The Great Silk Road Conference: Opportunities and/or Challenges for the Development of Eurasia

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and

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Preface

The Research Cluster of Banking and Finance of Bournemouth University and Westminster International University in Tashkent (WIUT) jointly organized an international conference, "**The Great Silk Road Conference: Challenges and Opportunities for the Development of Eurasia," in a hybrid mode** bringing in-person and virtual participants together. The conference attracted more than thirty scholars and students from various countries, including the Czech Republic, the Republic of Korea, the Republic of Serbia, the UK, the USA, and Uzbekistan.

The keynote speakers of the conference were international scholars **Professor Ke Rong** from Tsinghua University (China), **Professor Andrei Vernikov**, Institute of Economics of the Russian Academy of Sciences (Russia), **Professor Lawrence King**, University of Cambridge (UK), and **Professor Charles Becker**, Duke University (USA). The conference sessions included research presentations on Regional Integration and Trade, Education and Methods, Finance and Banking, Energy, and Management and behavior.

The conference proceedings comprise the abstracts of the research papers presented at the conference and are prepared by the MBF Academy.

Dr Khurshid Djalilov
The Conference Chair

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Morning parallel session A: Regional Integration & Trade

Perspectives of Enhancing Cooperation: Can Rapid Acceleration of Bilateral Merchandise Trade and Chinese FDI Inflows into Serbia Be Sustained?

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Abstract

The 14+1 framework under the Belt and Road Initiative in Europe is on a slippery slope. The relationship between Brussels and Beijing is rapidly transformed from competition through systemic rivalry to decoupling in many areas. In these circumstances, Serbia, the most prominent Western Balkans country, is the exception that proves the rule. Even if it finds itself politically between a rock and a hard place, the country has managed to preserve its independence and a balanced relationship between the West and the East. Serbia refused to join EU sanctions against Russia, although it supports Ukraine.

With the EU's irrational unwillingness to expand to the Balkan, China is successfully filling the geopolitical vacuum with a win-win outcome to accelerate economic development through increased connectivity. Apart from loan-based projects, Chinese investment is becoming an increasingly important field of bilateral cooperation. Investment has been directed mainly towards Serbia's export-oriented manufacturing areas and vital infrastructural projects.

China's investments in Serbia in recent years have grown faster than total Chinese OFDI along BRI countries. In 2015, investments from China in Serbia amounted to a modest 66.5 million euros (or 3.1% of the total FDI inflow), but in 2022, investments reached 1,399.3 million euros (or 31.7% of the total FDI inflow). Moreover, 98.2% of these investments were in the mining, processing, and construction sectors. In this period, the value of trade exchange between Serbia and China increased 4.15 times, and Serbia's merchandise exports to China increased 59.5 times. After Germany, China has become the second most important economic partner for Serbia.

This analysis aims to examine to what extent the vitality of economic relations with China helped Serbia as a buffer against negative exogenous shocks caused by the COVID-19 pandemic and Russia's full-scale invasion of Ukraine. At the same time, the perspective of this cooperation will be evaluated, especially concerning the signing of the Memorandum of Understanding, which marked the formal beginning of negotiations on free trade between Serbia and China. Are there any grounds for optimism about cooperation in producing emerging technologies, a more coordinated and efficient approach to the green industrial policy that awaits us in the future?

The reasons for promoting foreign direct investment from China have been different so far. In this part of Europe, the recipe for Serbia will be a panacea for others. That is why it is a mutual challenge. Therefore, this work can be helpful to policymakers of both countries.

Keywords: *China, Serbia, BRI, FDI*

JEL Classification: B27, F4, F14, F21

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Intra Industry Trade: A Systematic Literature Review

Muhammad Yousaf, Nilufar Rashitova, Zohid Askarov, WIUT

Note: This research is a part of the WIUT-UOW Research Collaboration project: "Inter-Industry and Intra Industry Trade of Uzbekistan with Central Asian Countries: Consequences, Challenges, and Solutions." Hence, the current study is related to the conference's main theme.

Abstract

It is impractical for a country to produce all the commodities, creating the need for international trade. A country produces those commodities in which it is efficient and has comparative advantages. Afterward, exchange some of these commodities for those in which other countries are relatively more efficient and have comparative advantages. The basis of international trade (IT) has expanded massively due to relative differences in factor endowments, natural resources, taste, technology, etc. This is an era of globalization; a country can't fully produce any commodity by itself, so it needs commodities from another country to provide finished goods to the consumer.

