

Economics and Business Review

Volume 8 (22) Number 3 2022

CONTENTS

Editorial introduction

Michał Piłc

ARTICLES

***Absurda lex, sed lex?* Public value and the decay of the Rule of Law: A conceptual perspective**

Erick Behar-Villegas

Social and economic development of Ukraine: Modelling the migration factor impact

Taras Vasylytsiv, Olha Mulka, Oksana Osinska, Oleksandr Makhonyuk

An analysis of causal relationship between economic growth and financial development for Turkey: A MODWT—Granger causality test

Hayri Abar

Effectiveness of environmental policies on carbon emissions: A panel threshold analysis

Hale Akbulut

Energy tokens as digital instruments of financial investment

Kamilla Marchewka-Bartkowiak, Marcin Wiśniewski

Marriage, divorce and coronavirus—theoretical analysis of the influence of COVID-19 on family capital

Paulina Malaczewska, Maciej Malaczewski

Editorial Board

Monika Banaszewska, Ivo Bischoff, Horst Brezinski, Gary L. Evans, Niels Hermes, Witold Jurek, Tadeusz Kowalski (Editor-in-Chief), Joanna Lizińska, Ida Musiałkowska, Paweł Niszczoła, Michał Pilc, Konrad Sobański

International Editorial Advisory Board

Edward I. Altman – NYU Stern School of Business
Udo Broll – School of International Studies (ZIS), Technische Universität, Dresden
Conrad Ciccotello – University of Denver, Denver
Wojciech Florkowski – University of Georgia, Griffin
Oded Galor – Brown University, Providence
Binam Ghimire – Northumbria University, Newcastle upon Tyne
Christopher J. Green – Loughborough University
Mark J. Holmes – University of Waikato, Hamilton
Andreas Irmen – University of Luxembourg
Bruce E. Kaufman – Georgia State University, Atlanta
Robert Lensink – University of Groningen
Steve Letza – The European Centre for Corporate Governance
Robert McMaster – University of Glasgow
Victor Murinde – SOAS University of London
Hugh Scullion – National University of Ireland, Galway
Yochanan Shachmurove – The City College, City University of New York
Richard Sweeney – The McDonough School of Business, Georgetown University, Washington D.C.
Thomas Taylor – School of Business and Accountancy, Wake Forest University, Winston-Salem
Linda Gonçalves Veiga – University of Minho, Braga
Habte G. Woldu – School of Management, The University of Texas at Dallas

Thematic Editors

Economics: *Monika Banaszewska, Ivo Bischoff, Horst Brezinski, Niels Hermes, Witold Jurek, Tadeusz Kowalski, Ida Musiałkowska, Michał Pilc, Konrad Sobański* • **Finance:** *Monika Banaszewska, Gary Evans, Witold Jurek, Joanna Lizińska, Paweł Niszczoła, Konrad Sobański* • **Statistics:** *Marcin Anholcer, Maciej Beręsewicz, Elżbieta Gołata*

Language Editor: *Owen Eastel* • **IT Editor:** *Marcin Reguła*

© Copyright by Poznań University of Economics and Business, Poznań 2022

Paper based publication

ISSN 2392-1641
e-ISSN 2450-0097

POZNAŃ UNIVERSITY OF ECONOMICS AND BUSINESS PRESS
ul. Powstańców Wielkopolskich 16, 61-895 Poznań, Poland
phone +48 61 854 31 54, +48 61 854 31 55
www.wydawnictwo.ue.poznan.pl, e-mail: wydawnictwo@ue.poznan.pl
postal address: al. Niepodległości 10, 61-875 Poznań, Poland

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

Circulation: 200 copies



Economics and Business Review

Volume 8 (22) Number 3 2022

CONTENTS

Editorial introduction

Michał Pilc 3

ARTICLES

***Absurda lex, sed lex?* Public value and the decay of the Rule of Law: A conceptual perspective**

Erick Behar-Villegas 7

Social and economic development of Ukraine: Modelling the migration factor impact

