

# Economics and Business Review

Volume 8 (22) Number 1 2022

## CONTENTS

### **Editorial introduction**

*Monika Banaszewska*

## ARTICLES

### **An analysis of the Pollution Haven Hypothesis in the context of Turkey: A nonlinear approach**

*M. Sinan Temurlenk, Anıl Lögün*

### **Capital structure and its determinants in companies originating from two opposite sides of the European Union: Poland and Portugal**

*Leszek Czerwonka, Jacek Jaworski*

### **Political alignment and the allocation of the COVID-19 response funds— evidence from municipalities in Poland**

*Piotr Matuszak, Bartosz Totleben, Dawid Piątek*

### **Special state aid measures during COVID-19 and corporate dividend policy: Early evidence from Polish public companies**

*Marta Kluzek, Katarzyna Schmidt-Jessa*

### **Consumer perceived ethicality of banks in the era of digitalisation: The case of Poland**

*Dariusz Piotrowski*

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## CONTENTS

### Editorial introduction

*Monika Banaszewska*..... 3

## ARTICLES

### An analysis of the Pollution Haven Hypothesis in the context of Turkey: A nonlinear approach

*M. Sinan Temurlenk, Anıl Lögün* ..... 5

### Capital structure and its determinants in companies originating from two opposite sides of the European Union: Poland and Portugal

*Leszek Czerwonka, Jacek Jaworski*..... 24

### Political alignment and the allocation of the COVID-19 response funds—evidence from municipalities in Poland

*Piotr Matuszak, Bartosz Totleben, Dawid Piątek* ..... 50

### Special state aid measures during COVID-19 and corporate dividend policy: Early evidence from Polish public companies

*Marta Kluzek, Katarzyna Schmidt-Jessa* ..... 72

### Consumer perceived ethicality of banks in the era of digitalisation: The case of Poland

*Dariusz Piotrowski* ..... 90



## Editorial introduction

Strong and resilient economies can prove helpful in putting a stop to the atrocities of war. This lesson drawn from the past has attracted broader attention due to Russia's unlawful invasion of Ukraine. The endeavour to protect human rights is not a sprint but a marathon so that one should not lose sight of long-term economic challenges and opportunities such as climate change and digitalisation. The evergreen question of the state's role in the economy that regained prominence at the outburst of the COVID-19 pandemic has recently become equally or even more important. Five papers included in the current issue of the *Economics and Business Review* represent original contributions from academia to these fundamental discussions.

The first paper by M. Sinan Temurlenk and Anıl Lögün entitled **An analysis of the Pollution Haven Hypothesis in the context of Turkey: A nonlinear approach** adds to the empirical literature verifying a hypothesis according to which there is a shift of pollutant economic activities from developed countries which enforce strict environmental protection laws to developing and low-income countries which are more lenient in that respect. The empirical evidence for Turkey in 1974–2017 is affirmative: the inflow of foreign direct investments leads to larger CO<sub>2</sub> emissions. This result calls for coordinated environmental protection policies as individual countries' efforts become ineffective.

A comparative study undertaken by Leszek Czerwonka and Jacek Jaworski in their article entitled **Capital structure and its determinants in companies originating from two opposite sides of the European Union: Poland and Portugal** documents numerous cross-country differences in the area of interest in the period 2010–2017. The overall share and the structure of debt are found to be different. However, the same also applies to the sign and statistical significance of relationships between debt and some of its determinants such as tangibility, a non-debt tax shield and industry's capital intensity. These differences indicate that the cross-country analyses of corporate financial decisions should control for (unobservable) country-specific factors.

The paper by Piotr Matuszak, Bartosz Totleben and Dawid Piątek (**Political alignment and the allocation of the COVID-19 response funds—evidence from municipalities in Poland**) offers an up-to-date contribution to the rich literature on the political economy of intergovernmental grants. The authors show that the distribution of money from the second and third rounds of the Governmental Fund for Local Investments was politically biased. This unset-

tling observation exposes one of the weaknesses of the system of intergovernmental fiscal relationships in Poland.

Marta Kluzek and Katarzyna Schmidt-Jessa in their paper entitled **Special state aid measures during COVID-19 and corporate dividend policy: Early evidence from Polish public companies** explore a crucial yet under-researched nexus between coronavirus-related discretionary fiscal measures and companies' dividend policies. Using a sample of Polish listed companies they show a negative relationship between obtaining state aid and the likelihood of paying money out to shareholders. The study can be of interest to policymakers responsible for designing fiscal stimulus packages targeted at large business entities.

The issue closes with a paper by Dariusz Piotrowski (**Consumer perceived ethicality of banks in the era of digitalisation: The case of Poland**) in which he conducts a unique empirical analysis of factors affecting the perception that banks are institutions which treat their consumers ethically. A special focus is put on the use information and communication technologies (ICT). According to the survey results banks considered as ethically managed are those that are honest in their financial advice and that employ e-banking services and artificial intelligence technology. On the contrary the bank's reputation among consumers suffers primarily from the manipulation of information on financial products and the misuse of personal data. These research results are of high practical relevance.

*Monika Banaszewska*

*Lead Editor*

## 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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