

Session Reports: Economy



Oral Session 1

Discussant and Author: Bastian Guong

The first Oral Session of the research theme “Economy” consisted of three contributions. Anna Lena Mauz, representing a research group she was part of with her fellow students Joshua Senne and Maximilian Schambeck from University of Hohenheim (Germany), gave insight into a project conducted at their home university. Their research started as a (quantitative) survey on consumption of flawed and so-called “second class” vegetables. Based on the compiled data, the research team developed a concept called “Earth’s Treasures”: a box with aesthetically flawed vegetable that was offered to students at the University of Hohenheim for a fraction of the price, thereby reducing waste.

Daniel Sitota Regassa’s presentation of his research “Determinants of Residential Water Demand in Harar, Ethiopia” performed at Haramaya University (Ethiopia) unfortunately had to be cancelled. In his study, Regassa used a range of methodological approaches to interpret his quantitative data and to suggest ways for improving household water supply. Sara Trajchevska’s, research “LCC International Students’ Attitudes Towards the Purchase of Counterfeit Products,” conducted at LCC International University (Lithuania), used a variety of ways to analyze her quantitative material. Her multiple analytical approaches enable her to open up new perspectives and make sense of the very complex data. At the macro level, the research topics – (fresh) produce, water and counterfeit products (also including pharmaceuticals and organic food) – explicitly address socially relevant issues such as consumption and health.

The common thread at the meso level, however, is social distinction induced by provision and restriction – and therefore controlling – of access to these goods. A comparative view of the individual projects shows, on the one hand, similarities in methodology between Sara Trajchevska’s and Anna Lena Mauz’ studies (survey at home university). On the other hand, Daniel Sitota Regassa and Anna Lena Mauz both work in the academic field of “ecological economics.”

The concluding discussion included not only interesting comments and stimulating questions, but also a vivid exchange and reflection on methodological practices in quantitative research. A valuable insight was to add “ethnography” as an alternative to one’s conventional toolbox in social research.



Oral Session 2

Discussant: Dana Jackson-Hardwick

Author: Glenn Arthur Ricci

How to improve the economy is a question that every country would like an answer for. There are many ways to do this and the research of Brianna Wright and Starlette Sharp (Clark Atlanta University, Georgia University, Georgia, USA) focused on the possibility of women being excluded from the STEM workforce as a cause for a poorer economy. In other words, those economies were not benefiting from full participation in STEM areas, which affects the economy. Their research looked at the inequalities in the STEM fields by examining STEM degrees earned by women and compared them to patents, professorships, STEM employment rates and STEM workforce needs. By doing so, the researchers were able to identify root causes of unequal access to STEM and provide evidence-based criteria for effective intervention so that a nation's overall economy can grow.

The second research presented was that of Fajer Almarzooqi (Zayed University, United Arab Emirates) which looked at the relationship between age and loss aversion in professional tennis athletes. Using data regression methods, the 2013 Dubai Tennis Championships were analysed looking at both male and female athletes. It was found that the older female players served faster than the younger players when they are behind (i.e., more loss averse). Their results partially conform with earlier studies that demonstrated younger athletes as being less loss averse, however this study also implies that age is more important for understanding loss aversion for females rather than for males.

The final presentation for the session was the research by Paul Rösler (University of Oldenburg, Germany) who looked at the variables affecting the companies' Environmental, Social, and Governmental (ESG) Score. By looking at data from 3,500 firms around the world over a period of 14 years, showed that the firm's financial performance and size were correlated with the firm's ESG-commitments. Other significant factors were the employment and age structure of the firm. Importantly, the research, which built off of early studies, enhances the methodology testing for unobserved heterogeneity with a fixed effects model.



Oral Session 3

Discussant and Author: Harald Mieg

The session comprised three presentations.

Dikshit Poudel presented a study on Profitability and Resource use efficiency of pond fish production in Morang, Nepal. The study was designed to determine the profitability and resource use efficiency of pond fish culture on the primary data collected from 30 commercial and 30 subsistence farmers.

Stephanie Villanueva Benites presented a study on Measurement, quality analysis and improvement strategies for retail services companies in the city of Piura, Peru. Quality is defined via the perception a consumer has of a product, that is a good or a service. The perceived service quality was poor in all three retail markets she investigated.

Faith Tumwebaze presented a study on Debt financing and profitability of savings and credit cooperatives (SACCOs) in a rural economy: A case study of RUKIGA SACCO in western region in Uganda. Correlation analysis revealed a positive relationship between debt financing and profitability of SACCOs in a rural economy.

All three presentations provided information about the state of research according to the scientific literature and about the methodology applied. All three projects were applied and have important practical implications. So, the question arises how to communicate the results to politicians and decision makers. This is not trivial, as scientific results might be selectively used by politicians. For instance, the higher profits of commercial farmers might be an argument to foster commercial farming of fish. However, the study author wanted to focus on efficiency.

