ASERS

Theoretical and Practical Research in Economic Fields

Biannually
Volume I
Issue 1(1)
Summer 2010

ISSN 2068 – 7710

Summer 2010
Volume I, Issue 1(1)

ASERS Publishing
http://www.asers.eu/asers-publishing
ISSN 2068 – 7710

Contents:

Call for Papers
Winter_Issue 2010

Theoretical and Practical Research in Economic Fields

Many economists today are concerned by the proliferation of journals and the concomitant labyrinth of research to be conquered in order to reach the specific information they require. To combat this tendency, **Theoretical and Practical Research in Economic Fields** has been conceived and designed outside the realm of the traditional economics journal. It consists of concise communications that provide a means of rapid and efficient dissemination of new results, models and methods in all fields of economic research.

Theoretical and Practical Research in Economic Fields publishes original articles in all branches of economics – theoretical and empirical, abstract and applied, providing wide-ranging coverage across the subject area.

Journal promotes research that aim at the unification of the theoretical-quantitative and the empirical-quantitative approach to economic problems and that are penetrated by constructive and rigorous thinking. It explores a unique range of topics from the frontier of theoretical developments in many new and important areas, to research on current and applied economic problems, to methodologically innovative, theoretical and applied studies in economics. The interaction between empirical work and economic policy is an important feature of the journal.

Theoretical and Practical Research in Economic Fields, starting with its first issue, will be indexed in CEEOL and very soon in IndexCopernicus and EBSCO databases.

The primary aim of the Journal has been and remains the provision of a forum for the dissemination of a variety of international issues, empirical research and other matters of interest to researchers and practitioners in a diversity of subject areas linked to the broad theme of economic sciences.

All the papers will be first considered by the Editors for general relevance, originality and significance. If accepted for review, papers will then be subject to double blind peer review.

Invited manuscripts will be due till September 25st, 2010, and shall go through the usual, albeit somewhat expedited, refereeing process.

Deadline for submission of proposals:	25st September 2010
Expected Publication Date:	15th December 2010
Web:	www.asers.eu/journals/tpref/
E-mail:	tpref@asers.eu

To prepare your paper for submission, please see full author guidelines in the following file: TPREF_Full_Paper_Template.doc, then send it via email at tpref@asers.eu.

THE NEXUS BETWEEN REGIONAL GROWTH AND TECHNOLOGY ADOPTION: A CASE FOR CLUB-CONVERGENCE?

Stilianos ALEXIADIS
University of Piraeus*, **Greece**
Department of Economics
salexiadis7@aim.com

Abstract

Although the importance of technology adoption has been acknowledged, nevertheless, at a more general level, a critical question arises: what is the implication of a 'low' or a 'high' adoptive ability for regional convergence? A model is developed in which the pattern of convergence is attributed to the rate of technological adoption across regions. According this model convergence towards leading regions is feasible only for regions with a sufficient ability to adopt technology. A scheme of measurement is developed to calibrate this argument and data for the EU27 NUTS-2 regions for period 1995-2006 are used to develop an empirical analysis of the processes and conditions that have been hypothesised as generating differential regional economic change. The results suggest that adoption of technology has a significant effect on regional growth patterns in Europe, and hence the analysis has important implications for the direction of regional policy in Europe.

Keywords: convergence-club, technology adoption, European regions

JEL Classifications: O18, R11

1. Introduction

The debate on regional convergence has bred, and continues to do so, dozens of empirical studies (e.g. Button, and Pentecost 1995; Neven, and Gouyette 1995; Martin 2001). In this fast growing literature technological progress has been acknowledged to be of critical importance in promoting regional convergence. Nevertheless, the impact of the adoption of technology has received less attention. Indeed, Bernard and Jones (1996) claim that empirical studies on convergence have over-emphasised the role of capital accumulation in generating convergence at the expense of the diffusion of technology. It is the intention of this paper to develop and apply a model that incorporates technology adoption in an extensive regional context, namely that of the NUTS-2 regions of the EU. Divided into five sections, the theoretical framework upon which the empirical analysis will be conducted is articulated in Section 2. Data related issues are overviewed in Section 3, and the models are submitted to the usual econometric test yielding the main findings in Section 4. In the concluding section we offer a possible explanation for the results we obtain and suggest that might afford an interesting policy conclusion.

2. Regional Convergence and Technology Adoption

In the neoclassical model, a factor that promotes, and accelerates, regional convergence is the process of technology diffusion; a process that occurs instantly across regions. However, several criticisms have been raised against the conclusions, which this model yields, because of various simplifying assumptions underlying the results. To be more concrete, when the neoclassical model is applied to a system of regional economies, (exogenous) technology is assumed to be a public good characterised by two features, namely non-rivalry in consumption and non-excludability. Under the assumption of perfect competition it may be argued that technology has such characteristics and is, as Borts and Stein (1964) argue 'available to all' (p.8). A process of technology adoption, however, is not a simple and automatic process. Instead, it requires[1] that lagging economies should have the appropriate infrastructure or conditions to absorb technological innovations. If infrastructure conditions are not 'sufficiently developed' then it cannot be presumed that there is an 'advantage of backwardness' associated with a high technological gap[2].

