Nonlinear Effects of Human Capital and R&D on TFP Growth: Evidence from European Regions*

Arkadiusz Kijek, Maria Curie-Skłodowska University, Poland and Tomasz Kijek, Maria Curie-Skłodowska University, Poland

*Implementation of Productivity Apps to Increase Financial Inclusion in Peer-to-Peer Lending Platform*

Florentina Kurniasari Tehubijuluw, Universitas Multimedia Nusantara, Indonesia and Johny Natu Prihanto, Universitas Multimedia Nusantara, Indonesia

## **MANAGEMENT I**

**Chair:** Maria Garbelli

**Room:** Room C1.01

*Implications of Green Supply Chain and Logistics of Modern Retailers to Customers Buying Intentions in Java and Bali*

Mohammad Annas, Universitas Multimedia Nusantara, Indonesia

*Business Adjustment of Thailand SME in Disruptive Era*

Taninrat Rattanapongpinyo, Silpakorn University, Thailand

*Czech Small and Middle Enterprise's Labor Market Development towards Digital Economy*

Martin Mikeska, Tomas Bata University in Zlín, Czech Republic and Tomas Urbanek, Tomas Bata University in Zlín, Czech Republic

*Determinant Factors Affecting Cyber Risk of Commercial Bank*

Tidathip Panrod, Silpakorn University, Thailand

*The Influence of Online Media on the Usage of Restaurant Services in Department Stores and Hypermarkets in Phetchaburi*

Noppadol Towichaikul, Silpakorn University, Thailand

*Crisis Management in an Enterprise from the Perspective of Organizational Learning*

Jarema Batorski, Jagiellonian University, Poland

## SMALL AND MEDIUM-SIZED ENTERPRISES II

**Chair:** Elena Serova

**Room:** Auditório J.J. Laginha

*Socio-Demographic Determinants of Entrepreneurial Intentions in Relation to the Students of Management*

Monika Jakubiak, Maria Curie-Skłodowska University, Poland

*Entrepreneurial Intentions and Personality among Youth*

Ana Iolanda Voda, Alexandru Ioan Cuza University of Iasi, Romania

*Family Entrepreneurship in Family Businesses in Poland*

Malwina Szczepkowska, University of Szczecin, Poland

*The Influence of the Entrepreneurship Support Programs in the Empowerment of Women from a Competence Perspective*

Cristina Mora Rodriguez, Miguel Hernandez University, Spain; Jose Maria Gomez Gras, Miguel Hernandez University, Spain; Antonio J. Verdu, Miguel Hernandez University, Spain; and M. Jose Alarcon, Miguel Hernandez University, Spain

*Research of the Business Environment in Karvina, Czech Republic*

Petra Chmielova, School of Business Administration in Karvina, Silesian University in Opava, Czech Republic and Jaroslav Skrabal, Silesian University in Opava, School of Business Administration in Karvina, Czech Republic

*Influence of Management Accounting Information on Managerial Performance: The Moderator Effect of Competitive Environment*

Elsa Pedroso, University of Coimbra - Centre for Business and Economics Research (CeBER), Portugal and Carlos F. Gomes, University of Coimbra - Centre for Business and Economics Research (CeBER), Portugal

**COFFEE BREAK: 11:00-11:10**

**DAY 2 - SESSION II: 11:10-13:10**

## CORPORATE GOVERNANCE

**Chair:** Ata Assaf

**Room:** Auditório B203

*Autonomy of Countries in the Conducting Tax Policy*

Jacek Tomkiewicz, Kozminski University, Poland and Marta Monika Postula, Faculty of Management, University of Warsaw, Poland

*Internal Capital Markets, Ownership Structure, and Investment Efficiency: Evidence from Taiwanese Business Groups*

Yin-Hua Yeh, National Chiao Tung University, Taiwan and James Juichia Lin, National Chiao Tung University, Taiwan

*Japanese Corporate Governance Model: As a Type of Continental European Model*

Yesim Sendur, Adana Alparslan Turkes Science and Technology University, Turkey

*The Information Effects of Mandatory Disclosure: Evidence from Private Firm-Visits in China*

Yiqin Huang, Central University of Finance and Economics, China; Timothy (Jun) Lu, Peking University HSBC Business School, China; and Qiaoqiao Zhu, Australian National University, Australia

*Political Corporate Social Responsibility: How Business Managers can Hold Office without Election*

Andreia Borges, ISCTE-IUL, Portugal and Nelson Campos Ramalho, ISCTE-IUL, Portugal

*Family Governance in Large Family Businesses in Poland*

Malwina Szczepkowska, University of Szczecin, Poland

## BEHAVIORAL FINANCE II

**Chair:** Yudhvir Seetharam

**Room:** Room C2.02

*Do Investors Earn a Premium Investing in Small-Cap Companies on the CEE and the Baltic States Markets? An Empirical Investigation of the Size Premium*

Matjaz Crnigoj, Institute for Economic Research, Slovenia and Matej Jeraj, University of Ljubljana, Faculty of Economics, Slovenia

*Attitudes of Entrepreneurs with a Short Period of Running a Business towards Long-Term Retirement Savings*

Maciej Raszewski, Maria Curie-Skłodowska University in Lublin, Poland and Teresa Hanna Bednarczyk, Maria Curie-Skłodowska University in Lublin, Poland

*The Choice of a Consumer Payment Instrument in Poland. Evidence of Survey*

Beata Anna Swiecka, University of Szczecin, Poland

*Taxpayer's Behavior in the Changing Tax Policy*

Egidijus Bikas, Vilniaus University, Lithuania and Rolandas Sakalauskas, Vilniaus University, Lithuania

*An Empirical Analysis of Arbitrage Opportunities in the Market for German Government Bonds*

David Stefan Christen, University of Marburg, Germany and Bernhard Nietert, University of Marburg, Germany

## CONTEMPORARY INTERDISCIPLINARY CHALLENGES TO ECONOMICS AND MANAGEMENT

**Chair:** Agnieszka Malkowska

**Room:** Room C2.05

*Opportunities and Threats Arising from the Methods of Human Resource Management in the Hotel Industry. Case Study of Selected Hotels in Poland*

Anna Tokarz-Kocik, University of Szczecin, Poland

*The Development of Instruments for Countering Insurance Fraud – Polish and International Solutions*

Anna Bera, University of Szczecin, Poland

*Sustainable Human Resource Management as an Element of Corporate Social Responsibility (CSR) Strategy in Innovative Enterprises - The Economic, Social and Environmental Depiction*

Karolina Anna Drela, University of Szczecin, Poland

*Commercial Exchange of Innovative and Knowledge-Based Services with EU States. Example of Poland*

Agnieszka Malkowska, University of Szczecin, Poland

*Logo in the Marketing Communication of Cities*

Agnieszka Smalec, University of Szczecin, Poland

*Challenges and Opportunities of Integrated Territorial Investments – Case of Poland*

Magdalena Kogut-Jaworska, University of Szczecin, Poland

*The Role of Smart Specialization on Regional Growth in Poland*

Elzbieta Ociepa-Kicinska, University of Szczecin, Poland

## ECONOMICS OF INNOVATION II

**Chair:** Ilmars Kreituss

**Room:** Room C1.01

*Economic Knowledge and Its Importance in the Development of Creativity of Representatives of Creative Professions*

Aneta Dorota Sokół, University of Szczecin, Poland

*Blockchain Technology: What are the Latest Trends and the Main Industries Pioneering this Technology?*

Tatjana Vasiljeva, RISEBA University of Applied Sciences, Latvia; Julija Novinkina, RISEBA University of Applied Sciences, Latvia; and Andrei Davydovitch, RISEBA University of Applied Sciences, Latvia

*The Future of Work: What Would It Mean for the European Economy and Society?*

Monika Emilova Moraliyska-Ivanova, University of National and World Economy, Bulgaria

*Cultural and Creative Knowledge Transfer: Institutional Frameworks and Stakeholder Perceptions in Some Atlantic Regions*

Rodrigo Nicolau Almeida, ISCTE-IUL/DINAMIA'CET-IUL, Portugal; Ana Rita Cruz, ISCTE-IUL/DINAMIA'CET-IUL, Portugal; Pedro Costa, ISCTE-IUL/DINAMIA'CET-IUL, Portugal; Maria Assunção Gato, ISCTE-IUL/DINAMIA'CET-IUL, Portugal; and Margarida Perestrelo, ISCTE-IUL/DINAMIA'CET-IUL, Portugal

*Contribution of Research and Development Expenditures to Economic Growth: Panel Data Analysis for Selected Countries*

Zeynep Karacor, Selcuk University, Turkey; Aysenur Sakalak, Tokat Gaziosmanpaşa University, Turkey; and Sevilay Konya, Selcuk University, Turkey

*The Invasion of Robots or a New Era for Agriculture in Europe and the World*

Gergana Slavova, University of Economics - Varna, Bulgaria

## MANAGEMENT AND HUMAN RESOURCES

**Chair:** Emanuele C. Francia

**Room:** Auditório J.J. Laginha

*Business Model Analysis of Veterinary Clinic - The Case Study*

Karolina Beyer, University of Szczecin, Poland

*A Novel, Competency-Based Approach of the HRM-Related Definition of Talent – A Suggestion Based on Theoretical and Empirical Findings*

Eszter Daruka, Eotvos Lorand University, Hungary and Katalin Padar, Eotvos Lorand University, Hungary

*Level of Similarity in Team Management. Results of a Long Term, Non-Participating Observation of Managers in a Given Project with the Use of the System of Organizational Terms*

Olaf Flak, University of Silesia, Poland

*Research on Homeworking in the Digital Era - Case Study across European Union Member States*

Dan Popescu, Bucharest University of Economic Studies, Romania; Catalina Georgiana Picu, Bucharest University of Economic Studies, Romania; and Daniela Predeteanu (Dragne), Bucharest University of Economic Studies, Romania

*Value Creation and the Incorporation of Social Goals into Corporations' Goal Setting*

Emanuele C. Francia, Tsinghua University School of Law, China

*Organizational Success Model and Criteria*

Olga Uhabakin, Estonian Entrepreneurship UAS, Estonia; Irina Krasii, Estonian Entrepreneurship UAS, Estonia; and Eneken Titov, Estonian Entrepreneurship UAS, Estonia

**LUNCH: 13:10-14:00**

## ENERGY STUDIES

**Chair:** Carmen Pilar Marti Ballester

**Room:** Auditório B203

### *Induced Innovation and Natural Resources*

Tomas Evan, FIT CTU, Czech Republic and Vladimir Holy, University of Economics, Prague, Czech Republic

### *Analyzing the Role of Renewable-Energy Fund Investors in the Sustainable Development*

Carmen Pilar Marti Ballester, Autonomous University of Barcelona, Spain

### *Spatial Concentration of Biomass Production Activities in the European Union*

Vlada Vitunskiene, Vytautas Magnus University, Lithuania

### *Selected Aspects of Low Carbon Development: A Case Study for Poland*

Maciej Dzikuc, University of Zielona Gora, Poland; Arkadiusz Piwowar, Wroclaw University of Economics, Poland; Robert Smolenski, University of Zielona Gora, Poland; Janusz Adamczyk, University of Zielona Gora, Poland; and Maria Dzikuc, University of Zielona Gora, Poland

### *The Impact of Agriculture on the Natural Environment In Terms Of Resource Use and GHG Emissions*

Daiva Makuteniene, Vytautas Magnus University, Lithuania

## MARKETING III

**Chair:** Ghulam Mustafa

**Room:** Room C2.02

### *Supportive Elements of a Long-Term B2B Communication: The Case of a Norwegian SME*

Elena Panteleeva, NTNU Aalesund, Norway and Karoline Hjelmeland, NTNU Aalesund, Norway

### *From the 4P's to 5P's - Prompt, a New Element for the Marketing-Mix: A Specific Analysis of the Coffee Market*

Sílvia Maria Pereira Silva Faria, Portucalense University Infante D. Henrique (UPT), Portugal and Pedro Jorge Nunes Ferreira, Portucalense University Infante D. Henrique (UPT), Portugal

### *Insight of Data Processing and Mandatory Requirements for POD Services in Line with GDPR*

Tomas Pikulik, Comenius University in Bratislava, Slovakia and Peter Starchon, Comenius University in Bratislava, Slovakia

### *Promotion and Opportunities for Seafood Commercial Valorization: The Case of Portugal*

Teresa Coelho, Docapesca Portos e Lotas S.A., Portugal; Carlos Figueiredo, Docapesca Portos e Lotas S.A., Portugal; Valentina Chkoniya, University of Aveiro, Portugal; and Ana Oliveira Madsen, Católica Porto Business School Portugal, Portugal

### *Rationalization, Ecologization and Ethnocentrism as New Trends in Food Behavior of Polish Consumers*

Gabriela Hanus, University of Economics in Katowice, Poland

### *The Children's Market: Commonalities and Differences in the Perception of a Brand*

Jony Oktavian Haryanto, PU Business School, President University, Indonesia; Maria Helena Aguiar Pereira Pestana, ISCTE-IUL, Portugal; Manuela Santos Silva, University of Coimbra, Portugal; and Luiz Abel Moutinho, Suffolk Business School, University of Suffolk, United Kingdom