One solution discussed is a clear governmental assignment including communication to the study subjects (farmers). Another solution would be iceberg communication. The first and visible part is as short picture of the results. In addition, there is detailed material on the methodology and the results that can be used if further experts are to be addressed.



Oral Session 4

Discussant and Author: Femi Odebiyi

Dan Muthomi of Kenyatta University, Kenya presented his research titled “Case Study of Investment Performance of Safaricom Limited Company” during the Oral Session 4: Economy.

The research study was done to analyze the business investment performance on Safaricom Limited Company. Given that the research was a case study, the presenter was careful to provide the audience with sufficient background of the company. Going by market capitalization, Safaricom Limited is the largest telecommunication company in Kenya and it is listed on the Nairobi Stock Exchange. The main question of the research was to find out if SafariCom’s good customer and supplier bases translated into the company being an investment opportunity. Since SafariCom’s financial statements are publicly available document, the presenter elaborated on how acid test/quick ratio analysis was conducted on the company’s financial data for the time period 2011 to 2015. To ensure that the research was conducted using reliable data, the presenter was quick to mention that the company’s account books had undergone external audit check from the well-known audit company by the name of PricewaterhouseCoopers. Further into the methodology section of the presentation, the audience was informed that through focus group discussions, primary data was collected from college students and lectures of Kenyatta University. From the analysis performed on the primary and secondary data, the presenter highlighted the findings of his study. The main finding of the case study is that the company is in good financial health, and this was followed by a recommendation from the presenter as he mentioned that acquiring the shares of the company would be a wise investment decision.

During the question and answer segment of the session an observation was made by one of the participants in the room as to why Safaricom is a wise investment choice when historical data shows that their dividend yield has a downward trend. The presenter mentioned that the likely reason for this downward trend is because of the international expansion strategy of Safaricom in recent times, which normally requires a substantial amount of capital. Further discussion on the research study led the moderator alluding to the fact that the Kenyan economy should have been one of the factors used to determine the investment performance of the Safaricom because businesses do not operate in a vacuum and the external business environment does play a significant role in determining the profitability of any company. The presenter responded to the comment from the moderator by agreeing that factoring in the national economy of Kenya should be part of the list of suggestions for further research on the topic. Overall the atmosphere in the room pointed to the audience’s engagement with the topic and this was evidenced by the lack of time to take questions from all the participants who showed interest in doing so.



Oral Session 5

Discussant and Author: Carol Strong

The 'Economics' Oral Session 5 consisted of two contributors: Haya Anis, American University, Cairo, Egypt; and Lukasz Bartoszczke, University of Warwick, United Kingdom.

Ms. Anis' economics presentation entitled: "The Economic Development of Egypt: Steps towards the Future" explored the use of a Five-Year Macroeconomic Framework and Policy in 2017 to stimulate productive economic growth in Egypt. Ms. Anis presented an economic policy evaluation that comparatively analyzed Egypt's macroeconomic policies (as grounded in its experience with industrialization and its status as a rentier state) against targeted, endogenous factors impacting national growth. The purpose of this case study was to contribute to the study of emerging markets worldwide by highlighting the value of qualitative modalities that transcend the confines of mechanistic economic analysis.

Mr. Bartoszczke's economics presentation entitled: "Rational Exuberance: Is the Cryptocurrency Market a Speculative Bubble or a Viable Currency for the World"? focused on the recent success of bitcoin, which some see as a way to circumvent financial bureaucracy, but others consider too volatile and unregulated to be compatible with established economic systems. Using a variation of the generalized method of sup-ADF test created by Philips, Wu and Yu, Mr. Bartoszczke considered the attraction of cryptocurrencies to investors (in particular millennials) during periods experiencing the formation of asset bubbles. The purpose was to overcome speculative growth patterns and find rational ways (through timestamping) to encourage investment in a variety of different types of assets (including bitcoin) in independent, decentralized economic systems, as well as identifying new government regulations to deal with the uncertainty associated with cryptocurrencies.

Commonalities were found between Anis and Bartoszczke in that the research of both papers explored the need to find innovative ways to deal with economic uncertainty and/or changes, whether at the macro level (as couched in a country specific analysis) or in the realm of cryptocurrencies. They also prompted probing questions into the nature of economic growth and what constitutes economic value in the market, in particular the value of non-traditional assets available within the international community. Throughout, they both (even given the very different nature of their research topics) engaged in systematic analysis of their respective questions, but through the lens of changing perceptions of economic growth and stability.

The concluding discussion between the audience and the panelists included many insightful comments and stimulating questions about the role and impact of new technological advances in the analysis of economic stability and rational investment. The take-away was technological changes demand the use of newer, more innovative ways of looking at economic systems and development, just as the studies undertaken in this panel show.