Taras Vasylytsiv, Olha Mulska, Oksana Osinska, Oleksandr Makhonyuk 27

An analysis of causal relationship between economic growth and financial development for Turkey: A MODWT—Granger causality test

Hayri Abar 59

Effectiveness of environmental policies on carbon emissions: A panel threshold analysis

Hale Akbulut 82

Energy tokens as digital instruments of financial investment

Kamilla Marchewka-Bartkowiak, Marcin Wiśniewski 109

Marriage, divorce and coronavirus—theoretical analysis of the influence of COVID-19 on family capital

Paulina Malaczewska, Maciej Malaczewski 126

Editorial introduction

Trust in social science is commonly defined as a willingness to become vulnerable to someone else's actions. In the world of incomplete information trust substitutes the costly process of gathering knowledge about someone else's interests and previous behaviour. As such, it encourages human interaction, including economic transactions, but also helps to conduct economic policy. It is also fundamental for introducing new financial instruments or more generally the development of financial markets. The ongoing crisis initiated by the COVID-19 pandemic and prolonged by Russia's unlawful invasion of Ukraine has a detrimental impact on trust towards family members, trading partners, members of minority groups, political class or society as a whole. This process is fuelled by many populists who undermine public belief in fundamental democratic institutions such as the rule of law. That detrimental impact is difficult to measure and as a result is rarely discussed but its consequences will be long-lasting.

The current issue of *Economics and Business Review* includes six articles covering various current topics present in economic debate. They were written by eleven authors that work in Germany, Poland, Ukraine and Turkey. However, behind this variety of topics it can be seen that all these articles describe phenomena that either help to build trust (the rule of law, the institution of marriage) or to some extent rely on trust (financial development, policy effectiveness, migration). Thus it is hoped that these articles will inspire readers to consider the reasons, consequences and possible remedies for trust deterioration. *Economics and Business Review* could serve as an outlet of first choice to present the scientific results of these considerations.

The first paper by Erick Behar-Villegas entitled ***Absurda lex, sed lex? Public Value and the decay of the Rule of Law: A conceptual perspective*** introduces two theoretical frameworks that explain the connection between the rule of law and public value and presents three manifestations of the rule of law's decay. These comprise the excess of legal-formalism, the excess of discretion in enforcement and the instrumentalisation of the law. All these forms increase uncertainty among economic agents, decrease their trust both towards the state and other people and fuel the process of democratic decay, i.e. the degradation of liberal democracies and their institutions.

The next article by Taras Vasylytsiv, Olha Mulska, Oksana Osinska, Oleksandr Makhonyuk titled **Social and economic development of Ukraine: Modelling**

the migration factor impact aims to identify the causality links between migration and indicators of the development of Ukraine. The analysis is based on a broad set of socio-economic indicators and concludes that emigration reduces unemployment in Ukraine in the short run while remittances are found to increase disposable income, the share of households' food expenditure and the level of the consumer price index. At the same time the authors' policy recommendations are aimed at increasing the trust of young people in the social and economic development of Ukraine and discourage them from leaving the country.

The third contribution is entitled **An analysis of causal relationship between economic growth and financial development for Turkey: A MODWT—Granger causality test** and it is written by Hayri Abar. The novelty of this study lies in analysing the relationship between financial development and economic growth in multiple time horizons by decomposing the time series into various so-called wavelets. The results confirm a bidirectional causality link between financial development and economic growth for 4–8 year, 8–16 year and 16–32 year periods and an unidirectional impact of financial development on economic growth for a one year period. The policy recommendations concentrate on increasing the competitiveness of the financial sector, stabilising the value of the currency and reinforcing the atmosphere of stability and trust in the financial sector.

The fourth paper is written by Hale Akbulut and it is titled **Effectiveness of environmental policies on carbon emissions: A panel threshold analysis**. It contributes to the literature by modelling the mediating role of environmental policy in the relationship between carbon emission and its determinants. The geographical scope covers BRIICS countries which were responsible for almost 47% of the world's CO₂ emissions in 2020. The analysis is based on a panel threshold regression and reveals that carbon emission effects from foreign direct investment and the share of the services sector were significantly affected by environmental policy stringency. Namely, it appeared that FDI and the service sector reduce the CO₂ emissions only when a stringent environmental policy is in place.