## EMPIRICAL STUDIES ON EMERGING ECONOMIES I

**Chair:** Ata Assaf

**Room:** Room C2.05

### *Does Domestic Ownership in Government Bonds Crowd-Out Banking Intermediation?*

Justina Adamanti, Universitas Indonesia, Indonesia; Sugiharso Safuan, Universitas Indonesia, Indonesia; and Zaafril Ananto Husodo, University of Indonesia, Indonesia

### *Cultural Influences on Risk Tolerance. Evidence for Students in Indonesia*

Sudarso Kaderi Wiryono, Institut Teknologi Bandung (ITB), Indonesia and Marla Setiawati, Institut Teknologi Bandung (ITB), Indonesia

### *Asymmetric Impacts of the Geopolitical Risk on the Oil Price Fluctuations*

Kaya Tokmakcioglu, Istanbul Technical University, Turkey and Oguzhan Ozcelebi, Istanbul University, Turkey

### *Performance Differentiators in the European Union: Is There a West-East Divide?*

Alexandra Horobet, The Bucharest University of Economic Studies, Romania; Lucian Belascu, "Lucian Blaga" University of Sibiu, Romania; and Vlad Bulai, The Bucharest University of Economic Studies, Romania

### *Business Environment, Innovation and Firms' Productivity in Transition Economies*

Teimuraz Gogokhia, Ivane Javakhishvili Tbilisi State University, Georgia and George Berulava, Ivane Javakhishvili Tbilisi State University, Georgia

### *Machine Learning Methods in Real Estate Mass Appraisal in the Underdeveloped Real Estate Markets*

Mariusz Doszyn, University of Szczecin, Poland and Sebastian Gnat, University of Szczecin, Poland

## ECONOMICS OF INNOVATION III

**Chair:** Sofia Vale

**Room:** Room C1.01

### *Can Business Financial and R&D Expenditure Combine the Target for Country Economic Sustainability?*

Raminta Benetyte, Kaunas University of Technology, Lithuania; Javier Giner Rubio, University of La Laguna, Spain; and Rytis Krusinskas, Kaunas University of Technology, Lithuania

### *Circular Economy and Networks: Insights from the Innovation Literature*

Cristina Sousa, ISCTE-IUL, Portugal

### *Sourcing Knowledge for Innovations - Trends in Polish Companies*

Grzegorz Grela, Maria Curie-Skłodowska University, Poland; Elzbieta Skrzypek, Maria Curie-Skłodowska University, Poland; and Sylwia Sagan, Maria Curie-Skłodowska University, Poland

### *The Impact of Cluster Leadership on Company Innovativeness*

Joanna Kuczevska, University of Gdansk, Poland; Tomasz Tomaszewski, University of Gdansk, Poland; and Sylwia Morawska, Warsaw School of Economics, Poland

### *Do High-Technology Exports Really Matter for Escaping Middle Income Trap? Analysis for Turkey*

Esra Kabaklarli, Selcuk University, Turkey and Mahmut Sami Duran, Selcuk University, Turkey

### *Measuring the Importance of Churn Predictors in Romanian Telecommunication Industry*

Andreea Dumitrache, Bucharest University of Economic Studies, Romania; Stelian Stancu, Bucharest University of Economic Studies, Romania; and Madalina Stefanet, Bucharest University of Economic Studies, Romania

## MANAGEMENT II

**Chair:** Maria Garbelli

**Room:** Auditório J.J. Laginha

### *Standardization of Global Logistics Business Operations*

Slobodan Nikola Acimovic, University of Belgrade, Serbia; Veljko Milan Mijuskovic, University of Belgrade, Serbia; and Jovana Obradovic, Milsped Group Serbia, Serbia

### *Analysis of Inventory and Logistics Cost of Plastic Shopping Bags and the Implications on Plastic Waste by Modern Retailers in Jabodetabek*

Mohammad Annas, Universitas Multimedia Nusantara, Indonesia

### *The Issues on Implementation of Agile and Strategy as a Practice Mixed-Method in Contemporary IT Company*

Oleg Kalmykov, National Research University Higher School of Economics, Russia and Elena Serova, National Research University Higher School of Economics, Russia

### *Portuguese Cultural Standards from the Chinese Perspective*

Antonio Silva Robalo, ISCTE Business School (ISCTE-IUL), Portugal

### *Possibilities of Trading Behavior Assessment by TBQ -T Methodology*

Robert Stefko, University of Presov in Presov, Slovakia; Miroslav Frankovsky, University of Presov in Presov, Slovakia; Zuzana Birknerova, University of Presov in Presov, Slovakia; Lucia Zbihlejova, University of Presov in Presov, Slovakia; and Jana Kovalova, University of Presov in Presov, Slovakia

### *Networks of Knowledge in Agriculture. Resilience Narratives in a Time of Crisis: Stories from the Irish 2018 Fodder Crisis*

Jennifer Christine Floody, Technological University of Dublin, Ireland

## COFFEE BREAK: 16:00-16:10

## DAY 2 - SESSION IV: 16:10-18:10

### EMPIRICAL STUDIES ON EMERGING ECONOMIES II

**Chair:** Haim Shalit

**Room:** Auditório B203

### *Bridging the Financial Divide through E-Governance and Financial Freedom in the Discourse of Economic Growth: Empirical Evidence from Emerging Economies Using a Panel VECM Approach*

Rekha A G, State Bank Institute of Leadership, India; Rajamani K, State Bank Institute of Leadership, India; and Resmi A G, University of Kerala, India

### *Reflections on Digitalization in the Public Sector of Pakistan*

Imtiaz Badshah, Østfold University College, Norway; Ghulam Mustafa, NTNU-Norwegian University of Science and Technology, Norway; and Muhammad Khan, Abdul Wali Khan University Mardan, Pakistan

### *The Role of Macroeconomic and Political News Releases in Explaining Performance and Comovements of Stock Markets in CEE-3 Countries*

Wojciech Grabowski, University of Lodz, Poland

### *Structural Breaks in Convergence of Long Term Interest Rates in Central and Eastern European Countries*

Milan Deskar-Skrbic, Croatian National Bank, Croatia; Antonija Buljan, University of Zagreb, Croatia; and Tomislav Coric, University of Zagreb, Croatia

### *The Oil Prices and MENA Equity Markets: Evidence from Frequency and Nonparametric Granger Causality Tests*

Ata Assaf, University of Balamand, Lebanon



*The Impact of Mortgage Loans on Housing Mobility in the Hungarian Housing System*

Agnes Gyori, Hungarian Academy of Sciences (HAS), Centre for Social Sciences, Hungary and  
Adrienne Csizmady, Hungarian Academy of Sciences (HAS), Centre for Social Sciences, Hungary

### MANAGEMENT III

**Chair:** Elena Serova

**Room:** Room C2.02

*Measuring Gender Gap in SME Management: Sizing Women Participation in Small and Medium-Sized Industries in Italy*

Maria Garbelli, University of Milano-Bicocca, Italy

*What Contributions can the Social Responsibility Projects Conducted in the Business Schools Add to the Future Managers and Their Future Businesses?*

Arcan Tuzcu, Ankara University, Turkey and Sevgi Eda Tuzcu, Ankara University, Turkey

*Team Viability - Mission Impossible or Feasible? Barriers and Constrains in Contemporary Organizations*

Agnieszka Katarzyna Zarczynska Dobiesz, Wroclaw University of Economics, Poland; Barbara Chomatowska, Wroclaw University of Economics, Poland; and Iwona Janiak Rejno, Wroclaw University of Economics, Poland

*Volunteering - A Way of Taking Responsibility for the Sustainability of Social Economy Enterprises*

Cristina State, Bucharest University of Economic Studies, Romania; Valentina Nicolae, Bucharest University of Economic Studies, Romania; Andrei-Constantin Popescu, Bucharest University of Economic Studies, Romania; and Raluca Marei (Ozarchievici), Bucharest University of Economic Studies, Romania

*Stakeholder Management: How Similar are the Concepts of Business Diplomacy and Public Relations?*

Pedro Fontes Falcao, ISCTE-IUL, Portugal and Nelson Jorge Campos Ramalho, ISCTE-IUL, Portugal

*Backsourcing Phenomenon in Polish Organization*

Grzegorz Grela, Maria Curie-Sklodowska University, Poland and Mariusz Hofman, Maria Curie Sklodowska University, Poland

### MARKETING IV

**Chair:** Veljko Milan Mijuskovic

**Room:** Room C2.05

*The Impact of Marketing Innovation on Industry 4.0 Adoption of the Small and Medium Enterprises in the Egyptian Context*

Niveen Mohamed Elsaghier, Arab Academy for Science, Technology and Maritime Transport, Egypt

*Transformation of Value in Innovative Business Models: Implications for Pharmaceutical Market*

Denis Evgenyevich Klimanov, National Research University Higher School of Economics, Russia and Olga Tretyak, Higher School of Economics, Russia

*Framework of Marketing Performance Measurement and Management*

Asta Kamandulienė, Vytautas Magnus University, Lithuania and Lina Pilelienė, Vytautas Magnus University, Lithuania

*Analysis of the Use of Social Media in B2B Integrated Marketing Communication*

Peter Grabner, University of Ljubljana, Slovenia and Barbara Cater, University of Ljubljana, Slovenia

*The Agile Enterprise – A Case Study in Bulgaria*

Petar Penchev, University of Ruse "Angel Kanchev", Bulgaria

*Organic Food Products: A Quantitative Study on Purchase Intention among Generation Y in Malaysia*

Padmashantini Padmanathan, Quest International University Perak, Malaysia; Hafizah Mat Nawi, Quest International University Perak, Malaysia; Pillai Vilasini, Quest International University Perak, Malaysia; and Kok Li Ming, Quest International University Perak, Malaysia

## HEALTH ECONOMICS II

**Chair:** Iria Paz-Gil

**Room:** Room C1.01

*Using Bibliometric Analysis to Identify the Intellectual Structure, Emerging Trends and Future Research Opportunities in Virtual Reality and Dementia*

Maria Helena Aguiar Pereira Pestana, ISCTE-IUL, Portugal; Margarida lemos Sobral, Psychogeriatrics Service, Hospital Magalhães Lemos, Portugal; José Bonito Filipe, ISCTE-IUL, Portugal; and Luiz Abel Moutinho, University of Suffolk, United Kingdom & University of South Pacific, Fiji

*Patients' Out-of-Pocket Expenses-Effectiveness Analysis of Presurgical Teledermatology*

Felipa de Mello-Sampayo, ISCTE-IUL, Portugal

*The Evaluation Study on International Development Project by Save the Children*

Suk-Won Lee, Seoul National University, Korea; Moonyoung Joe, Seoul National University, Korea; Jae Eun You, Seoul National University, Korea; and Mi Joung Yu, Seoul National University, Korea

*Mobile Health Apps Use in the Group of Young Poles - Comparative Analysis*

Magdalena Sobon, University of Szczecin, Poland

*Market Failure, Community Rating and Health Funding - The South African Medical Schemes Market Experience*

Robert William Vivian, University of the Witwatersrand, South Africa and Albert Mushai, University of the Witwatersrand, South Africa

*How Does the Population Ageing Affect the Realization of Public Tasks? - The Challenges of Local Government Units in the Era of the Silver Economy*

Tomasz Andrzej Jedynak, Cracow University of Economics, Poland and Katarzyna Maj-Wasniowska, Cracow University of Economics, Poland

**GALA DINNER (Self-paid Activity): 19:30-22:00**

## SATURDAY, OCTOBER 12 (DAY 3)

REGISTRATION: 08:30-16:00

DAY 3 - SESSION I: 09:00-11:00

### INTERNATIONAL TRADE II

**Chair:** Jan Jakub Michalek

**Room:** Auditório B203

*Firm Innovation Capabilities and Exporting: Evidence for EEA Countries*

Andrzej Cieslik, University of Warsaw, Poland; Jan Jakub Michalek, University of Warsaw, Poland; and Krzysztof Szczygieski, University of Warsaw, Poland

*Food Imports for Food Security: The Case of Qatar*

Munshi Masudul Haq, AFG College with the University of Aberdeen, Qatar

*Approach for the Study of European Economic Activity Using National Accounts*

Susana Santos, ISEG - Lisbon School of Economics and Management, Universidade de Lisboa, Portugal

*Trade of the EU and China with South America after the 2008 Financial Crisis*

Wioletta Nowak, University of Wrocław, Poland

*Incompatible Bi-Lateral Foreign Trade Agreements and Industrial Strategy: The Case Of Egypt's Automotive Industry*

Samir Mohamed Youssef, American University in Cairo, Egypt

### LABOR ECONOMICS

**Chair:** Leszek Wincenciak

**Room:** Room C2.02

*Non-Standard Employment and Wages across Sectors in Croatia*

Marija Becic, University of Dubrovnik, Croatia and Perica Vojinic, University of Dubrovnik, Croatia