Based on this argument a model, alternative to the neoclassical, is developed in this paper. The model considers a system of a large number n of *interrelated* regions, indexed by $i = 1, \dots, n$. In such a framework, a distinction must be made between two sources of technological change. The first is a process of intentional creation of technology; an autonomous process that takes place exclusively within the 'borders' of a region. As

* The author is grateful to Mrs Judith Tomkins for her valuable comments, which substantially helped to sharpen the arguments and the focus of this paper.

[2] An argument commonly attributed to (Abramovitz 1986).

CAN SHIFT TO A FUNDED PENSION SYSTEM AFFECT NATIONAL SAVING? THE CASE OF ICELAND

Mariangela BONASIA
University of Naples, Parthenope, **Italy**
mariangela.bonasia@uniparthenope.it
Oreste NAPOLITANO
University of Naples, Parthenope, **Italy**
napolitano@uniparthenope.it

Abstract

Across industrialised and developing countries public pension systems have been heavily reformed during the last two decades. The major concern relates the financial sustainability of pay-as-you-go pension schemes. The proposals to privatize social security lead to the creation of a multipillar system. This study assesses the validity of the effect of pension reforms on domestic savings in two steps: first, to test for the existence of a long-run relationship, we use an ARDL model; second, we employ the Kalman filter algorithm, in order to recover the parameter dynamics overtime. We analyse the case of Iceland because its pension system is characterized by a large mandatory private pillar. The empirical evidence supports the widely held view that growing mandatory pension funds financial assets has significantly positive impact on national saving. Moreover, we show that the pattern of the pension funds' coefficients seems to capture well the economic dynamic of the period. The coefficients of the funded pillars illustrate a shift upward soon after the launch of the reforms in 1998. Later on, these coefficients show a negative trend till the middle of 2004 and they increase sharply until the beginning of 2006. Afterwards, following the Icelandic and international financial crisis, they strongly declines.

Keywords: national saving, pension funds, multipillar system, ARDL model, Kalman filter

JEL Classification: E21, G23, H55

1. Introduction

Within the past two decades many countries around the globe have implemented intense pension reforms, which have often involved an increased use of funded pension programmes managed by the private sector.

Most of the world's countries are characterized by public pension provision financed by tax contributions on a pay-as-you-go basis, even if there could be important differences in size and degree of targeting (universal and/or means-tested). Currently, the western countries are facing lower growth rates while declining fertility rates and lower mortality rates are leading to an increase in the dependency ratio. As a consequence, the most unfunded systems are faced with financial sustainability problems. Many countries have enacted reforms which cut benefits and increase contributions and consequently most reformed pension systems are increasingly based on the rejection of the *dominance* of the public pension pillar. Hence, the aim is to move to a multipillar[5] system with a greater role given to the private sector, so that it can provide a minimum floor income for the elderly.

There are several reasons to increase funding within public or private pension systems. Among others[6], the one that is strictly related to the object of this paper is that such a policy could produce an equivalent increase in national saving, reducing the burden placed on the future workers who must support the retired elderly. Since Feldstein's seminal work (1974), this topic has been on the research agenda for over two decades. A heated debate has developed over the merits of a social security reform based on the building of a multipillar system and, in particular, over its impact on saving. This paper intends to investigate whether this explanation for advanced funding is valid. In doing so we try to estimate the effect on national saving of an increase in mandatory private pension funding in Iceland, a country that is increasingly meeting the criteria of the prototype three pillar system as suggested by the World Bank (1994). Its social security system could be a typical example of a great

[5] Each pension pillar provides the three functions in different ways. The first pillar, public pay-as-you-go, usually defined-benefit and redistributive, should provide social safety net support to everyone. The second one is a privately managed funded pillar that handles peoples' mandatory retirement savings; unlike the public pillar – which is redistributive, centrally controlled, and tax-financed - the second mandatory pillar should highlight savings. Finally, the third pillar encourages discretionary retirement savings and capital development.

[6] Another justification for proposals to shift from pay go to private pension schemes is that such a policy will remedy to labour market distortions (Arrau, and Schmidt-Hebbel 1995; Feldstein 1996; Feldstein, and Samwick 1997; Kotlikoff 1996a, and 1996b). However, the aim of this paper is not to analyse the relationship between funded pension schemes and labour market.

GLOBAL SUPPLY CHAINS AND THE GREAT TRADE COLLAPSE: GUILTY OR CASUALTY?

