

## PRESENTACIÓN/FOREWORD

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The XXXI International Congress of Applied Economics, ASEPELT 2017, took place in Lisbon, from 5 to 8 July, 2017. The organization was the responsibility of ISEG/UL (Lisboa School of Economics & Management - University of Lisbon) that went on working to offer a stimulating scientific and social program for the Congress.

The theme of the Congress -Real Economy and Finance- had, as main objective, to stimulate the debate around the problematic of Crisis and Globalization, and its effects on the World/European economies (and, especially, in the Iberian countries). The impacts that these phenomena have brought to the so-called real economy and the process of “financialization” of the economy (and related risks) that has been associated with it, the possible responses to the crisis and the promotion of a new development model, were at the center of the debates.

Particular attention to the issues of applied economics and of the methodologies and techniques of analysis of economic and business information was also in our objectives.

At the same time it was proposed to the Organizing Committee to integrate the number of September Of ESTUDIOS DE ECONOMIA APLICADA review with a related “*monográfico*” that would be composed of papers both presented at the conference or coming directly to the review, following a specific call for papers. The Theme should be related with the central purpose of the ASEPELT 2017, even if different and specific. The task was answered; with these guidelines:

- Title: Crisis, Economy and Finance

- Coordination: Manuel Coelho, Rosa Borges, José Pires Manso
- Descriptive: The sovereign debt crisis and its consequences in the real economy. "Financialization" of the economy. Responses to the crisis: potentialities and risks.

Our basic selection was based on a set of texts proposed directly to the Journal or resulting from communications sent to the Conference, expressly indicating their interest in publishing in the Journal. We had a significant number of interesting proposals, of adequate scientific quality. The main quality that we pointed out had to do with diversity: On the themes addressed (obviously, some closer to the central theme of this issue of the Journal than others) either (and this seems quite relevant, given the central objective of this Journal) in the methodologies used. From more quantitative methods to more qualitative methodologies, we could observe here an excellent panel of multiple approaches in the social sciences.

After an initial process of choice (based on criteria: thematic diversity, originality, scientific quality, different spatial origin of the authors) and after passing the bolter of peer review, this is our final selection.

First we have a paper, we call the Contribution. "The Systemic Global Crisis" from Eduardo Firmenich is an interesting and original reflection about the crisis in the context of Political Economy. According to the author, the international financial crisis reflects a crisis of systemic order of globalization. It is not just an economic crisis and "it has no solution with technical recipes". The root causes of the crisis can be found in the revolution of new technologies of information and communication (ICT) backed up by institutional deregulation. That gave basis to global markets, especially financial market. But, he stresses, the postwar world order is not functional for globalization based on the predominance of ICT. He sustains that we are facing the end of the "metalmecanical - petroleum" Kondratieff cycle and the beginning of the "telematic" Kondratieff cycle". In the past, each new long run cycle has generated conflicts and wars and, finally, a new international order. So, to solve peacefully the global crisis we're living, it is required a political decision to set up a New Sustainable International Order that requires a global institutional framework as well as the preeminence of new technologies, accompanied by a new focus on monetary and fiscal policies (including a new international monetary system).

The monographic starts with the papers "El Banco de España y el FROB en la crisis financiera y económica Española" (Jiménez, Martí & Romero) and "Interrelación entre el crecimiento y la rentabilidad de la banca comercial en España" (Miralles, Miralles & Maza). These first two articles find one of the most discussed topics in Lisbon: What are the reasons that led to the financial crisis (especially in the two Iberian countries)?; which particular ways have developed?; which policies have been followed to obviate their effects?; with

what results?; what is our critical evaluation of the process, particularly with regard to the Public policies and the way in which the agents reacted?

In the first paper, a reflection is made that explores the relations between the Bank of Spain and the European Central Bank and the way in which the European Monetary Policy was reflected in the financial crisis in Spain. Then the authors investigate how the FROB regulatory instrument of monetary policy in Spain has imbedded in this process leading to actual performance of Spain. According to the authors, the economic and financial crisis has very sharp differential characteristics depending both on the previous evolution and the policies that have been put. In the Spanish case, the previous gestation of the crisis was driven by the introduction of the euro and the European Monetary Policy applied by the European Central Bank (ECB) that gave the false sense that one had assured in the future, monetary stability with low rates of interest. That led to the implementation of expansive policies by governments and borrowing decisions by citizens that increased the risks, fueled by the financial sector. This process required regulation, however, the Bank of Spain, did not act until well into the crisis, putting in place jointly with the Spanish Government of an instrument, the FROB, which has served only to bring out system failures. So, the authors try to explain how this process was produced, why it has generated that the Spanish financial crisis has been of greater intensity than in other countries and gave rise to the European rescue, and what were the results of FROB introduction.

In the second, the authors investigate the huge changes in the financial sector in Spain in recent years, affecting the structure and results of commercial banks. The purpose of the research is to analyse the interactions between the two main objectives of commercial banks: growth and profitability, leading to an interesting relation to explain the interrelationship between these two magnitudes, as well as the direct effect of the bank recapitalization and restructuring. The results reveal the existence of a complex non-linear relationship between bank growth and profitability in Spain during the period 2005-2014. Moreover, their findings show that the measures adopted by the Spanish authorities have taken the expected effects.