The title of the fifth contribution is **Energy tokens as digital instruments of financial investment** and it is written by Kamilla Marchewka-Bartkowiak and Marcin Wiśniewski. In this article the authors focus on the latest trend in financing climate and energy policy which is based on the distributed ledger technology (more narrowly: blockchain), namely tokenization. The authors evaluate the investment attractiveness of selected nine energy tokens from the point of view of the effectiveness measures applied to ordinary financial instruments. The results suggest that many investors still do not perceive such tokens as trustworthy because their investment attractiveness compared to investments in stock and commodity markets and investments in major cryptocurrencies appeared to be low.

The sixth article deals with an institution where its benefits rely on trust probably more than any other. It is because the paper introduces a model to study the probability of marriage break-up in reaction to the pandemic shock. It is entitled **Marriage, divorce and coronavirus—theoretical analysis of the influence of COVID-19 on family capital** and it is written by Paulina Malaczewska and Maciej Malaczewski. The model takes into account the consumption expenses, marriage capital with its depreciation, investments in this capital, the costs of divorce and the total utility obtained by the agent in two situations—staying in marriage and divorce. The model reveals that a change in economic conditions has the smallest effect of any factor influenced by COVID-19 in changing the likelihood of a divorce or the likelihood of a marriage continuing.

Michał Pilec
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.

The manuscript

1. Articles submitted for publication in the **Economics and Business Review** should contain original, unpublished work not submitted for publication elsewhere.
2. Manuscripts intended for publication should be written in English, edited in Word in accordance with the **APA editorial** guidelines and sent to: secretary@ebr.edu.pl. Authors should upload two versions of their manuscript. One should be a complete text, while in the second all document information identifying the author(s) should be removed from papers to allow them to be sent to anonymous referees.
3. Manuscripts are to be typewritten in **12' font in A4 paper** format, one and half spaced and be aligned. Pages should be numbered. Maximum size of the paper should be up to 20 pages.
4. Papers should have an abstract of about 100-150 words, keywords and the Journal of Economic Literature classification code (**JEL Codes**).
5. Authors should clearly declare the aim(s) of the paper. Papers should be divided into numbered (in Arabic numerals) sections.
6. **Acknowledgements** and references to grants, affiliations, postal and e-mail addresses, etc. should appear as a separate footnote to the author's name a, b, etc and should not be included in the main list of footnotes.
7. **Footnotes** should be listed consecutively throughout the text in Arabic numerals. Cross-references should refer to particular section numbers: e.g.: See Section 1.4.
8. **Quoted texts** of more than 40 words should be separated from the main body by a four-spaced indentation of the margin as a block.
9. **References** The EBR 2017 editorial style is based on the **6th edition** of the Publication Manual of the American Psychological Association (**APA**). For more information see APA Style used in EBR guidelines.
10. **Copyrights** will be established in the name of the **E&BR publisher**, namely the Poznań University of Economics and Business Press.

More information and advice on the suitability and formats of manuscripts can be obtained from:

Economics and Business Review

al. Niepodległości 10

61-875 Poznań

Poland

e-mail: secretary@ebr.edu.pl

www.ebr.edu.pl

Subscription

Economics and Business Review (E&BR) is published quarterly and is the successor to the Poznań University of Economics Review. The E&BR is published by the Poznań University of Economics and Business Press.

Economics and Business Review is indexed and distributed in Scopus, Clarivate Analytics, DOAJ, ERIH plus, ProQuest, EBSCO, CEJSH, BazEcon, Index Copernicus and De Gruyter Open (Sciendo).

Subscription rates for the print version of the E&BR: institutions: 1 year – €50.00; individuals: 1 year – €25.00. Single copies: institutions – €15.00; individuals – €10.00. The E&BR on-line edition is free of charge.