Hubert ESCAITH[20]
World Trade Organization, **Switzerland**
hubert.escaith@wto.org

Abstract

With globalization, trade and production have been increasingly interlinked, thanks to the vertical integration of industrial production processes through outsourcing and off-shoring. The expansion of international supply chains determined the apparent increase in trade elasticity observed since the late 1980s, and may explain also the overshooting of trade elasticity during the 2008-2009 trade collapse. After reviewing the available evidences, the article analyses the future of globalized production networks in a post-crisis scenario. In the short term, global rebalancing might prove easier than expected, because trade in intermediate goods inflated artificially some bilateral trade deficits, albeit bilateral exchange rate adjustments have reduced impacts. But supply chains may become smaller and more regional as a result of this rebalancing. This scenario creates a challenge for labour abundant less advanced developing countries in the periphery of the large regional networks, which will find more difficult to attract productive investments. Yet deglobalization remains a distant threat as long as the technical and institutional factors that made possible the internationalization of production are preserved.

Keywords: global supply chains, trade, outsourcing, off-shoring, trade elasticity, internationalization of production

JEL Classification: F42, E32, F23, O24, O19, G01

1. Global supply chains and the great trade collapse: guilty or casualty?

International trade and the nature of globalization have changed dramatically in recent years, with the emergence of new global players and a radically different competitive landscape. This new pattern emerged during the late 1980s and early 1990s, when the Berlin Wall fall brought down the barriers that had split the post-WWII world, and the Brady Bonds put an end to the decade-long debt crisis that plagued many developing countries. The 1990s saw the conclusion of the Uruguay Round and the birth of the WTO, which brought down many trade barriers and led to further liberalization in areas like telecommunications, financial services and information technologies.

This transformation, which was both geopolitical and economic, was accompanied by the emergence of new business models that built on new opportunities to develop comparative advantages (Krugman 1995; Baldwin 2006). With the opening of new markets, the technical revolution in IT and communications, and the closer harmonization of economic models worldwide, trade became much more than just a simple exchange of merchandise across borders. It developed into a constant flow of investment, of technologies and technicians, of goods for processing and business services, in what has been called the "Global Supply Chain".

Those changes have led the American author Tom Freidman to proclaim that now "The World is flat". This "Copernican revolution" where countries do not trade wine for clothes anymore (Grossman, and Rossi-Hansberg 2006) obliged trade analysts and international economists to revise their old beliefs and models, while trade statisticians and national account specialists were struggling to adapts their instruments to the new reality (Escaith 2008). Despite important advances, the analysis is still lacking appropriate models and good data to understand and measure appropriately this new dimension of globalization. Yet, less than twenty years after its emergence, this new business model is now challenged on two grounds: firstly, because global supply chains may have been a causing factor of the Great Recession which followed the financial collapse of September 2008; secondly because a return to business as usual after the international crisis is not possible on objective economic ground, nor it is desirable for normative social or environmental reasons.

Indeed, if the cause of the global crisis is clearly financial, its particular mode of dissemination through real channels has been related to the interdependency created by global productive networks, which served both as transmission and amplification channels. While the crisis spread initially to all developed countries through toxic

[20] Economic Research and Statistics Division-WTO, Geneva; DEFI, Aix-en-Provence. The essay builds on a series of related works which benefited from the contribution of Ch. Degain, F. Gonguet, N. Lindenberg, A. Maurer and S. Miroudot. The views expressed in this document are those of the author and do not represent a position, official or unofficial, of the WTO Secretariat or WTO Members.

SOME EMPIRICAL EVIDENCE OF THE EURO AREA MONETARY POLICY

Antonio FORTE
University of Bari, **Italy**
Department of Economics and Mathematics
forteantonio80@gmail.com

Abstract

In this paper I try to find some empirical evidence of the European Central Bank's behaviour from its outset, January 1999, to the mid 2007, using a Taylor-type rule. I test a new and simple method for estimating the output gap in order to avoid problems linked with the estimate of the potential output. Moreover, I analyse the significance of some explanatory variables in order to understand what the basis of the E.C.B. monetary policy decisions are. Finally, I find an important evidence of the role of the Euro-Dollar nominal exchange rate in the conduct of the Euro Area monetary policy.

Keywords: Taylor Rule, European Central Bank, Euro-Dollar exchange rate

JEL Classification: E43, E52, E58

1. Introduction

The Taylor Rule, Taylor (1993), has been widely used in the literature in order to reproduce the monetary policy of Central Banks. This rule has been used in different ways in the literature: with different regressors, in levels or in first difference, with lagged or contemporaneous data, with expectations, and the estimations have been carried out with different techniques. This paper uses the basic version of the formula and OLS and NLS estimations in order to study the significance of many regressors, some of that completely new in literature. I introduce a new way to calculate the output gap. This new methodology seems to be, in this first attempt, quite convincing. Moreover, I tried to find what types of independent variables one should use to improve the fitting of the data and I also present a section focused on the role of inflation expectations. The rest of the paper is divided into eight sections: firstly, I introduce some works on the Taylor rule; then I explain the way in which I calculate the output gap; in the third section I present the initial findings; in the fourth paragraph I focus my attention on monetary variables; the fifth section analyses the importance of the Euro-Dollar exchange rate; the following two sections deals with the role of the inflation expectations and the interest rate smoothing; the last section concludes.