*Role of Personality Traits in Work-Life Balance and Life Satisfaction*

Sevda Kose, Kocaeli University, Turkey; Beril Baykal, Kocaeli University, Turkey; Semra Kose, Sakarya University, Turkey; Feyza Turgay, Kocaeli University, Turkey; Seyran Gursoy Cuahdar, Kocaeli University, Turkey; and Irep Bayat, Mersin University, Turkey

*Wage Effects of Skill and Educational Mismatch: Self-Reported Skill Mismatch and Realized Matches Approaches Compared*

Leszek Wincenciak, University of Warsaw, Poland

*No Country for Young People: How Difficult is it for Unemployed Youth to Find a Job in Serbia?*

Dragan M Aleksic, University of Belgrade, Serbia and Nemanja Vuksanovic, University of Belgrade, Serbia

*The Turkish Wage Curve: New Evidence from the National Household Labor Force Survey*

Huseyin Kaya, Istanbul Medeniyet University, Turkey and Ozer Selcuk, Istanbul Medeniyet University, Turkey

*Multidimensional Scaling in Assessment of Situation on the Labor Market in the Visegrad Group Countries in the EU Context in Years 2002-2018*

Beata Bieszk Stolorz, University of Szczecin, Poland and Krzysztof Dmytrow, University of Szczecin, Poland

## EDUCATION I

**Chair:** Rozilini Mary Fernandez-Chung

**Room:** Room C2.05

*Interactional Competence for Workplace Preparedness: A Study Related to Accountancy and Business Courses in a Singapore University Context*

Junaitha A. Gaffoor, Singapore Institute of Technology, Singapore and Padma Rao, Singapore Institute of Technology, Singapore

*Students' Learning Strategies and Motivation Process: Extrinsic Rewards and Inner Motivation*

Ana Madalina Potcovaru, Bucharest University of Economic Studies, Romania

*The Use of Simulators and Teaching Games and Their Relationship to Soft Skills Development*

Pedro Pinheiro, ISCAL-IPL, Portugal; Ricardo Abreu, ISCAL-IPL, Portugal; and Fernando Carvalho, ISCAL-IPL, Portugal

*Globally Emergent Behavioral Patterns as a Result of Local Interactions in Strongly Interrelated Individuals*

Christos Manolopoulos, Computer Technology Institute and Press, Greece; Yannis C. Stamatiou, Computer Technology Institute and Press, University of Patras, Greece; and Rozina Eustathiadou, Computer Technology Institute and Press, Greece

*Linking the Classroom to the Community: Mutual Benefits in the Case of Voluntary Blood Donation*

Iria Paz-Gil, Rey Juan Carlos University, Spain

*Pension Awareness and Financial Literacy of Polish Entrepreneurs*

Teresa Hanna Bednarczyk, Maria Curie-Skłodowska University in Lublin, Poland and Maciej Raszewski, Maria Curie-Skłodowska University in Lublin, Poland

## REGIONAL STUDIES I

**Chair:** Tansu Barker

**Room:** Room C1.01

*Informatization Construction and Urban Total Factor Productivity: Empirical Analysis based on China's Smart City Pilot Policy*

Qian Yuan, Southeast University, China; Lihua Wu, Southeast University, China; and Ping Zhang, Nanjing University of Posts and Telecommunications, China

*Problematic Issues of Youth Unemployment in Central and Eastern European Countries*

Rasa Daugeliene, Kaunas University of Technology, Lithuania

*Global Innovation Index: Next 11 Countries vs. Turkey*

Tansu Barker, Brock University, Canada

*Smart City Concept in the Czech Republic*

Kamila Tureckova, Silesian University in Opava, Czech Republic and Jan Nevima, Silesian University in Opava, Czech Republic

*Estimation of the Impact of Attributes on the Value of Real Estate on the basis of Prices and Value of Real Estate*

Anna Gdakowicz, University of Szczecin, Poland and Ewa Putek-Szelag, University of Szczecin, Poland

*Quality of Life and the Region's Economic and Social Development: Conceptual Model, Clustering of Regions by Quality of Life*

Alyona Stepanova, Vladivostok State University Economics and Service, Russia and Konstantin Sergeevich Solodukhin, Vladivostok State University Economics and Service, Russia

*Ways to Achieve the World-Class Management Actions in the Field of Land Relations*

V.V. Akimov, Saken Seifullin Kazakh Agrotechnical University, Kazakhstan; S.K. Makenova, Saken Seifullin Kazakh Agrotechnical University, Kazakhstan; Saltanat M. Meiramova, Saken Seifullin Kazakh Agrotechnical University, Kazakhstan; G.K. Kurmanova, Saken Seifullin Kazakh Agrotechnical University, Kazakhstan; Z.Z. Toleubekova, Saken Seifullin Kazakh Agrotechnical University, Kazakhstan; and O.S. Muzyka, Saken Seifullin Kazakh Agrotechnical University, Kazakhstan

**MANAGEMENT IV**

**Chair:** Ghulam Mustafa

**Room:** Room C2.01

*Organizations and Social Transformation: Analysis of Their Potential to Create Health*

Miguel Angel Gimeno Navarro, Universitat Jaume I, Spain; Rosana Peris Pichastor, Universitat Jaume I, Spain; Ana Isabel Marqués Marzal, Universitat Jaume I, Spain; and Daniel Pinazo, University Jaume I, Spain

*Leadership in the Context of Digital Transformation – A Literature Review*

Ela Sibel Bayrak Meydanoglu, Turkish-German University, Turkey and Muge Klein, Turkish-German University, Turkey

*Agency or Stewardship? Leadership and Governance in Family Firms*

Virginia Bodolica, American University of Sharjah, U.A.E. and Martin Spraggon, Mohammed bin Rashid School of Government, U.A.E.

*The Malaysian graduate readiness to be employ in IR 4.0: the case of Public and Private University in Malaysia*

Erni Binti Tanius, University of Selangor, Malaysia

*Is a Higher Level of Trust in Organizations Always Positively Correlated with Higher Economic Results? The Relationship of Trust with the Company's Economic Results on the Example of Estonian Farms*

Angela Jarvis, Estonian Entrepreneurship University of Applied Sciences, Estonia and Mare Kurvits, Estonian Entrepreneurship University of Applied Sciences, Estonia

**COFFEE BREAK: 11:00-11:10**

**DAY 3 - SESSION II: 11:10-13:10**

**INVESTMENT II**

**Chair:** Christo Auret

**Room:** Auditório B203

*Measuring Speculative and Hedging Activities in Maize Futures Markets of Major Exporters*

Christo Auret, University of the Witwatersrand, South Africa and Ayesha Sayed, University of the Witwatersrand, South Africa

*Do Pension Funds Contribute to Achieve the Sustainable Development Goals?*

Carmen Pilar Marti Ballester, Autonomous University of Barcelona, Spain

*Validation of the Central Outcomes of Portfolio Theory Based on the JSE Top 40 Index*

Christo Auret, University of the Witwatersrand, South Africa and Robert William Vivian, University of the Witwatersrand, South Africa

*Influence of the Selected Internal Factors on the Outputs of the Financial Sector Companies Traded on the Warsaw Stock Exchange*

Ewa Barbara Spigarska, University of Gdańsk, Poland and Ewa Majerowska, University of Gdańsk, Poland

*The Shapley Value of Regression Portfolios*

Haim Shalit, Ben-Gurion University of the Negev, Israel

*Algorithm of Financial Stability Index Based on Structural Reform*

Shuqiang Liu, Harbin University of Science and Technology & Heilongjiang Institute of Technology, China; Qi Qian, Johns Hopkins University, U.S.A.; Dawei Zhao, Harbin University of Science and Technology, China; and ZhaoHua Jiang, Heilongjiang Institute of Technology, China

**POLITICAL ECONOMY & PUBLIC ECONOMICS II**

**Chair:** Andrzej Cieslik

**Room:** Room C2.02

*Financial Aspects of the U.S. - Iranian Conflict*

Steven McNamara, American University of Beirut, Lebanon

*Class-Based Foundations of the Concept of "Tradition" in Turkish Modernization*

Mehmet Devrim Topses, Canakkale Onsekiz Mart University, Turkey

*A Paradigm Change in IMF Policies?*

Nese Yildiz, Karabuk University, Turkey

*The Impact of Brexit Vote on UK Financial Markets: A Synthetic Control Method Approach*

Matej Opatrny, Charles University, Czech Republic

*Duration of Fiscal Rules for Local Governments in EU Countries*

Slawomir Franek, University of Szczecin, Poland

*Circular Economy – New Opportunities for Growth*

Nikolay Hristov Sterev, University of National and World Economy, Bulgaria and Vania Petrova Ivanova, University of National and World Economy, Bulgaria

**REGIONAL STUDIES II**

**Chair:** Pari Kasliwal

**Room:** Room C2.05

*Problems and Reforms in the Eurozone*

Bruno Dallago, University of Trento, Italy

*Robotization in Eastern and Central Europe: Specialization or Dependence?*

Zoltan Csefalvay, Joint Research Centre of the European Commission, Spain

*Insular Regions Policy in Greece: Case Study of the Region of South Aegean*

Vasiliki Delitheou, Panteion University of Social and Political Sciences, Greece; Evanthia Michalaki, Panteion University of Social and Political Sciences, Greece; and Eleftherios Podimatas, Panteion University of Social and Political Sciences, Greece

*Consequences on Polish Telecom Market of the Introduction of "Roam like at Home" (RLAH) Obligation*

Piotr Ladny, University of Szczecin, Poland

*Analysis of the Instrument for Measuring Institutional Capacity 2019*

Yezelia Danira Cáceres Cabana, Universidad Nacional San Agustín de Arequipa, Peru; Juan Mardonio Rivera Medina, Universidad Continental, Peru; and Alejandro Chavez Medrano, Universidad Nacional San Agustín de Arequipa, Perú

*The Assessment of Factors Affecting Fertilizer Use on Family Farms in Lithuania*

Erika Besuspariene, Agriculture Academy of Vytautas Magnus University, Lithuania and Vesa A. Niskanen, University of Helsinki, Finland

*Factors Affecting the Burden of Poverty Risk for Elderly Households in European Countries*

Marta Borda, Wrocław University of Economics, Poland and Patrycja Kowalczyk Rolczynska, Wrocław University of Economics, Poland

## MONETARY ECONOMICS & EXCHANGE RATES

**Chair:** Huseyin Kaya

**Room:** Room C1.01

*House Prices and Private Credit in the Eurozone: A Single Monetary Policy with Dissonant Transmission Mechanisms*

Sofia Vale, ISCTE and BRU-UNIDE, Portugal and Tricia Snyder, William Paterson University, U.S.A.

*Monetary Policy Expectations and Short Term Interest Rates under Non-Traditional Monetary Policy Regimes in Japan*

Takayasu Ito, Meiji University, Japan

*Analysis of the Macroeconomic Effects of Monetary Policy Shocks in the Eurasian Economic Union*

Iuliia Shabanova, National Research University Higher School of Economics, Russia

*The Effect of U.S. Monetary Policy Shock on the \$/£ Exchange Rate: Time-Varying Structural VAR Approach*

Jihye Ahn, Seoul National University, Korea

*The Analysis of the Dynamic Relationships between Real Exchange Rates and Macroeconomic Variables in Selected Countries with Targeted Inflation: ARDL Bounds Testing Approach*

Djordje Timotije Djukic, University of Belgrade, Serbia; Mustafa Ozer, Anadolu University, Turkey; and Malisa Dukic, Belgrade Banking Academy, Union University, Serbia

*An Augmented P-Star Model of US Inflation*

Imad Moosa, RMIT, Australia and Basil Al-Nakeeb, RMIT, Australia

*Effects of Policy Uncertainty on the Demand for Money in Turkey*

Muge Karacal, Izmir Bakircay University, Turkey

## HUMAN RESOURCES II

**Chair:** Severin Hornung

**Room:** Room C2.01

*Perceived Flexible Working Practices: A Study on Egyptian Workers' Travel Motivations*

Dalia Fahmy Amara, Arab Academy for Science and Technology and Maritime Transport – CMT, Egypt

*Enhancing Self-Leadership through High-Performance Work Systems*

Sevgin Batuk Turan, Turkish-German University, Turkey

*The Impact of Supervisor Support on Employee Related Outcomes through Job Engagement*

Maria Leonor Pires, IPS/ ESTSetubal, Portugal

*Role of Individual Factors in Women's Managerial Advancement in Norway*

Ghulam Mustafa, NTNU-Norwegian University of Science and Technology, Norway; Imtiaz Badshah, Østfold University College, Norway; and Kristine Coucheron Straume, Norwegian University of Science and Technology, Norway

*Organizational Maturity in Gender Diversity Management - Case Study*

Anna Wieczorek-Szymanska, University of Szczecin, Poland

**LUNCH: 13:10-14:00**

## PUBLIC ECONOMICS

**Chair:** Kamila Bielawska

**Room:** Auditório B203

*Environmental Taxation in Portugal: A Contribution to Sustainability*

Sara Rute Sousa, ISCAC, Portugal

*The Influence of Taxation on the Self-Employment in Poland*

Adam Adamczyk, University of Szczecin, Poland

*Macroeconomic Effects of VAT Changes in a Small Open Economy: A Narrative Approach*