The two following papers refer to important global relations and associated themes other than the most used topic of finance sector crisis. The third paper in the monographic is about the relations between growth, consumption and quality of life standards and how they were affected by the crisis: “The Dynamics between Economic Growth and Living Standards in EU Countries: a STATICO Approach for the period 2006-2014”, (Santos, Ribeiro, Castela & Silva). The fourth paper, “Natural Resources, Globalization and Sustainable Economic Welfare: A Panel ARDL Approach”, (Fuinhas, Marques & Faria), introduces the

fundamental question of sustainable development, sustainable use of natural resources and the way they were affected by financial crisis.

The rate of economic growth is dissimilar between areas or regions. These divergences generate potential impact on quality of life and the occurrence of the financial and economic crisis of 2008 can strengthen these gaps. The objectives of the third paper are to identify common structures between Economic Growth and Quality of Life descriptors and, simultaneously, identify and evaluate the co-inertia and stability relations of the northern, central and southern European countries and characterize the specificities of their evolution in the different phases of the crisis period. For this, the authors use a methodology called STATICO. The STATICO method is a three-way multivariate analysis supported on a partial triadic analysis applied to each pair of an economic growth tables and a life standard tables, that made possible to extract the stable part of economic growth/life standard common relationships and to analyze the influences of the financial crisis of 2008.

Increased natural resources exploitation and the intensification and deepening of globalization rose as fundamental preoccupations, among political institutions and public opinion, about the future and sustainability of our planet. Gross Domestic Product (GDP) has been the most widely accepted measure of economic performance, but it fails to accurately measure economic development, overlooking key aspects of quality of life and sustainability. In this context the Index of Sustainable Economic Welfare (ISEW) emerges as the dominant alternative. The fourth paper aims to compare both GDP and ISEW as measures of economic performance, and to establish the effects of natural resources exploitation, and globalization on both economic growth and sustainable development. To the authors, the research question is: “Are globalization and natural resources exploitation harmful to economic development?”

In this context, a Panel Autoregressive Distributed Lag (ARDL) approach is used, which allows to check for short and long-term effects of the variables. The panel is composed by 14 OECD countries; data from 1995 to 2013. Important conclusions are retired about the impacts, in the short and long term, on growth, welfare and sustainable development from important drives as trade and social globalization.

The following paper is “Tipología de la empresa innovadora en productos y procesos en una región periférica europea”, (Martínez-Román, Gamero, Tamaro & Romero). The main objective of this paper is to characterize the innovative firm regarding the company that does not innovate in the Autonomous Community of Andalusia, a Spanish region, one of the main peripheral regions of the European Union. For the empirical work, a survey on 430 Andalusian firms from four, technological and non-technological sectors was carried out, distinguishing between product innovation and process innovation. The analysis

of the typology reveals common features associated to the type of innovation. The authors conclude that organization that innovates in products is characterized by the development of an innovative capacity where the sources of internal knowledge predominate over external sources, being essential the human factor, the productive dimension, the institutional support of the innovation and the measures of support to export. Nevertheless, the organization that innovates in processes bases its innovative capacity on internal knowledge and on certain external sources, giving greater importance to organizational factors, cooperation and instruments of fiscal support.

Issues which put in evidence the importance of the problems arising from the use of productive factors and natural resources, such as energy and water, are especially interesting because they highlight the problems of the “real economy”, crossing the “financialization” of the discussions around the crisis. The sixth paper “Huella Hídrica Y Productividad Económica del Agua en Nogal Pecanero (*Carya illinoensis*) al sur oeste de Coahuila, México”, (Rios-Flores & Navarrete-Molina) is an interesting exercise of economic calculus, a real example of Applied Economy to a real specific problem/situation. This work aims to determine the footprint water and economic productivity of water, capital and workforce in the cultivation of pecan (*Carya illinoensis*) in the Coahuila State, Mexico. This product is produced under conditions of irrigation by pumping and gravity. Then the authors compare these results with those obtained at what we can call a benchmarking level (DR-017).

The final paper is a true Applied Economy paper fundamenting an extremely interesting and inspiring methodology, to be used in empirical cases: “Regresión con variables ortogonales y regresión alzada en el modelo STIRPAT”, (García, García, Gómez & Pérez). STIRPAT model is one of the most analysed methodologies in environmental studies. The specification of this econometric model provokes multi-collinearity. Although a first option could be to eliminate the variable(s) that generates the collinearity, it does not allow estimating the effects of the main forces driving environmental impacts. It is necessary to develop or to apply new methods that could mitigate the collinearity problem. Very well founded, this work applies two alternative methodologies to the traditional Ordinary Least Squares estimation: the raise regression and the regression with orthogonal variables, both methodologies managing to mitigate the collinearity. Furthermore, with two different perspectives about the variables - while the raised method has an important geometric factor in its application, the purpose of the regression with orthogonal variables is to give new interpretations of the variables. The paper also presents the potential of these methodologies in specific applications (both, those related to the treatment of collinearity in the STIRPAT model and the treatment of the variable efficiency in regression models with orthogonal variable).

Other proposals introducing key issues such as the role of emerging economies in the process of development and “overcoming” of the crisis; key issues such as employment, including gender approach, or the role of tourism and cultural economics, have fallen on the path of impossibility of space, but constitute important routes for future research. We hope that this sample will be enough to stimulate further studies that may bring new answers on the causes of the crisis and on the possible responses to assess the negative impacts. One of the conclusions pointed in the Lisbon Conference is that the crisis is still far from definitely outdated, so efforts to understand its content still remain.