2. Taylor rules

The dispute about the best type of Taylor Rule is still unsolved. Both the backward looking and the forward looking approaches provide good results. During the last years, given the growing importance of the expectations in the theoretical framework of the economic science, it seems that the forward looking rule acquired the supremacy. Notwithstanding this, there are so many works on this issue that it is really impossible to determine what the right formula is.

At the same time, it is likely that, citing this literature, one disregards a relevant part of the works in consequence of their considerable number. Indeed, the Taylor rule can be estimated in different ways, see Carare and Tchaidze (2005) for a short excursus. In my work, I follow both the backward and the forward looking Taylor Rule strands and try to find some empirical evidence on the European Central Bank's (ECB) behaviour from the onset of its operations, January 1999. As regards the forward looking approach, I don't strictly use the expectations, for example using GMM or other types of methodologies applied in the literature, but I simply use time series for the inflation expectations obtained through consumers and experts surveys.

Given the just recalled amplitude of the literature on the Taylor rule, in this paragraph I only cite some works on the issue that I face in this paper.

In 1996, Clarida and Gertler published a work in which they study the monetary policy of the Bundesbank through a Taylor rule. This study has been one of the first for the European countries and the rule showed its usefulness also in this case. Two years later, in 1998, Clarida, Galì and Gertler presented a paper on the monetary policy in the US, Japan, Germany, Italy, France and the UK. They used GMM estimations and their work started to be a fundamental reference point in this field.

MODELLING SHARE PRICES OF BANKS AND BANKRUPTS

Ivan O. KITOV
Russian Academy of Sciences, **Russia**
Institute for the Geospheres' Dynamics
ikitov@mail.ru

Abstract

Share prices of financial companies from the S&P 500 list have been modeled by a linear function of consumer price indices in the USA. The Johansen and Engle-Granger tests for cointegration both demonstrated the presence of an equilibrium long-term relation between observed and predicted time series. Econometrically, the pricing concept is valid. For several companies, share prices are defined only by CPI readings in the past. Therefore, our empirical pricing model is a deterministic one. For a few companies, including Lehman Brothers, AIG, Freddie Mac and Fannie Mae, negative share prices could be foreseen in May-September 2008. One might interpret the negative share prices as a sign of approaching bankruptcies.

Keywords: share price, modelling, CPI, prediction, the USA, bankruptcy

JEL Classification: E4, G1, G2, G3

1. Introduction

Recently, we have developed and tested statistically and econometrically a deterministic model predicting share prices of selected S&P 500 companies (Kitov 2010). We have found that there exists a linear link between various subcategories of consumer price index (CPI) and some share prices, with the latter lagging by several months. In order to build a reliable quantitative model from this link one needs to use standard and simple statistical procedures.

Following the general concept and principal results of the previous study, here we are predicting stock prices of financial companies from the S&P 500 list. In several cases, robust predictions are obtained at a time horizon of several months. In close relation to these financial companies we have also investigated several cases of bankruptcy and bailout. These cases include Lehman Brothers (LH), American International Group (AIG), Fannie Mae (FNM) and Freddie Mac (FRE). Regarding these bankruptcies, we have tested our model against its predictive power in May and September 2008. The main question was: Could the bankruptcies be foreseen? If yes, which companies should or should not be bailed out as related to the size of their debt?

In the mainstream economics and finances stock prices are treated as not predictable beyond their stochastic properties. The existence of a deterministic model would undermine the fundamental assumption of the stock market. If the prices are predictable, the participants would have not been actively defining new prices in myriads of tries, but blindly followed the driving force behind the market. It is more comfortable to presume that all available information is already counted in. However, our study has demonstrated that the stochastic market does not mean an unpredictable one.

In this paper, we analyze sixty six financial companies from the S&P 500 lists as of January 2010 as well as a few bankrupts from the financials. Some of the companies have been accurately described by models including two CPI subcategories leading relevant share prices by several months. Other companies are characterized by models with at least one of defining CPI components lagging behind related stock prices. We have intentionally constrained our investigation to S&P 500 – we expect other companies to be described by similar models.