Milan Deskar-Skrbic, Croatian National Bank, Croatia and Hrvoje Simovic, University of Zagreb, Croatia

*Economic Aspects of the Digitization of Postal Services in Europe - Case Study*

Anna Drab-Kurowska, University of Szczecin, Poland

*Heterogeneity of Fiscal Adjustments in European Union Economies: Common Correlated Effects Approach*

Olgica Glavaski, University of Novi Sad, Faculty of Economics Subotica, Serbia and Emilija Beker Pucar, University of Novi Sad, Faculty of Economics Subotica, Serbia

*The Resolution of Tax Disputes and International Tax Arbitration*

Benjami Angles Juanpere, Open University of Catalonia, Spain

*Does Globalization Affect Credit Market Controls?*

Jonathan A. Batten, Universiti Utara Malaysia, Malaysia; Mehmet Huseyin Bilgin, Istanbul Medeniyet University, Turkey; Ender Demir, Istanbul Medeniyet University, Turkey; and Giray Gozgor, Istanbul Medeniyet University, Turkey

## EDUCATION II

**Chair:** Carmen Pilar Marti Ballester

**Room:** Room C2.02

*Factors Influencing Romanian Students' Decision to Study Abroad*

Adriana Dima, Bucharest University of Economic Studies, Romania

*Restructuring Universities: The Serbian Case*

Ljubinka Joksimovic, University of Belgrade, Serbia

*Students' Perception of Quality in Higher Education*

Mirjana Jelec Raguz, Polytechnic in Pozega, Croatia; Verica Budimir, Polytechnic in Pozega, Croatia; and Svjetlana Letinic, Polytechnic in Pozega, Croatia

*Shared Leadership in Transnational Education Programme Delivery: A Study of Selected Programmes at a Private University in Malaysia*

Rozilini Mary Fernandez-Chung, University of Nottingham Malaysia, Malaysia

*Collaborative Activities Facilitate or Restrict Internet Ethics Education: An Example of Business Management Teachers' Community Performance*

Tai Kuei Yu, National Quemoy University, Taiwan; ChengMin Chao, National Taichung University of Science and Technology, Taiwan; TangXi Chen, National Quemoy University, Taiwan; and YiJie Wang, Lomonosov Moscow State University, Russia

*Associated Algorithms for Assessing the University Management Quality*

Vladimir Khalin, Saint-Petersburg State University, Russia; Galina Chernova, Saint-Petersburg State University, Russia; and Natalia Boldyreva, University of Tyumen, Russia

*Indigenous Primary School Mathematics Performance in Selangor, Malaysia*

Erni Binti Tanius, University of Selangor, Malaysia



## MANAGEMENT V

**Chair:** Muge Klein  
**Room:** Room C2.05

*Non-Market Strategies and the Development of Local Network Relationships: Insights from Foreign-Owned Subsidiaries in Thailand and Taiwan*

Sven Dahms, Asian Institute of Management, Philippines and Suthikorn Kingkaew, Thammasat Business School, Thailand

*Comparison of Storage Assignment and Criteria's System of Weights in Selection of Locations in Order-Picking*

Krzysztof Dmytrow, University of Szczecin, Poland

*Can Performance Appraisals Satisfaction Improve Performance? A Study at Indonesian Universities*

Ietje Nazaruddin, Universitas Muhammadiyah Yogyakarta, Indonesia; Fitri Wahyuni, Universitas Muhammadiyah Yogyakarta, Indonesia; Hafiez Sofyani, Universitas Muhammadiyah Yogyakarta, Indonesia; and Erni Suryandari, Universitas Muhammadiyah Yogyakarta, Indonesia

*Analysis of Links between Ownership Structure and Financial Stability of Russian Companies*

Alexey Rybalka, National Research University Higher School of Economics, Russia

*The Triple Helix Model as a Source of Competitive Advantages*

Kinga Bednarzewska, Maria Curie-Skłodowska University, Poland

*The Relationship between Liquidity and CSR Disclosure*

Pedro Pinheiro, ISCAL-IPL, Universidade Lusíada, COMEGI, Portugal and Manuela Sarmento, Universidade Lusíada, COMEGI, Portugal

## GROWTH & DEVELOPMENT II

**Chair:** Leszek Wincenciak  
**Room:** Room C1.01

*Optimal Policies, Middle Class Development and Human Capital Accumulation under Elite Rivalry*

Elena Sochirca, Universidade do Minho, EEG, Portugal and Pedro Cunha Neves, Universidade da Beira Interior, Portugal

*Agent Based Model of Economic Growth*

Pari Kasliwal, CSULB, U.S.A.

*The Roles of Foreign Capital Inflows on Economic Growth of the Southeast Asian Countries*

Utai Uprasen, Pukyong National University, Korea

*Microfinance Institutions' Funding and Performance in the Life Cycle*

Anthony Annan, Caldwell University, U.S.A. and Felix Rioja, Tulane University, U.S.A.

*Understanding the Factors Influencing Prices of Luxury Condominium in Bangkok CBD: Case Study on Encouraging Affordable Housing in CBD of Bangkok, Thailand*

Pornraht Pongprasert, Thammasat University, Thailand

*Spatio-Temporal Assessment of Biomass Self-Sufficiency in the European Union*

Neringa Ramanauskė, Vytautas Magnus University, Lithuania and Vlada Vitunskiene, Vytautas Magnus University, Lithuania

**COFFEE BREAK: 16:00-16:10**

## RISK MANAGEMENT

**Chair:** Kamila Bielawska

**Room:** Auditório B203

*Long Term Care - Challenges for the Calculation of the Policy Limits in the Silver Insurance*

Ilona Kwiecien, Wrocław University of Economics, Poland; Ewa Poprawska, Wrocław University of Economics, Poland; and Anna Jędrzychowska, Wrocław University of Economics, Poland

*Influence of Birth and Upbringing of Children on Household Finances - Analysis of Lost Income*

Anna Jędrzychowska, Wrocław University of Economics, Poland and Ewa Poprawska, Wrocław University of Economics, Poland

*How Does Different Cognitive Biases Affect the Farmer's Behavior in Risk Management Process: Theoretical Insights from Agriculture Sector?*

Lina Novickyte, Lithuanian Institute of Agrarian Economics, Lithuania

*Retirement Risk and the Usage of Financial Products by Current Retirees in the Transition Country. Evidence from Poland*

Kamila Bielawska, University of Gdansk, Poland and Krzysztof Lyskawa, The Poznan University of Economics and Business, Poland

*Forecasting Expected Shortfall and Value-at-Risk with the FZ Loss and Realized Variance Measures*

Ray Yeutien Chou, Institute of Economics, Academia Sinica, Taiwan; Tso-Jung Yen, Institute of Statistical Science, Academia Sinica, Taiwan; and Yu-Min Yen, National Chengchi University, Taiwan

*Interconnection of Finance and Service Quality Assessment in Long-Term Social Care Institutions in Latvia*

Edgars Stals, The Baltic International Academy, Latvia; Zhanna Tsaurkubule, The Baltic International Academy, Latvia; and Rita Konstante, Riga Medical College of the University of Latvia, Latvia

## INDUSTRIAL ORGANIZATION & PRODUCTION MANAGEMENT

**Chair:** Tatjana Vasiljeva

**Room:** Room C2.02

*Innovative Approach for Strategic Analysis of Russian Restaurant Business Network Branch*

Elizaveta Mihailovna Fainshtein, National Research University Higher School of Economics, Russia; Elena Serova, National Research University Higher School of Economics, Russia; and Pavel Vorobyov, National Research University Higher School of Economics, Russia

*Algorithm Suggestion for Decision Making in Choosing Projects*

Ahmet Burak Atli, Istanbul Commerce University, Turkey and Fatma Serap Onursal, Istanbul Commerce University, Turkey

*Measuring Efficiency of Gravel Quarries in the Czech Republic*

Jakub Hanousek, University of Economics, Prague, Czech Republic

*Ideologies at Work in Organizations: An Emerging Critical Perspective and Reflexive Research Agenda*

Severin Hornung, University of Innsbruck, Austria; Thomas Höge, University of Innsbruck, Austria; and Christine Unterrainer, University of Innsbruck, Austria

*Assessing Business Entry Reforms in Greece during the Economic Crisis Period*

Elisavet I Nitsi, Centre of Planning and Economic Research (KEPE), Greece and Ersi Athanassiou, Centre of Planning and Economic Research (KEPE), Greece

*Management Model and Dynamic Capabilities: Approaches to Knowledge Intensive Business Services in Emerging Economies*

Oscar Mauricio Cruz Sánchez, Universidad Nacional de Colombia, Colombia; Diana Geraldine Jiménez García, Fundación Universitaria Los Libertadores, Colombia; Michael Hernando Sarmiento Munoz, Universidad Nacional de Colombia, Colombia; and Oscar Fernando Castellanos, Universidad Nacional de Colombia, Colombia

## MARKETING V

**Chair:** Tansu Barker

**Room:** Room C2.05

*Traditional and Influencers' Instagram Advertising: An Application of the Theory of Planned Behavior*

Margarida Saraiva de Melo, NOVA University of Lisbon, Portugal and Luis F. Martinez, Nova School of Business and Economics, NOVA University of Lisbon, Portugal

*Consumers Contagion in Online Social Networks Regarding Recycling Habits*

Camelia Delcea, Bucharest University of Economic Studies, Romania; Liviu Adrian Cotfas, Bucharest University of Economic Studies, Romania; Rafal Mierzwiak, Poznan University of Technology, Poland; and Mihai Orzan, Bucharest University of Economic Studies, Romania

*Antecedents of Customer Profitability: A Structural Equation Model of Affecting Factors*

Mikko Mantyneva, Hame University of Applied Sciences (HAMK), Finland

*New Media in Prosumer Activities in the International Markets - The Perspective of Companies*

Malgorzata Bartosik-Purgat, Poznan University of Economics and Business, Poland and Joanna Bednarz, University of Gdansk, Poland

*Extended Technology Acceptance Model: A Research on PUBG Players*

Kamil Celik, Bartin University, Turkey

*Corporate Social Responsibility Evaluation on Social Media using Machine Learning and Semantic Web*

Liviu-Adrian Cotfas, Bucharest University of Economic Studies, Romania; Mihai Orzan, Bucharest University of Economic Studies, Romania; Camelia Delcea, Bucharest University of Economic Studies, Romania; and Chuanmin Mi, Nanjing University of Aeronautics and Astronautics, China

## TOURISM

**Chair:** Ender Demir

**Room:** Room C1.01

*Financial Securities for Tour Operators in case of Insolvency Resulting from the Directive 2015/2302 of the European Parliament and of the Council which are in Force in the Polish Law*

Katarzyna Marak, Wroclaw University of Economics, Poland

*Online Travel Communities as a Factor of Tourism Destinations Choice: The Evidence from Russia*

Marina Sheresheva, Lomonosov Moscow State University, Russia; Ekaterina Buzulukova, National Research University Higher School of Economics, Russia; and Svetlana Berezka, Lomonosov Moscow State University, Russia

*The Structure of Destination Image and Its Influence on Visiting Intentions*

Carlos Peixeira Marques, UTAD and CETRAD, Portugal

*Communicating Quality Audit Indicators for Inbound Tourism: A Qualitative Insight from Malaysian Travel Agencies*

Mazni Saad, International Islamic University Malaysia, Malaysia; Afiza Mohamad Ali, International Islamic University Malaysia, Malaysia; Zahid Ismail, Malaysia Productivity Corporation, Malaysia; Nor Hafizah Mohd Arop, Malaysia Productivity Corporation, Malaysia; and Noor Zaleha Baharudin, Tourism Productivity Nexus, Malaysia

*Hosts' Support for Tourism Development: The Importance of Affective Reactions*

Ana Paula Rodrigues, University of Trás-os-Montes and Alto Douro, Portugal and Carlos Peixeira Marques, UTAD and CETRAD, Portugal

*Improving Hotel Business Quality through Environmental Performance and Ensuring a Sustainable Future for Romania*

Gina Ionela Butnaru, Alexandru Ioan Cuza University of Iași, Romania and Mirela Ștefănică, Alexandru Ioan Cuza University of Iași, Romania

# ABSTRACT BOOK

THURSDAY, OCTOBER 10 (DAY 1)

REGISTRATION: 08:30-16:00

WELCOME SPEECH: 09:00-09:20

**Room:** Auditório J.J. Laginha

Maria João Cortinhal, Dean, *ISCTE Business School*, Portugal

Mehmet Huseyin Bilgin, Vice President, *EBES & GLO & Istanbul Medeniyet University*, Turkey

DAY 1 - SESSION I: 09:20-11:20

## ACCOUNTING/AUDIT I

**Chair:** Imtiaz Badshah

**Room:** Auditório B203

### IFRS Convergence Moderates Managerial Ownership and Institutional towards Earnings Management on the Indonesia Stock Exchange

Sistya Rachmawati  
Trisakti University, Indonesia

Etty Murwaningsari  
Trisakti University, Indonesia

#### Abstract

This research aims to explore: (1) the effect of institutional and managerial ownership on earnings management; (2) the existence of managerial profit differences before and after IFRS (International Financial Reporting Standards); and (3) IFRS (International Financial Reporting Standards) convergence as a variable moderating the effect of institutional and managerial ownership on earnings management. There are 78 sample companies during the period 2010-2015 for this research which is listed from purposive sampling method. Multiple regression and different test of Wilcoxon signed rank test are used as analytical tool. The results indicate that managerial ownership significantly reduces earnings management. The existence of IFRS convergence is also proven to strengthen the effect of managerial ownership on earnings management. In contrast, institutional ownership cannot significantly affect earnings management. The existence of IFRS convergence cannot significantly strengthen the effect of institutional ownership on managerial earnings. Meanwhile, earnings management before the IFRS convergence are significantly different from the period after the adoption. For the control variables, audit quality has a significant influence on the management of earnings.

