ISSN 2392-1641
e-ISSN 2450-0097

Economics and Business Review

Volume 11 (4) 2025

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Poznań University of Economics and Business Press

Paper based publication

https://doi.org/10.18559/ebr.2025.4

ISSN 2392-1641
e-ISSN 2450-0097

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Printed and bound in Poland by:
Perfekt – Gaul i wspólnicy sp. k.

Circulation: 80 copies

PUEB PRESS
Economics and Business Review Vol. 11 (4), 2025: 3–5
https://www.ebr.edu.pl

Editorial introduction

This issue of *Economic and Business Review* delves into pressing economic and social dynamics shaping innovation, inequality, and financial markets amid global uncertainties. Recent trends, such as rising R&D incentives, post-pandemic widening income disparities highlighted by OECD reports, and the surge in fintech services like Buy Now Pay Later (BNPL), underscore the need for targeted policies. Theories like behavioural finance and trust-based social cohesion frameworks further illuminate how investor sentiment, financial inclusion, and algorithmic trading influence growth and stability.

These six articles written by nineteen scholars from five countries (Bangladesh, Belgium, Poland, Thailand, Vietnam) collectively advance this discourse by blending empirical rigour with policy insights across diverse contexts—from European tax designs to emerging Asian markets. They reveal how incentives drive SME innovation, class-specific attitudes affect trust, and digital tools reshape liquidity and consumer behaviour. The following overviews detail their contributions.

The first article, **R&D tax credits, innovative activity and the targeting approach**, by Erik Gjymshana, Annelies Roggeman, and Isabelle Verleyen, investigates the impact of French research and development (R&D) tax credits on the innovative activity of small and medium enterprises (SMEs). The unique feature of this system lies in its application to expenditures incurred during the development phase of R&D projects, instead of all R&D expenditures. The authors employ a regression discontinuity design (RDD) and compare targeted SMEs with larger firms not subject to the tax credit over the period 2014–2018. The findings highlight the positive impact of the system on SMEs' innovative activity and their stronger response to incentives during the growth stage. This effectiveness is not held over time. Thus, the study provides a valuable policy lesson for other countries that are designing both their innovation policies and tax systems supporting R&D.

The second article, **Attitudes towards income inequality and trust: An analysis by income class in Poland**, written by Małgorzata Szczepaniak and Katarzyna Bentkowska, focuses on the under-researched relationships between attitudes toward income inequality and generalised and institutional trust in Poland, thereby contributing to the discussion on social cohesion. The authors apply an economic stratification framework with five income classes, complemented by non-parametric tests and logistic regression (for N = 1,352). Acceptance of inequality increases with income, with the sharpest contrasts between low- and high-income classes. Generalised trust rises with income, but institutional trust follows more complex and non-linear patterns. Because the links between trust and inequality attitudes are class-specific, the article argues that efforts to reduce inequality should address not only material disparities but also public perceptions of them.

The third article, **Financial inclusion and economic growth in Vietnam: Evidence across provinces and income groups**, by Thi Thuy Huong Luong, Attasuda Lerskullawat, and Thi Anh Nhu Nguyen, highlights the effect of financial inclusion on economic growth in Vietnam. The authors used panel data from 63 provinces during 2014–2020, and researched the full sample and two income groups. The difference-GMM estimation results demonstrate that financial inclusion, as measured by the number of commercial bank branches and the use of bank accounts, saving passbooks, and ATM cards, has a significant positive effect on economic growth in Vietnam. Additionally, for high-income provinces, participating in life and non-life insurance positively affects economic growth. This study suggests that policymakers should prioritise measures to expand access to and use of financial services in Vietnam, in addition to designing targeted programmes to increase the accessibility of insurance products, with a special focus on rural and low-income regions.

The fourth article, **Perceived usefulness, ease of use, risk, and trust: Explaining BNPL user recommendation intention through behavioural models**, by Krzysztof Waliszewski, Ewa Cichowicz, Mateusz Folwarski, Łukasz Gębski, Jakub Kubiczek, Paweł Niedziółka and Małgorzata Solarz, examines the main factors that influence consumers' willingness to recommend Buy Now, Pay Later (BNPL) services to others. Based on survey data from a quota sample of 350 BNPL users, the study analyses consumer recommendation intention using Partial Least Squares Structural Equation Modelling. The findings indicate that perceived usefulness and trust in the BNPL provider have a strong positive effect on recommendation intention, whereas perceived risk exerts a significant negative influence. Overall, the results extend the existing literature by clarifying the behavioural mechanisms driving BNPL adoption, while also offering practical implications for financial service providers seeking to strengthen consumer advocacy and retention.

The subsequent article, entitled **Sentiment and dividend smoothing: Do firms alter dividends during periods of high market activity?** and written by M. Jahir Uddin Palas and M. Adnan Ahmed, explores whether investor sentiment influences dividend policy among publicly listed firms in Bangladesh. Using a balanced panel dataset of 116 firms covering the period 2010–2021, the authors apply panel regression techniques, including random effects models, panel-corrected standard errors, and instrumental variable estimation. The analysis shows that firms tend to increase dividends in response to positive investor sentiment, while simultaneously engaging in dividend smoothing to preserve stable payout signals. The paper contributes to the behavioural finance literature, and its insights are particularly useful for investors and managers of public companies.

The final paper in the issue, **Algorithmic trading, liquidity and volatility: Evidence from Poland**, authored by Henryk Gurgul and Robert Syrek, investigates the causal relationships between algorithmic trading intensity, market liquidity, and volatility for selected blue-chip companies listed on the Warsaw Stock Exchange. Using daily and high-frequency intraday data for firms permanently included in the WIG20 index over the period 2020–2023, the study applies information-theoretic methods, including Shannon and Rényi transfer entropy. The research shows that algorithmic trading significantly affects both liquidity and volatility, with stronger and more widespread causal relationships observed at higher data frequencies, while such effects are less pronounced for extreme market conditions. These findings are of particular importance for regulators and market participants seeking to better assess the implications of algorithmic trading for market stability and efficiency in European equity markets.

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