Our deterministic model for the evolution of stock prices is based on a "mechanical" dependence on the CPI. Under our framework, the term "mechanical" has multiple meanings. Firstly, it expresses mechanistic character of the link when any change in the CPI is one-to-one converted into the change in related stock prices, as one would expect with blocks or leverages. Secondly, the link does not depend on human beings in sense of their rational or irrational behavior or expectations. In its ultimate form, the macroeconomic concept behind the stock price model relates the market prices to populations or the numbers of people in various age groups irrelevant to their skills. Accordingly, the populations consist of the simplest possible objects; only their numbers matter. Thirdly, the link is a linear one, i.e. the one often met in classical mechanics. In all these regards, we consider the model as a mechanical one and thus a physical one rather than an economic or financial one. Essentially, we work with measured numbers not with the piles of information behind any stock.

INFRASTRUCTURES AND ECONOMIC PERFORMANCE: A CRITICAL COMPARISON ACROSS FOUR APPROACHES

Gianpiero TORRISI
Newcastle University, **United Kingdom**
Gianpiero.Torrisi@ncl.ac.uk

Abstract

The paper reviews studies analysing the relationship between infrastructures and economic performance. Four different approaches are separately considered along an ideal path from three theory-based to a data-oriented models: the production function approach, the cost function approach, growth-models, and vector autoregression models. The review shows that, even with different shades and points of caution, the general idea that infrastructure has an economic enhancing effect appears to be quite robust across studies belonging to different methodological approaches.

Keywords: economic development, growth, public expenditure, public infrastructure

JEL Classification: H54, H72, O11

1. Introduction

The link between infrastructure and economic performance has been widely explored in literature utilising many different theoretical approaches and achieving also variegate results and implications for policy-makers.

To begin with, there are theoretical arguments developed in order to sustain thesis based on infrastructures' contribution to productivity considering them as initiating factor.

The first approach to address this issue consisted in considering (public) infrastructures as a free input provided by government (Aschauer 1989). This input, like all other inputs, contributes to the productive process; yet, it has the peculiar characteristic of being a public good in the proper economic sense, so that, once produced represents a structural input common to all firms' production function. From a different angle, infrastructures rather than be considered directly as inputs, could be considered as cost-saving factors.

The underlying idea is that infrastructures, providing a more favourable setting for the development of economic activity, indirectly (and positively) affect the productive process by reducing or allowing to combine more efficiently other factors (e.g. labour and capital). Thus, according to this approach, infrastructures' effects have to be analysed via the cost function, and the expected result is in favour to a reduction of production costs.

Put differently, a territory well-endowed with infrastructures increase productivity because it provides firms with a more favourable cost structure and making accessible more efficient combinations of inputs.

A more general approach consists in considering infrastructures as components of capital as a whole and, in turn, capital formation is considered as the key factor to the growth process.

According to this approach capital has to be intended in a broader sense comprising its traditional meaning (physical capital), intangible "human capital", "knowledge capital", and just infrastructures. Therefore, infrastructures contributing to capital formation belong to the key endogenous features explaining differences in the economic performance.

Although the massive body of literature developed in this field, there are still points of criticism and debate involving many aspects (e.g. infrastructure definition and measurement, productive and unproductive infrastructures, causality direction and magnitude of their impact, short-run and long-run temporal dimension of their impact).

Inside this puzzle of counter-arguments the strongest point of criticism, considering infrastructures a normal good, extremes the discourse to completely deny the effects of infrastructures on productivity.

On this approach's view the empirical evidence of a positive relationship between infrastructures and productivity has to be read in the sense that the former are just accommodating factors which demand increases as the economic system increases its activity. Hence, in order to deal with the issue free from a preconceived idea, data-oriented approach has been also adopted to analyse the relationships between infrastructures and measures of economic performance.

Models belonging to this approach are often labelled as Vector Autoregressive models (VAR); the peculiar feature of these models consists in explaining a limited numbers of variables (including infrastructures) by their own lags and lags of other variables without imposing no a priori causality among them.

Across studies, generally speaking, the existence of a positive impact going from infrastructure to productivity is confirmed, but the empirical evidence is really composite.

A SURVEY ON LABOR MARKETS IMPERFECTIONS IN MEXICO USING A STOCHASTIC FRONTIER

Juan M. VILLA
Inter-American Development Bank, **United States**
juanmiguelv@iadb.org

Abstract

It is assumed that observed labor income is the result of three stages across the job search process from the reservation wage formation, the bargaining between employers and potential employees when the match, and finally a possible additional adjustment once the worker is completely hired. This paper provides a methodological proposal and an intuitive estimation of the wage gain due to the presence of labor market imperfections across those three stages. The part of the wage that is explained by labor markets imperfections is estimated by performing a stochastic frontier model with panel data belonging to the Mexican labor survey – ENOE. The results suggest that 82.7% of the variance of the wages of the subordinated workers is explained by market imperfections. Moreover, public labor offices and small firms are negatively correlated with their presence.