**Keywords:** Earnings Management, IFRS (International Financial Reporting Standards) Convergence, Institutional Ownership, Managerial Ownership

this study lies in the relevance of emotions and socially-laden fabric upon children's brand loyalty, which enable the exploration and prediction of children's behavior.

**Keywords:** Marketing to Children, Comparative Study, Anticipating the Future, Ritual, Autobiographical Memory, Brand Loyalty, Artificial Neural Networks

---

## **EMPIRICAL STUDIES ON EMERGING ECONOMIES I**

**Chair:** Ata Assaf

**Room:** Room C2.05

### **Does Domestic Ownership in Government Bonds Crowd-Out Banking Intermediation?**

**Justina Adamanti**  
**Universitas Indonesia, Indonesia**

**Sugiharso Safuan**  
**Universitas Indonesia, Indonesia**

**Zaafri Ananto Husodo**  
**University of Indonesia, Indonesia**

#### **Abstract**

The objective of this study is to analyze the impact of domestic ownership in government bonds on banking intermediation in Indonesia. Like other emerging countries, Indonesia uses government bonds for public financing because of insufficient tax revenues and as an effort to decrease exchange rates risk from external lending. The rapid growth of government bonds owned by domestic investors compared to banking's third-party funds and loans raise concern whether consumers change their funds allocation from invest in banking products, such as savings and time deposits, to government bonds. This concern is supported by the fact of wide interest gap between banking investment products and government bonds, where government bonds give higher returns. Besides, the domestic ownership of government bonds in Indonesia are not dominated by the banking sector, as in other emerging countries in general. Banks only hold around 39%, while non-banks hold around 48% of total government bonds owned by domestic investors over the past five years (from around 51% of total governments bonds, the rest is held by the external investors). This study uses monthly Indonesian banking and financial markets data from December 2007 to December 2018. Banking data used are loans interest rates, third-party funds interest rates, nominal loans, and nominal third-party funds. The financial market data used are nominal tradeable government bonds owned by residents in Rupiah denominations and government bonds yield with five years maturity. The government bonds ownership data is disaggregated into bank and non-bank. The method used is Vector Error Correction Model (VECM) with variables order is government bonds yield, government bonds nominal, third-party funds interest rate, third-party funds nominal, loans interest rate, and loans nominal. As results, we find that domestic ownership on government bonds potentially can crowd-out banking intermediation. When the ownership of government bonds disaggregated into bank and non-bank, we find non-bank ownership in government bonds crowd-out banking intermediation, but bank ownership does not. This difference arises from the fact that banks in Indonesia are not the most prominent investors in government bonds. Moreover, the third-party funds and loans interest rates only follow government bonds yield when increase, but not vice versa.

**Keywords:** Government Bond, Crowding Out, Banking Intermediation

---

## **Cultural Influences on Risk Tolerance. Evidence for Students in Indonesia**

**Sudarso Kaderi Wiryono**  
**Institut Teknologi Bandung (ITB), Indonesia**

**Marla Setiawati**  
**Institut Teknologi Bandung (ITB), Indonesia**

### **Abstract**

This paper will examine the impact of culture on risk tolerance for students in Indonesia. By using surveys that will be completed by the college students, this research expects to find that different tribes give significance on risk tolerant in Indonesia. The research will also go in depth by examining mock portfolio created by respondents and see how significant the result between different tribe of students in Indonesia. The difference will be analyzed as the result on cultural influences of different tribe. Theoretical and practical implications of this research are discussed. Our findings suggest that differences in risk tolerance are at least partially a product of culture which is tribe, but such differences may not always translate into actual investment decisions.

**Keywords:** Risk Tolerant, Cultural Influences

---

## **Asymmetric Impacts of the Geopolitical Risk on the Oil Price Fluctuations**

**Kaya Tokmakcioglu**  
**Istanbul Technical University, Turkey**

**Oguzhan Ozcelebi**  
**Istanbul University, Turkey**

### **Abstract**

This study employs a non-linear VAR model for the post-global financial crisis (GFC) period, whereupon the impacts of the geopolitical risk on oil futures and volatility are discussed for Israel, Russia, Saudi Arabia and Turkey. It is found that an increase in geopolitical risk will lead to an increase in oil futures, whereas the geopolitical risk changes in Israel, Saudi Arabia and Turkey measured by 10 standard deviation shocks have higher impacts than that of Russia. In the case of Israel, it is revealed that the rise in geopolitical risk may lead to a steady upward trend in oil futures by reducing oil price volatility. Our study highlights the role of Israel, Saudi Arabia and Turkey in oil prices, and it is suggested that the geopolitical risks of all countries may have symmetrical effects on oil futures. The impact of country-specific geopolitical risk shocks on oil price volatility can be considered asymmetric, and the responses are size-dependent. Lastly, we also show that the global geopolitical risk benchmark index may have an asymmetric impact on oil price volatility.

**Keywords:** Oil Futures, Oil Price Volatility, Geopolitical Risk, Asymmetry, Censored VAR

---

## **Performance Differentiators in the European Union: Is There a West-East Divide?**

**Alexandra Horobet**  
**The Bucharest University of Economic Studies, Romania**

**Lucian Belascu**  
**"Lucian Blaga" University of Sibiu, Romania**

**Vlad Bulai**  
**The Bucharest University of Economic Studies, Romania**

### **Abstract**

Our paper proposes a new method for analyzing the structure and dynamics of economic activity undertaken by European Union companies, with a focus on the differences in business performance between the older EU member-countries with mature economies and the newer EU-members that are emerging and developing economies. The Eastern part of the EU embraced the principles and values

# Asymmetric Impacts of the Geopolitical Risk on the Oil Price Fluctuations

## Abstract

This study employs a non-linear VAR model for the post-global financial crisis (GFC) period, whereupon the impacts of the geopolitical risk on oil futures and volatility are discussed for Israel, Russia, Saudi Arabia and Turkey. It is found that an increase in geopolitical risk will lead to an increase in oil futures, whereas the geopolitical risk changes in Israel, Saudi Arabia and Turkey measured by 10 standard deviation shocks have higher impacts than that of Russia. In the case of Israel, it is revealed that the rise in geopolitical risk may lead to a steady upward trend in oil futures by reducing oil price volatility. Our study highlights the role of Israel, Saudi Arabia and Turkey in oil prices, and it is suggested that the geopolitical risks of all countries may have symmetrical effects on oil futures. The impact of country-specific geopolitical risk shocks on oil price volatility can be considered asymmetric, and the responses are size-dependent. Lastly, we also show that the global geopolitical risk benchmark index may have an asymmetric impact on oil price volatility.

**Key words:** oil futures, oil price volatility, geopolitical risk, asymmetry, censored VAR

**JEL codes:** F47, F50, G15

## 1. Introduction

When the economic situation of the Middle Eastern countries is considered, it is acknowledged that the oil-exporting countries in the region will be significantly affected by fluctuations in oil prices. The changes in oil prices are closely related to the macroeconomic performance of oil-importing countries, and it can be assumed that the growth rates of developing countries are also changing the oil demand. A significant portion of the studies in the scientific literature examines the relationship between the macroeconomic financial variables and the oil prices (ElFayoumi, 2018; Lorusso and Pieroni, 2018). Additionally, the dynamics of the oil market can also be influenced by supply conditions, and the shocks in oil production have significant impacts globally (Balke and Brown, 2018; Ewing et al., 2018; Gong and Lin, 2018). For instance, a decrease in oil production raises inflation on a worldwide scale via the increase in the production cost. This can be explained by the shift of the Philips curve, which is also due to the geopolitical risks. In this context, it is known that the Arab-Israeli War in 1973 significantly increased oil prices and caused structural breaks in macroeconomic and financial indicators. Therefore, explaining the relationship between geopolitical risks and oil prices will give evidence of the macroeconomic situation.

With the First Gulf War, the importance of the geopolitical risks in the Middle East has re-emerged, and the process has continued with the 9/11 terrorist attacks and with the US invasion of Afghanistan and Iraq. The annexation of Crimea by Russia and the terrorist attacks in various parts of the world, primarily in Paris, caused geopolitical risks to be evaluated within the scope of political science (Bompard et al. 2017; Korotayev et al., 2018). In addition, the Geopolitical Risk index (GPR index) developed by Caldara and Iacoviello (2016) has opened a new dimension in the scientific literature (Antonakakis et al., 2017; Balcilar et al., 2018; Aysan et al., 2018; Cheng and Chiu, 2018; Dong et al., 2018; Labidi et al., 2018). On the other hand, there are differences between the economic impacts triggered by the increase and the decrease in geopolitical risks. More specifically, this situation can be analyzed within the scope of the asymmetry concept. In other words, other macroeconomic variables, especially oil prices, may increase geopolitical risks more rapidly and with severe negative reactions, but the decrease in geopolitical risks may not lead to positive responses to the same degree. This has led to the adaptation of the concept of asymmetry in advanced time series models to explain the long-term relationship between geopolitical risks and oil prices. In this study, the effects of positive and negative changes in geopolitical risk on oil futures and volatility are examined based on the approach developed by Kilian and Vigfusson (2011). However, our study differs from previous studies, which stress the GPR index in general, by examining the effects of the country-specific geopolitical risks on oil prices. More specifically, the effects of the geopolitical risk of non-oil producers and the countries that do not have close relations with the Middle East can be neglected. In this study, we used the country-specific GPR index developed by Caldara and Iacoviello (2016) for Israel, Russia, Saudi Arabia and Turkey to study the asymmetric impacts on the basis of a VAR model with censored variables. Hence, we explore whether changes in the GPR Indices of Israel, Russia, Saudi Arabia and Turkey have had considerable impacts on oil futures and oil price volatility. Secondly, we compare these results with the impacts of the global benchmark index on oil futures and oil price volatility. In doing so, we intend to address the issue of whether geopolitical risk can be an important determinant of oil price fluctuations. Because geopolitical risks also influence long-term expectations and have a considerable impact on future contracts, the main contribution of our study is that we analyze the asymmetric relationship

between the GPR index and the WTI Crude Oil Futures. The GPR index is taken from the study by Caldara and Iacoviello (2016), and WTI crude oil futures and CBOE crude oil ETF volatility data is taken from the statistical database of Thomson Reuters. All series are seasonally adjusted with plausible techniques, and RATS 9.2 routines are used for the empirical exercise.

## 2. Literature Review

In the era of the globalization, the economic policy uncertainty causes significant fluctuations in the macroeconomic situation. One of the important determinants of the economic uncertainty is the political uncertainty which have reached high levels due to the geopolitical risk. In this context, the approach by Azzimonti (2018) differentiated political uncertainty from economic policy uncertainty. One of the main determinants of political uncertainty is the geopolitical risk of the countries, which has significant effects on economic activity. In this context, Cheng and Chiu (2018) estimated the SVAR model for 38 developing countries, assuming that global geopolitical risks have significant effects on business cycles of developing countries. The variables of the SVAR model used in the study are the GPR index, the real output per capita, the real gross investment per capita, the real private consumption per capita, the real exchange rate and the trade balance. The model is enhanced by the terms of trade, the US interest rate spreads, the US EPU index and the US stock market volatility. The authors concluded that the increase in the geopolitical risk leads to significant economic contractions, but according to Cheng and Chiu (2018), global geopolitical risks account for at least 10% of the average weight of the output variation. However, it has been confirmed that geopolitical risks should be assessed in terms of country-specific factors, and they found that each developing country is subject to a considerable geopolitical risk.

