

# Economics and Business Review

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## Editorial introduction

As the complexity of economic phenomena increases, so do the expectations placed on researchers in economics and finance. Research should not only be methodologically sound and contribute to the existing body of knowledge, but also provide guidance to stakeholders outside academia. The current issue of the *Economics and Business Review* addresses these needs, as the research findings can be useful to various groups, such as legislators, governmental bodies, financial advisors and investors. It contains seven papers by seventeen affiliated scholars from Poland, Slovakia and the USA. They use a variety of methodological approaches, both conceptual and empirical, to investigate key research questions in the fields of public economics, financial economics, labour economics and behavioural economics.

The opening article **Proposal for a comprehensive retirement insurance solution (CRIS) to mitigate retirement risk based on theory of change**, by Krzysztof Łyskawa and Kamila Bielawska, provides new insights into public policies to mitigate pension risks. This is of special importance nowadays, as population ageing is one of the most significant trends shaping socio-economic life in the 21st century. The basis of the authors' proposal is the assumption that separate pension products such as annuities and long-term care insurance, as advocated by many economists, are not the right direction for developing pension policy. Accordingly, the article presents a three-layer retirement insurance solution that can be flexibly adapted to the needs of individuals during the accumulation of funds and in retirement. The authors supplement their deliberations with a SWOT analysis for the proposed solution.

The second article, entitled **Examining the performance of Shari'ah-compliant versus conventional stock indexes: A comparative analysis pre-, during, and post-COVID-19**, is written by Ahmad M. Abu-Alkheil, Nizar M. Alsharari, Walayet A. Khan, Sara R. Ramzani and Phungmayo Horam. The study uses the Varmax procedure, stochastic dominance analysis and Johansen's co-integration approach to compare the performance of conventional indexes with alternative Islamic indexes from 2017 to 2023. The overall results indicate that conventional indexes outperform Islamic indexes, but the latter offer opportunities for diversification in global portfolios, especially in times of financial turmoil. The findings might be useful to analysts, and private and institutional investors.

Maciej Cieślukowski, in his article entitled **Taxation of public pensions in European Union countries**, extends the understanding of cross-country dif-

ferences in living conditions both at working age and after retirement. Using a multi-criteria comparative analysis and the agglomeration method, the article analyses whether taxation of wages and public pension benefits can have a significant impact on the decision to choose a country to work in the common market. The author argues that effective tax rates on wages and pensions are not important factors in deciding which country to work or retire in. The major factors that should guide an employee in the European Union are the average expenditure on net salaries and the average expenditure on net pension benefits.

The article **Labour productivity in Italian regions: A gravitational model approach**, by Katarzyna Filipowicz, Oleksij Kelebaj and Tomasz Tokarski, introduces a nuanced analysis of regional labour productivity disparities across Italy. Using a gravitational model of economic growth, which extends the classic Solow model, the authors delve into the varied economic dynamics between northern, central, and southern Italy. By calibrating the model with historical data and through rigorous numerical simulations, they illustrate how different investment rates, growth rates, and urbanisation levels might contribute to or hinder the convergence in labour productivity across regions. The study's findings underscore the necessity for region-specific investment strategies to balance productivity levels nationwide, particularly highlighting the need for higher investment rates in southern regions to match those of more prosperous areas. The paper enriches the understanding of regional economic disparities in Italy, providing a valuable model for examining similar geographical disparities in other contexts.

The subsequent article, entitled **Personal bankruptcy prediction using machine learning techniques**, is written by Magdalena Brygafa and Tomasz Korol. The study examines the usefulness of six machine learning methods, namely, support vector machine, random forest, adaptive boosting, extreme gradient boosting, light gradient boosting machine, and categorical boosting, in forecasting personal bankruptcy. The research is based on two samples of households (learning and testing) from the Survey of Consumer Finances conducted in the United States. The models include such variables as income, refusal to grant credit, delays in the repayment of liabilities, the revolving debt ratio, and the housing debt ratio. The findings of the study might be used by financial institutions to make credit decisions on consumer loans.

In **Enhancing garbage fee compliance: Insights from a Slovak municipality**, the authors Anetta Caplanova, Eva Sirakovova and Estera Szakadatova employ a randomised controlled trial to scrutinise the effectiveness of behavioural interventions on garbage fee compliance in Hlohovec, Slovakia. The research ingeniously categorizes households into three groups: one receives a leaflet promoting social norms, another a deterrence message, and a control group gets only the standard invoice. The outcomes reveal intriguing dynamics: while deterrent approaches unexpectedly increased non-compliance, social norm

prompts showed no significant behavioural change. This pivotal study sheds light on the intricate interplay between public policy communication and citizen behaviour, challenging the efficacy of conventional behavioural nudges and emphasising the importance of context-driven strategies in public finance reforms. This work significantly enriches the discourse on applying behavioural economics in governance and public administration.

The last study in this issue is written by Rafał Iwański and is titled **Growth prospects for the silver economy in the market segment of residential care services provided to dependent elderly people**. The author delves into the expanding demand for elderly care services amidst Poland's aging population. As family care capacities diminish, the silver economy emerges as a critical arena for addressing the care needs of the elderly. The paper offers a comprehensive examination of the various factors influencing the development of residential care services within Poland's silver economy. By integrating statistical and financial data from several sources, the study identifies key obstacles to growth, such as labour shortages and insufficient funding, which underscore the urgent need for innovative solutions in long-term care provisioning. Through a meticulous analysis, this research not only maps the current landscape but also projects future needs, providing insights for policymakers, investors, and service providers engaged in the silver economy.

*Monika Banaszewska  
Joanna Lizińska  
Konrad Sobański  
Lead Editors*





## Aims and Scope

The **Economics and Business Review** is a quarterly journal focusing on theoretical, empirical and applied research in the fields of Economics and Corporate and Public Finance. The Journal welcomes the submission of high quality articles dealing with micro, mezzo and macro issues well founded in modern theories and relevant to an international audience. The EBR's goal is to provide a platform for academicians all over the world to share, discuss and integrate state-of-the-art Economics and Finance thinking with special focus on new market economies.

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