Keywords*:* labor market imperfections, wage formation, reservation wage, job search, job matching, stochastic frontier, Mexico, ENOE

JEL Classification: J21, J31

1. Introduction

The labor income of a typical worker is the observable outcome of a complex process shaped by the overall competence conditions of the labor market before a job offer is accepted and once the recruitment is completed. The basic question that still remains by theoretically and empirically unanswered is how this outcome may differ among similar workers. As the explanations might be diverse, the answer does not only entail the analysis of the current conditions of employees, but also the circumstances under which unemployed workers performed the job search task similarly with their reservation wage formation.

In a competitive market, firms or employers would not have an incentive to pay wages over those reservation wages in accordance given their productivity level but, certainly, observable wages become a representative symptom of how the competitive result is modified and a cause of why the labor market is not cleared (Fields 2007).

Why similar workers earn different wages is an issue that has been theoretically addressed but at the same time is has been barely quantified and rarely connected with a wage formation process. As an attempt to contribute to the empirical analysis of labor markets, the main purpose of this document is to quantify the proportion of the wages that is caused by the labor market imperfections in Mexico.

2. Intuition on labor markets imperfection and wages formation

2.1. A brief review of the theory

There are three stages that intervene in the determination of wage levels, from the job search process through the duration of unemployment to the job offer acceptance and an eventual and subsequent wage adjustment. At a starting point, the reservation wages works as a lower bound of the final labor income assignment. As long as agents interact depending on the exposure of the workers to the labor markets imperfections upon each one of these stages, an observable gain above that reservation wage would probably arise.

One may distinguish the origin of the heterogeneity in wages. When it depends on the supply side, there are certain characteristics from workers that are not easily detectable by linear regressions (i.e. ability, job search preferences, etc.). On the other hand, the source of the differences on the demand side emerges with the presence of similar unobservable behavior from employers, such as prejudiced preferences, biased assessments of a worker's productivity, asymmetric information or monopsony (Van Klopin, and Singell 1996).

Similarly, as corroborated by the labor literature, these market imperfections are seldom studied as a whole. Although they have been studied separately, the quantification of their effect on wages between workers and employers has been practically ignored. For instance, since Stigler (1962) addressed the information in the search stage of wage formation it became the most studied issue. Rogerson *et al* (2005) address bargaining power in an effort of obtaining conclusions on the employers – employees relation. Baldwin (1991) exhibits a

Call for Papers

*A*ssociation for *S*ustainable *E*ducation, *R*esearch and *S*cience

has the honour to invite you to participate at

The First Online International Conference on

"Convergence of Law and Economics" in 31st, July, 2010

The Law and Economics movement is one of the most important intellectual developments within legal scholarship in recent decades. This approach applies economic concepts to explain and clarify legal issues and aspects, not only with respect to narrowly defined "economic" fields, such as competition and economic law, but also to legal fields that concern a wide variety of non-market activities, from liability issues to family matters and crime. Thus, Law and Economics has become a central methodology for both positive and normative legal analysis; already it has influenced regulation, legislation, and case law. Many academic journals publish articles in the field, and Law and Economics has become an integral part of legal and economic education at the most prestigious universities.

The annual conference of **ASERS** dedicated to Law and Economics – *Convergence of Law and Economics* – intend to become an important forum for the exchange of research findings and ideas. The conference has the purpose of providing assistance to law and economics scholars and bringing their scholarship to a wider audience, including policy makers, legislators and judges and intend to encourage further research in the different areas of Law and Economics such as: Behavioural Law and Economics, Commercial Law, Contract Law, Criminal Law, Environmental Law and Economics, Experimental Law and Economics, Family Law, Gender and Discrimination, Health Law, Intellectual Property and Innovation Policy, Labour and Employment Law, Litigation, Dispute Resolution and the Legal Process, Property Law, Public and Administrative Law, Tort Law and Compensation.

We invite to submission original research contributions describing new results, original ideas and applications related to the topics of the conference. Papers should be submitted electronically at these e-mail addresses conferences@asers.eu and CC to constantinescu_madalina2002@yahoo.co.uk in MS Word and also in PowerPoint (*See* Instructions for Authors).

All papers will be reviewed and published in the Conference Proceeding under an ISBN reference on CD. The Proceeding will be indexed and listed in various reference search engines. The best papers selected by the Program Committee will be published in **Journal of Advanced Research in Law and Economics** after a double-blind peer-reviewing and the payment of 100€ as submission fee charged by the journal.

Important Dates:

- **10 July, 2010** – Abstract submission deadline;
- **15 July, 2010** – Notification of acceptance/rejection;
- **25 July, 2010** – Deadline for payments: 50€ for attendance at Conference;
- **25 July, 2010** – Full paper submission in MS Word and PowerPoint format;
- **31 July, 2010** – On line International Conference.