Geopolitical risks significantly affect the financial market dynamics as well as business cycles and may have impacts on asset prices, leading to a deterioration in financial stability. In this regard, Balcilar et al. (2018) used the nonparametric causality-in-quantiles tests to analyze the effect of geopolitical uncertainty on return and volatility dynamics in the BRICS stock markets. They confirmed that geopolitical risks can be heterogeneous across the BRICS stock markets. Moreover, it was found that the increase in geopolitical risk in the countries considered, except Russia, does not significantly raise the stock returns, but increases the volatility. While geopolitical risks are determinant of economic uncertainties, the evaluation of other indicators of the economic uncertainty and the time-related effects between macroeconomic and financial variables is another crucial issue. On the basis of this assumption, Labidi et al. (2018) analyzed the cross-quantile dependence between developed and emerging market stock returns with recursive sample estimations. According to their results, there was a heterogeneous quantile relation for the US, UK, German and Japanese stock returns. Moreover, the indicators implying the systematic risk (the US Economic Policy Uncertainty index, the US Equity Market-Related Economic Uncertainty index, the Chicago Board of Exchange Volatility index and the GPR index) did not reveal the cross-country dependence structure. Herein, stock returns are related to macroeconomic variables and economic uncertainties, as well as other financial market dynamics. Considering the phenomenon of global financial development, it is assumed that the stock markets, especially in developing countries, are closely related to oil prices. Antonakakis et al. (2017) developed this approach and assumed that the relationship between the stock and the oil market depends on geopolitical risk. In their study, the relationship between the Standard & Poors (S&P) 500 stock index and the WTI oil index real returns was analyzed using the VAR-BEKK-GARCH model. Taking into consideration the time-varying stock-oil covariance, their returns and their variances, they found that geopolitical risk leads to a negative effect on oil returns and volatility. Moreover, Antonakakis et al. (2017) stressed that the relationship between these two markets weakened. In a similar approach, Dong et al. (2018) confirmed that there exists a long-term relationship between crude oil, global economic activity and geopolitical risk by using co-integration analysis.

Although the effect of the increase and decrease in oil prices on macroeconomic and financial variables cannot have the same magnitude, macroeconomic and financial developments may not have symmetrical effects on oil prices. In this context, the role of asymmetry in explaining the interaction between the oil prices and macroeconomic financial variables is increasing in importance in the scientific literature (Karaki, 2017; Apergis and Vouzavalis, 2018; Kang et al., 2018). However, some recent studies have examined oil price uncertainty (Wang et al., 2017; Dutta et al., 2017; Phan et al., 2018; Xiao et al., 2018), as oil market dynamics show considerable uncertainties due to various factors. In terms of oil price dynamics, it can be argued that the interplay between the economic indicators of the Middle East and oil price uncertainty may even be higher. In this context, Dutta et al. (2017) studied the impacts of oil market uncertainty indicated by the implied crude oil volatility index (OVX) on the realized volatility of Middle East and African stock markets. By using a GARCH-type model, they found that oil market uncertainty has considerable effects on the realized volatility. Moreover, the GARCH-jump model



revealed that stock returns are generally sensitive to the fluctuations in the OVX, which highlights the time-varying impacts on the stock returns. On the other hand, Xiao et al. (2018) employed quantile regression analysis to study the effects of crude oil volatility on the Chinese aggregate and sectoral stock returns. They decomposed the OVX according to the positive and negative sums, whereupon Xiao et al. (2018) found that the OVX changes mainly show significantly negative effects on the aggregate and sectoral stock returns in the bearish market. More specifically, they implied the role of the asymmetric effects by showing that the positive shocks of the OVX are more dominant than that of the negative shocks.

In this study, we assume that geopolitical risk is the major driving force of the dynamics of long-term oil prices and oil price volatility. More specifically, we analyze the impacts of the benchmark GPR index and the GPR indices of Israel, Russia, Saudi Arabia and Turkey on crude oil futures and crude oil volatility, incorporating the role of asymmetric impacts in the estimation process of the VAR model with censored variables similar to Kilian and Vigfusson (2011). We employ a censored VAR model to take the advantage of impulse response tools and to detect the influences of the GPR index on positive and negative changes in the crude oil futures and the crude oil volatility in the following periods. In this respect, the censored variables approach allows us to capture the positive changes in the GPR index, while the negative changes are assumed to be zero. We follow the empirical methodology of Kilian and Vigfusson (2011) and apply Mork and Wald's slope-based tests to determine whether there are considerable differences in the impulse responses due to positive and negative shocks. Our empirical exercise covers the period after the 2008-2009 GFC and differs from the work of Antonakakis et al. (2017) and Dutta et al. (2017), who used GARCH modelling, because our primary concern is to detect asymmetry via slope-based tests.

### 3. Methodology of analysis

In this study, we employ VAR modelling in line with Kilian and Vigfusson (2011) to clarify the asymmetric relationship between the effects of positive and negative changes in the geopolitical risk and the oil futures and the volatility. As for the empirical exercise, the global benchmark GPR index ( $gpr_t^{glb}$ ) and the GPR indices of Israel, Russia, Saudi Arabia and Turkey ( $gpr_t^{il}$ ,  $gpr_t^{ru}$ ,  $gpr_t^{sa}$ ,  $gpr_t^{tr}$ ), the crude oil volatility index ( $ovx_t$ ), the crude oil futures ( $ofu_t$ ) are used, respectively. All the variables are (2010=100) and they are in logarithms. Thus, we employ censored VAR modeling frameworks for the period from 2010:01 to 2018:08, whereupon impulse response functions and slope-based tests are conducted. Our sample falls into the period after the GFC where expansionary monetary policies are implemented by major central banks. Accordingly, a period in which the effects of geopolitical risks on financial markets and oil prices can be dominant is discussed when the annexation of Crimea by Russia and the terrorist attacks in various parts of the world are considered.

More specifically, we follow the Kilian and Vigfusson (2011) approach which departs from the linear and symmetric and asymmetric data generating processes. Censored variable VAR model constitutes a base for the estimation of the VAR model's impulse response functions.<sup>1</sup> The asymmetric VAR model can be defined as below;

$$x_t = b_{10} + \sum_{i=1}^p b_{11,i} x_{t-i} + \sum_{i=1}^p b_{12,i} y_{t-i} + \varepsilon_{1,t} \quad (1)$$

$$y_t = b_{20} + \sum_{i=1}^r b_{21,i} x_{t-i} + \sum_{i=1}^r b_{22,i} y_{t-i} + \sum_{i=1}^r g_{21,i} x_{t-i}^+ + \varepsilon_{1,t} \quad (2)$$

The equation (1) is a linear VAR model analyzing the impacts of  $x_t$  on  $y_t$ , whereas the equation (2) takes both the effects of  $x_t$  and  $x_t^+$  on  $y_t$  into account. Thus, the dynamic responses of  $y_t$  to positive and negative changes in  $x_t$  can be estimated. In this context, a set of equations incorporating both censored variables and nonlinear VAR model can be expressed as below;

$$s_t = b_{10} + \sum_{k=1}^p b_{11,k} s_{t-k} + \sum_{k=1}^p b_{12,k} \lambda_{t-k} + \varepsilon_{1,t} \quad (3)$$

$$\lambda_t = b_{20} + \sum_{k=1}^p b_{21,k} s_{t-k} + \sum_{k=1}^p b_{22,k} \lambda_{t-k} + \sum_{k=1}^p g_{21,k} s_{t-k}^+ + \varepsilon_{2,t} \quad (4)$$

where  $p$  is the lag order of the VAR model and  $s_t$  refers to the variable whose possible

<sup>1</sup> The data generation process of  $x_t$  can both be accepted as symmetric and asymmetric in terms of the regression model;  $x_t = \alpha_1 + \varepsilon_{1,t}$ . In this respect, the substitution of negative values of  $x_t$  with zero generates a censored

variable  $x_t^+$ . The censored variable can be written as;  $x_t^+ = \begin{cases} x_t & x_t > 0 \\ 0 & x_t \leq 0 \end{cases}$

asymmetric impacts is explored.  $\lambda_t$  vector includes variables that can be under the influence of  $s_t$ . Equation (3) corresponds to a linear symmetric model with  $s_t$ , while equation (2) contains both  $s_t$  and censored variable of  $s_t^+$ . The  $s_t^+$  signifies the positive changes and it can be assumed that;  $s_t^+ = \begin{cases} s_t & s_t > 0 \\ 0 & s_t \leq 0 \end{cases}$ . In this context,  $b_{10}$  and  $b_{20}$  in (1) and (2) correspond to the vector of intercept and dummy variables, respectively. The coefficients of the changes in  $s_t$  are included in  $b_{12}$  and  $b_{22}$  vectors.  $g_{21}$  comprises the vector of the coefficient of the censored variable and finally,  $\varepsilon_{1,t}$  and  $\varepsilon_{2,t}$  refer to the residual vectors of (3) and (4). In this respect, we follow a similar approach to Ülke and Berument (2016); however,  $\lambda_t$  does not contain more than 2 variables. 4 VAR models are estimated and each bivariate VAR model can be represented as  $(gpr_t^{country,+}, ofu_t)'$   $(gpr_t^{country,+}, ovx_t)'$   $(gpr_t^{country,-}, ofu_t)'$   $(gpr_t^{country,-}, ovx_t)'$ , respectively. Therefore,  $gpr_t^{country,+}$  and  $gpr_t^{glb,+}$  are derived by negative values to zero. More specifically, it is assumed that only increases affect the other variable of the model via censored variables approach. Finally, the VAR models are specified according to the unit-root test results of  $gpr_t^{glb}$ ,  $gpr_t^{il}$ ,  $gpr_t^{ru}$ ,  $gpr_t^{sa}$ ,  $gpr_t^{tr}$ ,  $ovx_t$  and  $ofu_t$ .

## 4. Empirical Data and Results

### 4.1. Empirical Data

In order to determine the appropriate unit root properties, the Lumsdaine-Papell unit root test allowing multiple structural breaks is implemented. Table 1 indicates the unit root properties of the series and the break dates that each variable may have. Furthermore, the Zivot-Andrews and Lee-Strazicich unit root tests with multiple break tests are in line with the Lumsdaine-Papell unit root test for the model variables.

**Table 1: Lumsdaine-Papell Unit Root Test Results**

| Variables                                                                                                                                      | Test statistic | Number of lagged differences by Akaike Information Criterion | Suggested break date |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------|----------------------|
| $ovx_t$                                                                                                                                        | -6.5635        | 2                                                            | 2011:07, 2014:09     |
| $\Delta ovx_t$                                                                                                                                 | -10.4106       | 0                                                            | 2011:10, 2016:02     |
| $ofu_t$                                                                                                                                        | -4.9339        | 1                                                            | 2012:04, 2014:09     |
| $\Delta ofu_t$                                                                                                                                 | -9.2868        | 0                                                            | 2014:06, 2016:01     |
| $gpr_t^{glb}$                                                                                                                                  | -5.3392        | 0                                                            | 2014:02, 2017:03     |
| $\Delta gpr_t^{glb}$                                                                                                                           | -9.0091        | 2                                                            | 2014:09, 2016:01     |
| $gpr_t^{il}$                                                                                                                                   | -8.9044        | 0                                                            | 2013:09, 2015:11     |
| $\Delta gpr_t^{il}$                                                                                                                            | -7.6211        | 4                                                            | 2014:05, 2017:03     |
| $gpr_t^{ru}$                                                                                                                                   | -5.6696        | 2                                                            | 2011:11, 2014:02     |
| $\Delta gpr_t^{ru}$                                                                                                                            | -11.0232       | 1                                                            | 2013:02, 2014:05     |
| $gpr_t^{sa}$                                                                                                                                   | -4.1660        | 2                                                            | 2016:01, 2017:06     |
| $\Delta gpr_t^{sa}$                                                                                                                            | -10.9588       | 1                                                            | 2013:01, 2014:05     |
| $gpr_t^{tr}$                                                                                                                                   | -5.2506        | 1                                                            | 2013:09, 2017:01     |
| $\Delta gpr_t^{tr}$                                                                                                                            | -8.8086        | 2                                                            | 2014:05, 2016:06     |
| According to 1%, 5%, 10% significance level, the critical values of the Lumsdaine-Papell unit root test are -6.74, -6.16, -5.89, respectively. |                |                                                              |                      |

Nevertheless, no cointegration relationship is found for all cases based on the vector specifications as;  $(gpr_t^{glb}, ofu_t)'$ ,  $(gpr_t^{glb}, ovx_t)'$ ,  $(gpr_t^{country}, ofu_t)'$  and  $(gpr_t^{country}, ovx_t)'$  with the help of at least one of the cointegration tests in the literature. The Lumsdaine-Papell unit root tests indicates that each variable may have different structural breakdown data from the other; in this regard, Bai-Perron tests have also confirmed that there can be multiple and different structural breaks for the model variables. Therefore, we do not divide the full-sample into particular sub-samples, and VAR models with censored variables for each country are estimated on the full sample. According to the Lumsdaine-Papell unit root test results, the variables included in the empirical exercise are the percentage change in the global benchmark GPR index  $\Delta gpr_t^{glb}$  and the percentage changes in GPR indices of Israel, Russia, Saudi Arabia and Turkey ( $\Delta gpr_t^{il}$ ,  $\Delta gpr_t^{ru}$ ,  $\Delta gpr_t^{sa}$ ,  $\Delta gpr_t^{tr}$ ), the percentage change in the crude oil volatility index ( $\Delta ovx_t$ ), the percentage change in the crude oil futures ( $\Delta ofu_t$ ). Thus, the censored variables approach of Kilian and Vigfusson (2011) are implemented in this respect.

## 4.2. Empirical Results

Changes in geopolitical risk closely affect investor behavior, and financial asset prices show significant variations due to increased geopolitical risk. In the context of financial market fluctuations, oil is accepted as the most rapidly responding commodity to short- and long-term geopolitical risks. Additionally, it can be argued that the effects of geopolitical risks on financial asset prices will not be the same. In other words, it can be suggested that the rise in geopolitical risks for the Middle Eastern countries will have more serious effects on oil prices given the dynamics of the world economy. The effects of changes in geopolitical risks are assumed to be asymmetrical, and the increase/decrease in geopolitical risk may not have the same magnitude.

