

# Economics and Business Review

Volume 10 (3) 2024

## CONTENTS

### CONTENTS

#### Editorial introduction

*Monika Banaszewska, Michał Pilc*

#### ARTICLES

#### Unveiling financial well-being: Insights from retired people in Third Age group in Poland, Spain and Denmark

*Alicja Jajko-Siwiek*

#### Linder hypothesis and India's services trade

*Jadhav Chakradhar, Juhi Singh, Anusha Renukunta*

#### The effect of output on employment in Poland during the COVID-19 pandemic

*Krzysztof Bartosik*

#### CSR committees and their effect on green practices

*Ngoc Bao Vuong*

#### The role of internationalisation in moderating the impact of ESG disclosure on financial performance

*Yuli Soesetio, Ely Siswanto, Subagyo, Muhammad Fuad, Dyah Arini Rudiningtyas, Siti Astutik*

#### Price limit bands, risk-return trade-off and asymmetric volatility: Evidence from Tunisian Stock Exchange sectors

*Othman Mnari, Bassma Faouel*

#### Quantile connectedness between social network sentiment and sustainability index volatility: Evidence from the Moroccan financial market

*Ahmed El Oubani*

#### CEO pay ratio versus financial performance in Polish public companies

*Katarzyna Byrka-Kita, Karol Bulasiński*

#### Innovation and Industry 4.0 in building the international competitiveness of food industry enterprises: The perspective of food industry representatives in Poland

*Katarzyna Łukiewska*

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Paper based publication

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<https://doi.org/10.18559/ebr.2024.3>

**ISSN 2392-1641**  
**e-ISSN 2450-0097**

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Printed and bound in Poland by:  
Poznań University of Economics and Business Print Shop

Circulation: 80 copies

## Editorial introduction

It is quite striking how many publications that seemed to make a contribution to the economics literature when printed become forgotten just a few years after that event. One may argue that this reflects the inability of economics to propose definite and precise laws governing people's economic behaviour. However, it can also be hypothesised that the lack of such laws is caused by the constant evolution of the subject being studied, i.e., people's economic activity. This is because that activity, in any given period, largely focuses on areas that a few decades or even a few years ago did not exist, or were of marginal importance. The current issue of Economics and Business Review supports this hypothesis, as it addresses the topics of ageing societies, the consequences of the COVID-19 pandemic, the export of services, Industry 4.0, and, predominantly, environmental responsibility. In other words, the set of nine articles that make up the current issue deals with topics that have only recently come to prominence in the economics literature. These nine articles, written by eighteen authors working in India, Indonesia, Japan, Morocco, Poland, and Tunisia, are briefly summarised below.

The opening article, titled **Unveiling financial well-being: Insights from retired people in Third Age group in Poland, Spain and Denmark**, by Alicja Jajko-Siwiek contributes to the empirical literature on the silver economy. The study employs machine learning methods to explore predictors of older people's financial capability. It identifies both common determinants, such as household income, and country-specific determinants, such as food expenditure in Poland. The results may be of interest to policymakers responsible for developing old age public policies at the national and EU levels.

In their paper titled **Linder hypothesis and India's services trade**, Jadhav Chakradhar, Juhi Singh and Anusha Renukunta investigate the relationship between (dis)similarity in income levels and international trade intensity. Given its status as one of the top ten exporters of commercial services, India's case is unquestionably significant. The evidence for the years 2005–2021 suggests that the impact of income dissimilarity on the service sector exports is positive, rather than the expected negative. This underscores the necessity of constant development of the international trade theory.

The consequences of the extraordinary external shock triggered by the global spread of the SARS-CoV-2 virus continue to capture the attention of economists. The paper by Krzysztof Bartosik (**The effect of output on employment in Poland during the COVID-19 pandemic**) contributes to the existing

body of literature on this topic. Despite the relatively moderate impact of the pandemic on the Polish labour market, certain groups of workers are identified as bearing a disproportionate burden of the crisis, namely young people (especially women) and workers with temporary employment contracts. The study findings are of relevance for the formulation of labour market policies, underscoring the rationale for implementing targeted instruments and programmes.

The next paper, titled **CSR committees and their effect on green practices**, authored by Ngoc Bao Vuong, presents original findings based on a sample of non-financial Japanese firms. The empirical evidence for the period 2010–2021 provides support for the hypothesis that the existence of such committees is associated with a higher incidence of various green practices. The baseline result remains robust when alternative estimation approaches are employed. Furthermore, the article identifies variations in the relationship of interest, with the effect being stronger for firms that are more environmentally sensitive and for firms with CSR-linked compensation and a higher CSR strategy score. In general, the study indicates that the institutional framework is a non-negligible factor in the context of corporate sustainable behaviours.

The fifth article, entitled **The role of internationalisation in moderating the impact of ESG disclosure on financial performance**, is written by Yuli Soesetio, Ely Siswanto, Subagyo, Muhammad Fuad, Dyah Arini Rudiningtyas, and Siti Astutik. This study aims to determine the influence of environmental, social, and governance (ESG) disclosures on the financial performance of non-financial companies listed on the Indonesia Stock Exchange from 2012 to 2021. The results reveal the importance of analysing this relationship in emerging economies, as they indicate that indicators of environmental responsibility and governance practices are correlated with a decline in corporate financial performance. However, this decline is less pronounced among companies that internationalise their operations.

The next two papers in the current issue explore fluctuations on two selected emerging financial markets. In the first study within this strand, titled **Price limit bands, risk-return trade-off and asymmetric volatility: Evidence from Tunisian Stock Exchange sectors**, Othman Mnari and Bassma Faouel assess empirically the effects of the protective measure in the form of price limit. The Tunisian case allows the authors to consider two price limit regimes: the narrower price limit (NPL) and the wider price limit (WPL). Both crisis (COVID-19) and non-crisis times are analysed in order to gain insights into their performance during different economic conditions. The switch between the two regimes is identified as exerting a significant impact on risk-return relationship as well as volatility, with the effects varying between the large-cup and small-cup sectors.

The second study, by Ahmed El Oubani and titled **Quantile connectedness between social network sentiment and sustainability index volatility:**

**Evidence from the Moroccan financial market**, focuses on the volatility of the environmental, social, and governance (ESG) index and its relation to investor sentiment expressed on the X platform. The findings reveal a significant connectedness between sentiment and ESG index volatility, particularly during turbulent events. Most of the time, the sentiment index simply reflects the shocks that occur in the financial market; however, in some cases, it preceded changes in the sustainability index. The results also illustrate the impact of market conditions on the spillovers between the sentiment index and ESG volatility.

The paper **CEO pay ratio versus financial performance in Polish public companies**, written by Katarzyna Byrka-Kita and Karol Bulasiński, addresses the long-standing question of whether offering higher salaries to top management staff results in an observable improvement in financial performance. However, the results obtained for companies listed on the Warsaw Stock Exchange are ambiguous. On the one hand, the CEO pay ratio is found to be negatively correlated with return on sales. On the other hand, there is a positive impact on Tobin's Q and yearly stock return. These findings may be of interest for both short-term and long-term investors.

The issue closes with a contribution by Katarzyna Łukiewska (**Innovation and Industry 4.0 in building the international competitiveness of food industry enterprises: The perspective of food industry representatives in Poland**). A survey of representatives using the CATI method provides a unique dataset. The empirical evidence unequivocally demonstrates the significance of innovations for not only maintaining but also improving international competitiveness. This study offers some practical guidelines for the food industry sector by identifying the types of innovations with the highest potential to improve the competitive position on the international market.

*Monika Banaszewska  
Michał Piłc  
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