To achieve this purpose, trade between nations occurs within a similar industry that produces the same kind of commodity. This trade among countries in exchange for the same commodity is classified as intra-industry trade (IIT).

Fontagne et al. (2006) sectioned international trade (IT) into three types: the first one being inter-industry trade, then secondly the intra-industry trade in horizontal, and thirdly the vertically differentiated products. They analyzed countries' pairs such as China-US, Malaysia-Singapore, France-Germany and India-Nigeria.

The study's findings revealed increased intra-industry trade (IIT) at the world level due to vertically differentiated goods. The study found that the country pair of France-Germany has the highest share of IIT in the world and that of Canada-US trades most in IIT in value terms. The study observed the re-emergence of trade patterns predicted by the Hecksher-Ohlin model due to the participation of emerging economies in world trade.

Several empirical studies explore different concepts and factors related to IT. However, no systematic literature review (SLR) has been made in the recent studies to analyze the various concepts and current research trends in IT, specifically IIT. Hence, the present study will fill the gaps. The study conducts a systematic literature review (SLR) about intra-industry trade (IIT). The study's main aim is to present the state of the art in quantitative research on IIT.

First of all, the research articles were searched with the help of six strings, and these six strings were executed in three popular databases: (i) Scopus, (ii) Web of Science, and (iii) Science Direct. Around 584 peer-reviewed articles were examined which are directly linked with the subject of IIT. About 108 papers were finally chosen, and then the purpose, data collection, methodology, conclusion, contributions, and type of quantitative analysis of the selected documents were discussed and analyzed briefly. The study accomplished science mapping analysis using VOS Viewer software. Thus, this study identifies the focus areas of the researchers and knowledge gaps in the empirical quantitative literature on IIT.

Therefore, the current study's findings will be very fruitful in many contexts for academics, researchers, and policymakers.

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Pigments, Trade, and Pilgrimage: Malachite and Lapis Lazuli Transmission on the Ancient Silk Roads of Central Asia

Author: Wendelin Morrison, BU

Abstract

Looking through the blue-green lens of malachite and lapis lazuli, to see traders for the first time as active religious practitioners and potential donors in relation to sacred art and its creation, this paper will discuss the relationship between merchants and traders and the sacred practices of Buddhism on the Ancient Silk Roads of Central Asia and how it can inspire today's development challenges and opportunities for the Great Silk Roads.

Investigating questions such as: what if there is more to the story of Silk Road traders from antiquity than simply unwitting and uncaring carriers and sellers of these sacred and medicinal materials? What happens to our ideas of trade and the landscape in which it occurs when we begin to see traders and their activities as not separate from their practice of faith? And could traders even be considered pilgrims as well as economic agents? The case study of the transmission of malachite and lapis lazuli on the Ancient Silk Roads of Central Asia will explore how merchants and traders were more than simply functional economic actors in the material field of exchange.

The bright green mineral, malachite, and 'star-flecked' deep midnight blue of the mineral aggregate lapis lazuli were both used as sacred pigments in the production of the spectacular Buddhist paintings to be found in the temple caves of Kizil, Mogao, and Bezeklik in modern-day Xinjiang; they were also known for their healing qualities and employed as physical and spiritual medicines. Malachite of high quality took on a 'gem-like' status and has been identified as medicine at the earliest known Chinese materia medica, the Shennong Ben Cao Jing (dating between 206BC and 220AD), as the 'elixir of immortality' (Schafer; 1978, p33).

Lapis Lazuli, mined in what is now modern-day Afghanistan, was so directly connected to medicine and healing that the body of the Bhaisajyaguru, the Medicine Buddha who heals all mental and physical suffering, was said to be made of lapis lazuli light. Traders would have understood the value of malachite and lapis lazuli aesthetically and their medicinal and sacred healing artistic colour symbolism as pigments, related as they were to the elements of the environment, the sky, and its blue reflection in the water.