Call for Papers

Association for Sustainable Education, Research and Science

has the honour to invite you to participate at

The Second Online International Conference on „Competitiveness and Economic Development: Challenges, Goals and Means in a Knowledge based Society”

in 1st, December, 2010

The main goal of this Conference is to provide an opportunity for scholars and professionals from various economic, management, business related fields from all over the world to provide an interdisciplinary forum for discussion and debate about competitiveness and economic development most vital issues.

The Program Committee seeks contributions, which topics include, but are not limited to:

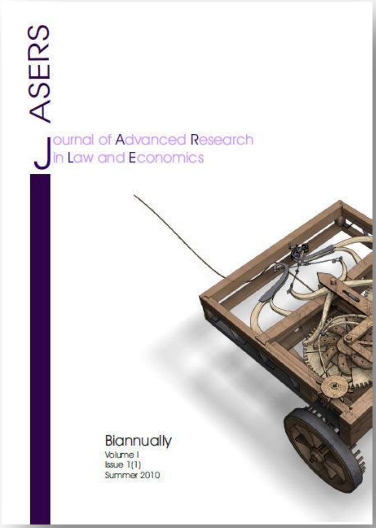
- Competitiveness of businesses and environment in a knowledge based economy;
- Sustainable development and ccompetitiveness on micro, macro and international level;
- Governance and development in the knowledge-based society ;
- Competition, innovation and growth;
- Competitively of smes;
- Competitiveness based on quality and innovation;
- Applied quantitative methods for development;
- New technologies for competition and development;
- Trade and services, opportunities and challenges;
- Elearning for knowledge-based society;
- *….Any other related topic.*

We invite to submission original research contributions describing new results, original ideas and applications related to the topics of the conference. Papers should be submitted electronically at these e-mail addresses conferences@asers.eu and CC to andystefanescu73@yahoo.com in MS Word and also in PowerPoint (*See* Instructions for Authors).

All papers will be reviewed and published in the Conference Proceeding under an ISBN reference on CD. The Proceeding will be indexed and listed in various reference search engines The best papers selected by the Program Committee will be published in Journal of Advanced Research in Management, Journal of Advanced Studies in Finance or Theoretical and Practical Research in the Economic Fields after a double-blind peer-reviewing and the payment of 100€ as submission fee charged by the journals.

Important Dates:

- **1 October, 2010** – Abstract submission deadline;
- **15 October, 2010** – Notification of acceptance/rejection;
- **1 November, 2010** – Deadline for payments: 50€ for attendance at Conference;
- **10 November, 2010** – Full paper submission in MS Word and PowerPoint format;
- **1 December, 2010** – On line International Conference.



Journal of Advanced Research in Law and Economics – Biannually

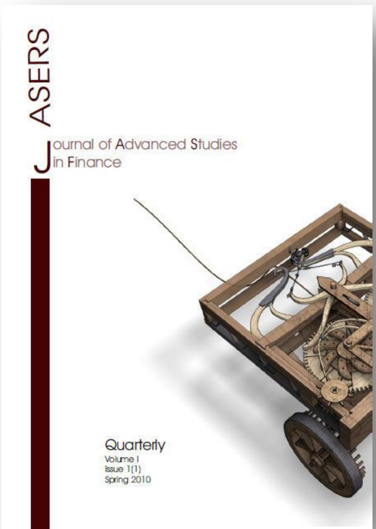
Editor in Chief: PhD Mădălina **Constantinescu**
Co-Editors: PhD Russell **Pittman** and PhD Eric **Langlais**

Journal of Advanced Research in Law and Economics provides readers with high quality and empirical research in law and economics. The *Journal* publishes analytical studies on the impact of legal interventions into economic processes by legislators, courts and regulatory agencies. Finally, important developments and topics in law and economics analysis will be documented and examined in special issues dedicated to that subject. The journal is edited for readability; lawyers and economists, scholars and specialized practitioners count among its readers.
Journal of Advanced Research in Law and Economics, starting with its first issue, will be indexed in CEEOL , IndexCopernicus and EBSCO databases.
Web: http://www.asers.eu/journals/jarle.html email: jarle@asers.eu

Journal of Advanced Research in Management – Biannually

Editor in Chief: PhD Andy **Ştefănescu**
Co-Editor: PhD Rajesh K. **Pillania**

The Journal aims to serve researchers, scholars through prompt publications of significant advances in any branch of management science, and to provide a forum for the reporting and discussion of news and issues concerning management science.
Journal of Advanced Research in Management starting with its first issue, will be indexed in CEEOL, IndexCopernicus, and EBSCO databases.
Web: http://www.asers.eu/journals/jarm.html email: jarm@asers.eu