In accordance with Kilian and Vigfusson's (2011) approach, we estimate a VAR model with censored variables, and the presence of asymmetric effects is also examined with Mork and Wald's slope-based tests. Accordingly,  $p$ -values of both tests show that the country-specific and GPR indices do not have asymmetric effects on oil prices. However, the Mork and Wald tests have produced opposite results in terms of the effects of the global benchmark GPR index on the oil price volatilities. According to the 10% significance level, the impact of the global benchmark GPR index on oil price volatilities can be considered asymmetric, while the Wald test points out that the effect could be symmetric. Slope-based tests can be used to measure the possible asymmetric effects of one variable on another variable and cannot be regarded as a determinant factor on the direction and magnitude of the relationship.

**Table 2: Slope-based test results**

|                             | Mork test |            | Wald test |            |
|-----------------------------|-----------|------------|-----------|------------|
| Shock: $\Delta gpr_t^{il}$  | F-test    | $p$ -value | F-test    | $p$ -value |
| Response: $\Delta ofu_t$    | 1.17487   | 0.31954555 | 0.01584   | 0.99990874 |
| Response: $\Delta ovx_t$    | 0.38687   | 0.81819898 | 0.00223   | 0.99999930 |
| Shock: $\Delta gpr_t^{ru}$  | F-test    | $p$ -value | F-test    | $p$ -value |
| Response: $\Delta ofu_t$    | 0.18983   | 0.94381514 | 0.00437   | 0.99999627 |
| Response: $\Delta ovx_t$    | 0.69906   | 0.59248181 | 0.00478   | 0.99999533 |
| Shock: $\Delta gpr_t^{sa}$  | F-test    | $p$ -value | F-test    | $p$ -value |
| Response: $\Delta ofu_t$    | 0.48125   | 0.74955387 | 0.00762   | 0.99998514 |
| Response: $\Delta ovx_t$    | 0.79636   | 0.52728367 | 0.00435   | 0.99999633 |
| Shock: $\Delta gpr_t^{tr}$  | F-test    | $p$ -value | F-test    | $p$ -value |
| Response: $\Delta ofu_t$    | 0.23375   | 0.91948665 | 0.00992   | 0.99997136 |
| Response: $\Delta ovx_t$    | 0.14081   | 0.96705993 | 0.00316   | 0.99999833 |
| Shock: $\Delta gpr_t^{glb}$ | F-test    | $p$ -value | F-test    | $p$ -value |
| Response: $\Delta ofu_t$    | 2.07804   | 0.08078978 | 0.03825   | 0.99920540 |
| Response: $\Delta ovx_t$    | 3.70321   | 0.00510552 | 0.02269   | 0.99977866 |

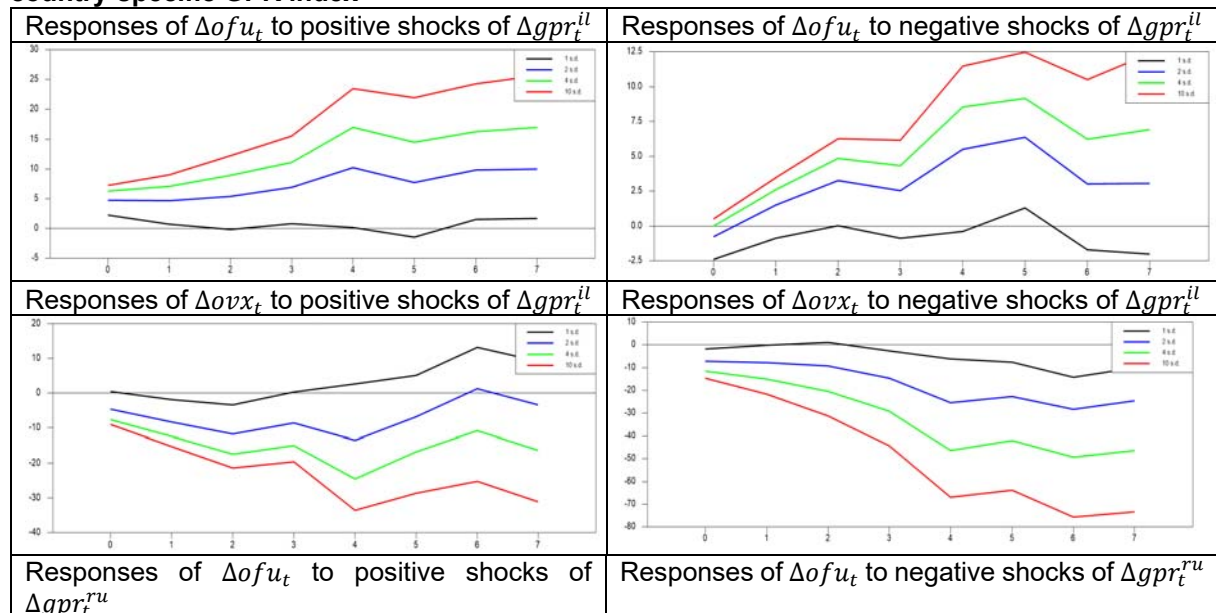
In this study, we examine whether the effects of the country-specific and global GPR indices on oil prices could be symmetrical by impulse-response functions, parallel to Kilian and Vigfusson (2011). In this respect, the censored variables approach is used to investigate the effects of positive/negative geopolitical risk shocks on oil futures, and it is found that the rise in geopolitical risks in Russia, Saudi Arabia and Turkey led to an increase in oil prices in the long term. These findings can be interpreted as potential risks associated with Turkey's and Russia's involvement in the Syrian civil war, which may have considerable impacts on oil prices. In addition, it can be claimed that the risks for Russia in terms of its own geography may increase oil prices. In this context, it can be inferred that Russia's relations with Ukraine and possible terrorist acts may have a boosting effect on oil prices. The political turmoil in Saudi Arabia, the Yemeni-Saudi relations and the murder of journalist Jamal Khashoggi have made the kingdom an important country in terms of financial markets. Our findings suggest that the rise in the geopolitical risk of Saudi Arabia may raise the oil prices in the long run. In our study, the effects of the increase in the geopolitical risk of Israel, which has been experiencing serious problems with its neighbors since its foundation, were also examined. In line with the work of Kilian and Vigfusson (2011), 1, 2, 4 and 10 standard deviation positive shocks led to an increase in oil futures. On the other hand, when the responses of the oil futures to the 10 standard deviation positive country-specific geopolitical risk shocks are evaluated with respect to the magnitude of the coefficients, it has been revealed that the increase in geopolitical risks of Russia would be less impactful than the other countries. Therefore, it can be said that the impacts of the factors increasing geopolitical risk in Israel, Saudi Arabia and Turkey on the news effect in the oil market are higher than that of Russia. These findings confirm that the

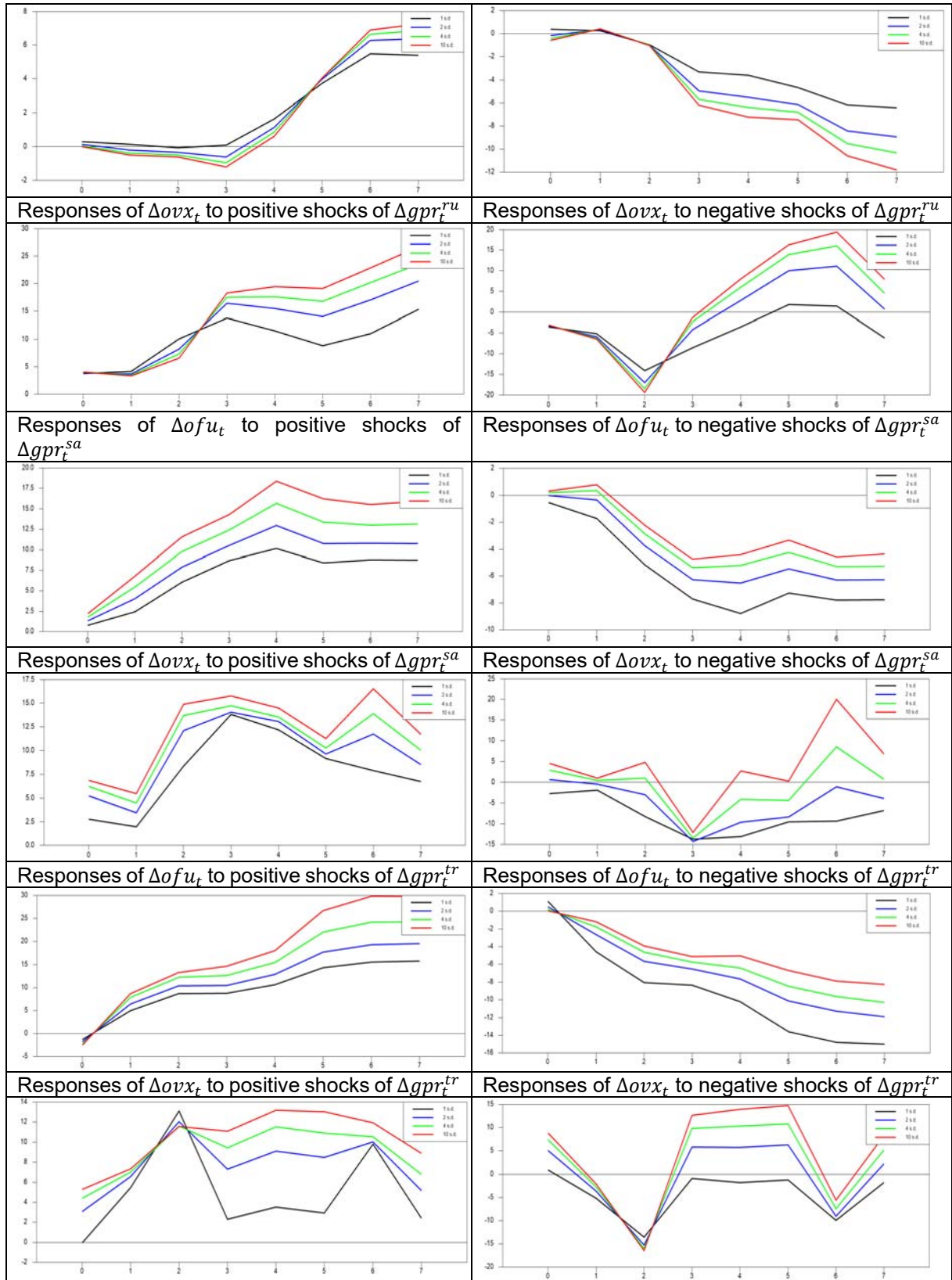
geopolitical risks in the Middle East can be acknowledged as the major driving force for the rise in oil prices.

The  $p$ -values of the slope-based Mork and Wald statistics indicate that the effects of the GPR index shocks for all countries are not asymmetrical; in other words, they can be regarded as symmetrical. In addition to this, the existence of asymmetry via the coefficients of the responses of oil futures to the negative country-specific geopolitical risk shocks was also examined. Accordingly, it was detected that the 1, 2, 4 and 10 standard deviation negative shocks in Russia, Saudi Arabia and Turkey's GPR indices led to a downtrend in oil futures for the following periods. When the direction of impulse-response functions on oil futures is considered to determine whether the shocks in the country-specific GPR indices create asymmetric effects on oil futures, positive/negative shocks will lead to an increase/decrease in oil prices, in line with theoretical expectations. In this context, it can be suggested that the geopolitical risk shocks in Russia, Saudi Arabia and Turkey can be symmetrical. The analysis upon impulse-response functions indicates that the geopolitical risk shocks in Israel may be asymmetrical. As a result of the 2, 4 and 10 standard deviation positive negative shocks, it was found that oil prices would increase in contrast to the theoretical expectations. On the contrary, due to the 1 standard deviation positive/negative shocks, it can be claimed that the effects of Israel's country-specific geopolitical risk may be symmetrical. However, asymmetric characteristics of 2, 4 and 10 standard deviation shocks in Israel have not generated robust results concerning the symmetrical relationship. Thus, our findings indicated that Russia, Saudi Arabia and Turkey can be more crucial actors in the oil market compared to Israel, when their large population and economy are taken into consideration.