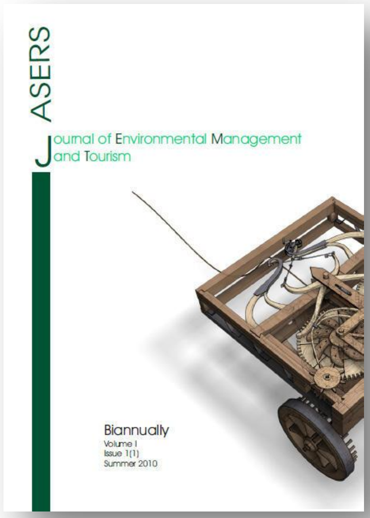


Journal of Advanced Studies in Finance – Biannually

Editor in Chief: PhD. Laura **Ştefănescu**
Co-Editor: PhD Rajmund **Mirdala**

The Journal aims to publish empirical or theoretical articles which make significant contributions in all areas of finance, such as: asset pricing, corporate finance, banking and market microstructure, but also newly developing fields such as law and finance, behavioural finance, and experimental finance. The Journal will serves as a focal point of communication and debates for its contributors for better dissemination of information and knowledge on a global scale.

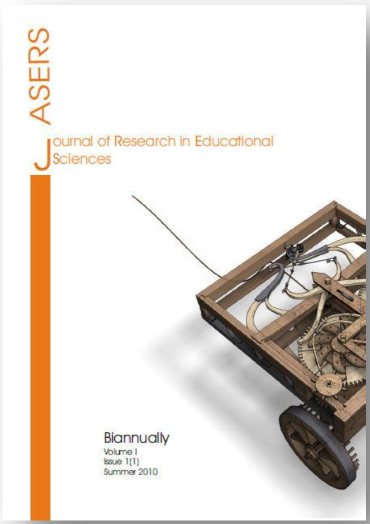
Journal of Advanced Studies in Finance, starting with its first issue, will be indexed in CEEOL, IndexCopernicus and EBSCO databases.
Web: http://www.asers.eu/journals/jasf.html email: jasf@asers.eu



Journal of Environmental Management and Tourism – Biannually

Editor in Chief: PhD Cristina **Barbu**

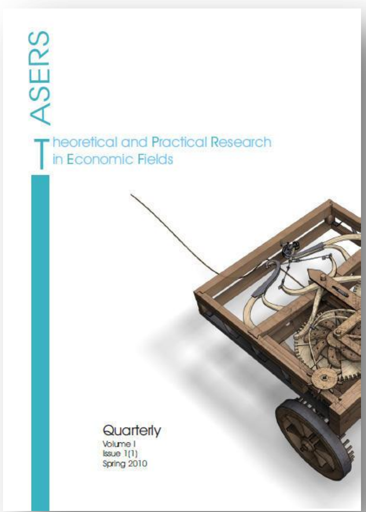
Journal of Environmental Management and Tourism will publish original research and seeks to cover a wide range of topics regarding environmental management and engineering, environmental management and health, environmental chemistry, environmental protection technologies (water, air, soil), pollution reduction at source and waste minimization, energy and environment, modelling, simulation and optimization foenvironmental protection; environmental biotechnology, environmental education and sustainable development, environmental strategies and policies, etc.
Journal of Environmental Management and Tourism starting with its first issue, will be indexed in CEEOL and very soon in IndexCopernicus and EBSCO databases.
Web: http://www.asers.eu/journals/jemt.html
email: jemt@asers.eu



Journal of Research in Educational Sciences – Biannually

Editor in Chief: PhD Laura **Ungureanu**

The Journal is design to promote scholary thought in the field of education with the clary mission to provide an interdisciplinary forum for discussion and debate about education"s most vital issues. We intend to publish papers that contribute to the expanding boundries of knowledge in education and are focusing on research, theory, current issues and applied practice in this area.
Journal of Research in Educational Sciences starting with its first issue, will be indexed in CEEOL, IndexCopernicus and EBSCO databases.
Web: http://www.asers.eu/journals/jres.html email: jres@asers.eu



Theoretical and Practical Research in Economic Fields – Biannually

Editor in Chief: PhD Laura **Ungureanu**
Co-Editor: PhD Ivan **Kitov**

Theoretical and Practical Research in Economic Fields publishes original articles in all branches of economics - theoretical and empirical, abstract and applied, providing wide-ranging coverage across the subject area. Journal promotes research that aim at the unification of the theoretical-quantitative and the empirical-quantitative approach to economic problems and that are penetrated by constructive and rigorous thinking.
The Journal starting with its first issue, will be indexed in CEEOL, IndexCopernicus and EBSCO databasesWeb: http://www.asers.eu/journals/tpref.html email: tpref@asers.eu

ASERS Publishing
ASERS

ASERS Publishing
Web: www.asers.eu
URL: http://www.asers.eu/asers-publishing
ISSN 2068 – 7710