In our study, the country-specific GPR indices are also examined, and it was found that the 1, 2, 4 and 10 standard deviation positive shocks in the indices of Russia, Saudi Arabia and Turkey would increase oil price volatility. When considered together with the responses of oil futures, the increase of geopolitical risk in Russia, Saudi Arabia and Turkey would generate a volatile uptrend in oil prices. More specifically, it can be claimed that some investors may realize their profits in terms of oil futures due to the increasing geopolitical risks and rising oil prices. On the other hand, as a result of country-specific negative geopolitical risk shocks, it was revealed that the crude oil volatility index did not exhibit a significant trend for the cases of Russia, Saudi Arabia and Turkey. The 1, 2, 4 and 10 standard deviation negative GPR index shocks in Russia, Saudi Arabia and Turkey indicate a downtrend, where the oil price volatility does not reach high levels. We also found that the 1 standard deviation of positive/negative shocks in Israel's geopolitical risk would increase/decrease the oil price volatility in the upcoming periods. However, the result – that the 2, 4 and 10 standard deviation positive/negative shocks in the GPR index of Israel would reduce crude oil volatility index – can be interpreted as showing that Israel's geopolitical risk may be asymmetrical. Nevertheless, the Mork and Wald tests for Israel have not confirmed the existence of any asymmetric relationship. The empirical findings of our study emphasize that the weights of the geopolitical risks of Russia, Saudi Arabia and Turkey in oil futures and the crude oil volatility index are higher than those of Israel.

**Figure 1: Responses of oil futures and oil price volatility to positive and negative shocks of country-specific GPR index**

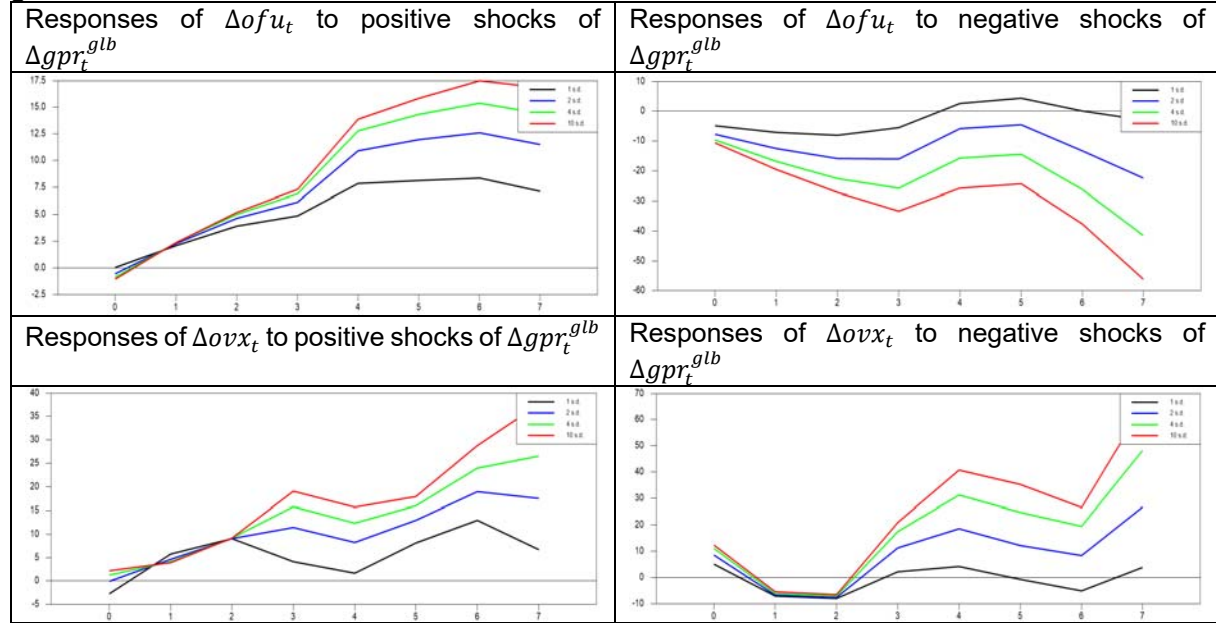




In addition to the country-specific GPR indices, the global benchmark GPR index may also have a considerable impact on oil prices. The effects of the global benchmark GPR index should also be taken into account, especially considering the terrorist acts around the world. Accordingly, the finding that the increases in global geopolitical risk will raise oil prices and the impulse-response analysis revealed that the effect of the global geopolitical risk on oil prices may be asymmetrical. Additionally, it

was suggested that the changes in global geopolitical risk could cause fluctuations in oil prices. In terms of the impulse-response functions estimated in our study, we can infer whether there are asymmetric effects. This phenomenon was strengthened by the help of slope-based tests, shown in Table 2. Considering the Mork test, it can be said that the shocks in the global benchmark GPR index will have asymmetric effects on oil futures and oil price volatility at a 10% significance level. However, the Wald test revealed that those relationships may be symmetrical. Considering the impulse-response functions, it can be claimed that the impact of the shocks in the global benchmark GPR index on the oil futures may be symmetrical, while the effect on the oil price volatility may be asymmetric.

**Figure 2: Responses of oil futures and oil price volatility to positive and negative shocks of global benchmark GPR index**



## 5. Conclusion

It is acknowledged that the increase in geopolitical risk may create significant changes in oil prices over the short- and long-term. However, it can be assumed that the increase in the geopolitical risk of some countries will have a higher impact on oil prices compared to other countries. In this study, the asymmetric impacts of the country-specific geopolitical risks, which are related to the countries that have close relationships with the Middle East, on oil futures and oil price volatility, were examined with the help of slope-based tests and impulse-response functions. In this context, Israel, Russia, Saudi Arabia and Turkey were accepted as crucial countries in terms of oil prices. According to the slope-based tests, it was implied that the changes in the geopolitical risk of those countries could not have asymmetric effects on oil futures and oil price volatility.

However, due to the importance of time-specific characteristics of the asymmetric effects, the impacts of the country-specific positive and negative geopolitical risk shocks were investigated separately. As a result of the positive country-specific geopolitical risk shocks, the responses of the oil futures in Israel, Saudi Arabia and Turkey suggested that the rise in geopolitical risk could lead to an uptrend in oil prices in the long run. Similar findings were obtained for Russia, and the impact of the factors on the oil futures in Israel, Saudi Arabia and Turkey increasing the geopolitical risk was found to be higher than that of Russia. In line with the theoretical expectations, it was detected that the increase in the country-specific risk would raise the oil price volatility in Russia, Saudi Arabia and Turkey, and thus, it can be suggested that the increase in the country-specific risk for those countries may cause an uptrend, which also contains falls in oil prices. When the impulse-response functions were examined, it was seen that the rise in the geopolitical risk in Israel has led to a consistent uptrend in oil prices, where oil price volatility was decreasing. Therefore, we emphasize the importance of the factors for the Middle Eastern countries, which may increase the geopolitical risks associated with Israel. In this context, it is generally acknowledged that solving the problems originating from the West Bank and the Gaza Strip by peaceful means will decrease geopolitical risks; however, the impulse-response functions highlight the fact that decreasing the geopolitical risk does not lower oil prices. According to our results, it can be claimed that the decrease in the geopolitical risk of Israel will have asymmetric impacts on oil prices.



However, we also found that negative geopolitical risk shocks in Russia, Saudi Arabia and Turkey lower oil futures, and according to the slope-based test results, it can be suggested that there exist symmetrical effects of the geopolitical risk on the oil prices for those countries.

In our study, it was also found that the country-specific positive geopolitical risk shocks would increase the oil price volatility. This finding is in line with the theoretical expectations, and it was confirmed that the decrease in the country-specific geopolitical risk would not lower the oil price volatility for Israel, Russia, Saudi Arabia and Turkey. Therefore, we showed that the impact of the country-specific geopolitical risk shocks on oil price volatility may be asymmetric based on the impulse-response functions. The impact of the country-specific GPR index on oil price volatility may be considered sticky, and the Mork slope-based test revealed that the effect of the global GPR index on oil futures and oil price volatility may be asymmetric. This finding was verified by the impulse-response analysis, and it was determined that the positive and negative shocks in the global GPR index would not oppositely affect oil price volatility. However, in accordance with the theoretical expectations, the effects of the shocks in the global GPR index on oil futures could be accepted as symmetrical by taking the coefficients of the impulse-response functions into account.

## References

- Antonakakis, N., Gupta, R., Kollias, C., Papadamou, S. (2017). Geopolitical risks and the oil-stock nexus over 1899–2016. *Finance Research Letters*, 23, 165–173, <http://dx.doi.org/10.1016/j.frl.2017.07.017>
- Apergis, N., Vouzavalis, G. (2018). Asymmetric pass through of oil prices to gasoline prices: Evidence from a new country sample. *Energy Policy*, 114, 519–528, <https://doi.org/10.1016/j.enpol.2017.12.046>
- Aysan, A. F., Demir, E., Gozgor, G., Lau, C. K. M. (2018). Effects of the geopolitical risks on Bitcoin returns and volatility. *Research in International Business and Finance*, <https://doi.org/10.1016/j.ribaf.2018.09.011>
- Azzimonti, M. (2018). Partisan conflict and private investment. *Journal of Monetary Economics*, 93, 114–131, <https://doi.org/10.1016/j.jmoneco.2017.10.007>
- Balcilar, M., Bonato, M., Demirer, R., Gupta, R. (2018). Geopolitical risks and stock market dynamics of the BRICS. *Economic Systems*, 42, 295–306, <https://doi.org/10.1016/j.ecosys.2017.05.008>
- Balke, N. S., Brown, S. P. A. (2018). Oil supply shocks and the U.S. economy: An estimated DSGE model. *Energy Policy*, 116, 357–372, <https://doi.org/10.1016/j.enpol.2018.02.027>
- Bompard, E., Carpignano, A., Erriquez, M., Grosso, D., Pession, M., Profumo, F. (2017). National energy security assessment in a geopolitical perspective. *Energy*, 130, 144–154, <http://dx.doi.org/10.1016/j.energy.2017.04.108>
- Caldara, D., Iacoviello, M. (2016). *Measuring Geopolitical Risk*. Mimeo, Board of Governors of the Federal Reserve Board Working Paper.
- Cheng, C. H. J., Chiu, C. W. (2018). How important are global geopolitical risks to emerging countries?. *International Economics*, <https://doi.org/10.1016/j.inteco.2018.05.002>
- Dong, M., Chang, C. P., Gong, Q., Chu, Y. (2018). Revisiting global economic activity and crude oil prices: A wavelet analysis. *Economic Modelling*, <https://doi.org/10.1016/j.econmod.2018.08.012>
- Dutta, A., Nikkinen, J., Rothovius, T. (2017). Impact of oil price uncertainty on Middle East and African stock markets. *Energy*, 123, 189–197, <http://dx.doi.org/10.1016/j.energy.2017.01.126>
- ElFayoumi, H. (2018). The balance sheet effects of oil market shocks: An industry level analysis. *Journal of Banking and Finance*, 95, 112–127, <https://doi.org/10.1016/j.jbankfin.2017.12.011>
- Ewing, B. T., Kang, W., Ratti, R. A. (2018). The dynamic effects of oil supply shocks on the US stock market returns of upstream oil and gas companies. *Energy Economics*, 72, 505–516, <https://doi.org/10.1016/j.eneco.2018.05.001>
- Gong, X., Lin, B. (2018). Time-varying effects of oil supply and demand shocks on China's macro-economy. *Energy*, 149, 424–437, <https://doi.org/10.1016/j.energy.2018.02.035>
- Kang, W., Gracia, F. P., Ratti, R. A. (2018). The asymmetric response of gasoline prices to oil price shocks and policy uncertainty. *Energy Economics*, <https://doi.org/10.1016/j.eneco.2018.09.007>
- Karaki, M. B. (2017). Nonlinearities in the response of real GDP to oil price shocks. *Economic Letters*, 161, 146–148, <https://doi.org/10.1016/j.econlet.2017.09.034>
- Kilian, L., Vigfusson, R. J. (2011). Are the responses of the U.S. economy asymmetric in energy price increases and decreases?. *Quantitative Economics*, 2, 419–453, <https://doi.org/10.3982/QE99>
- Korotayev, A., Bilyuga, S., Belalov, I., Goldstone, J. (2018). Oil prices, socio-political destabilization risks, and future energy technologies. *Technological Forecasting & Social Change*, 128, 304–310, <http://dx.doi.org/10.1016/j.techfore.2017.06.004>

- Labidi, C., Rahman, M. L., Hedström, A., Uddin, G. S., Bekiros, S. (2018). Quantile dependence between developed and emerging stock markets aftermath of the global financial crisis. *International Review of Financial Analysis*, 59, 179–211, <https://doi.org/10.1016/j.irfa.2018.08.005>
- Lorusso, M., Pieroni, L. (2018). Causes and consequences of oil price shocks on the UK economy. *Economic Modelling*, 72, 223–236, <https://doi.org/10.1016/j.econmod.2018.01.018>
- Phan, D. H. B., Tran, V. T., Nguyen, D. T. (2018). Crude oil price uncertainty and corporate investment: New global evidence. *Energy Economics*, <https://doi.org/10.1016/j.eneco.2018.08.016>
- Wang, Y., Xiang, E., Cheung, A., Ruan, W., Hu, W. (2017). International oil price uncertainty and corporate investment: Evidence from China's emerging and transition economy. *Energy Economics*, 61, 330–339, <http://dx.doi.org/10.1016/j.eneco.2016.11.024>
- Xiao, J., Zhou, M., Wen, F., Wen, F. (2018). Asymmetric impacts of oil price uncertainty on Chinese stock returns under different market conditions: Evidence from oil volatility index. *Energy Economics*, 74, 777–786, <https://doi.org/10.1016/j.eneco.2018.07.026>