Traveling the remote and rough environments of the Ancient Silk Roads was perilous, but traders needed guidance and protection. Practiced as the protector saviour of traders and travellers, Avalokitesva, the Buddha of Compassion, and Green Tara, the female Tibetan emanation of this non-dual Buddha, are depicted in temple cave paintings in which they save travellers from the 'eight perils' of wild animals, fires, bandits, imprisonment/disease, wild elephants, floods, snakes and 'demons.' The interconnectivity between the traders of the ancient past and the emergence of a sustainable, ethical, and compelling future for this globally significant region is laid out before us like a map for traders and pilgrims alike who are just beginning their journeys.

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Morning parallel session B: Education & Methods

University Reputation, Cost-of-Living Crisis, and International Student Mobility: Impacts on the UK Economy and the Need for Eurasia's Stability

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Abstract

The Eurasian region has long been a cradle of civilizations (Christian, 2000; Eremina, 2016), and cultural exchange mainly occurred via land transportation with the ancient Silk Road (Dong et al., 2017; Tan et al., 2021). Economic cooperation among the governments of the countries in the Eurasia region is essential to raise trade integration (Linn & Tiomkin, 2005). However, the Eurasian region has witnessed a chaotic surge in recent years. It seems that the most significant recent crisis in the Eurasian region is the Russo-Ukrainian War on 24 February 2022.

The consequences of the Russo-Ukrainian War have rippled beyond national boundaries, pushing some economies into recession (Guan et al., 2023) and giving rise to numerous crises (Mbah & Wasum, 2022).

Since early 2021, the cost of living has risen in the UK. In June 2022, the yearly inflation rate reached its highest level since 1982 (Gooding, 2022). In October 2022, the yearly inflation rate peaked at 11.1%, the highest in 41 years. However, according to the statistics from the UK Parliament [2], it gradually decreased to 10.1% in the following months by January 2023. By April 2023, the inflation rate had further dropped to 8.7%.

Everyone is affected by the present cost of living issue, but for many international students on tight budgets, the problem might be catastrophic (Dawkins, 2022). The result shows that the cost-of-living crisis affects students' day-to-day lives and their ability to reap future benefits from their time at university, which could negatively affect how they perceive higher education institutions (Wicklow, 2022).

A total of 1,965 students from various parts of England participated in the recent ONS survey, which aimed to investigate the effects of the crisis on higher education students. The survey revealed that over three-quarters (78%) of the students expressed worry about the increasing cost of living and its potential impact on their studies and academic performance (Universities UK, 2023).

Apart from academic problems, student mental health, etc., followed by the cost-of-living crisis, the rising cost of living in 2023 will be a significant barrier for students planning to study abroad. According to a recent survey conducted by IDP, which involved 21,000 students from 108 countries, the increasing living costs in 2023 present a significant challenge for students aspiring to pursue education abroad. Many students might have to abandon or postpone their plans to study overseas or opt for more budget-friendly choices than their first preference. The survey found that 51% of the students surveyed are currently re-evaluating their decision to pursue international education (IDP, 2023).

While it is impossible to make precise predictions about the effects of Eurasia chaos, the Russo-Ukrainian War, and the cost-of-living crisis on international students' decisions to pursue their study plans in the UK, the cost-of-living crisis might have a disruptive effect on the international education landscape.

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Furthermore, the decisions of international students hold great significance for the economy.

Based on a report by the UK parliament (UK Parliament, Hansard, 2022), UK universities, by attracting international students, could have a significant contribution to the economy (£25.9 billion, in 2021). For instance, during the 2021/22 period, Manchester City Football Club generated £731m in revenue, while Manchester United earned £689m. Interestingly, the University of Manchester surpassed both sporting giants by generating over £1.217bn in revenue, which is quite close to the combined income of the two renowned sports brands (Moore, 2021). This achievement highlights the significant economic contribution of UK higher education (Kelly et al., 2004). It also reflects the success of British universities in attracting international students [3] (Peak, 2019).

In this article, by considering the contribution of university reputation for the UK economy recovery, particularly in crisis situations, the impacts of the Russo-Ukrainian War and the cost-of-living crisis on international students' decisions to pursue their study plans in the UK will be discussed.

Keywords: *University reputation, Cost-of-Living Crisis, cost of livings, economic recovery, and student mobility.*

Simulation Study on Double Bootstrap Confidence Intervals in Linear Models: Case of Severe Outliers

Author: Zarrukh Rakhimov, PhD student at WIUT

Abstract

The marginal effects in linear models have been of considerable interest in social science. Inferences about marginal effects have relied largely on asymptotic methods which have an assumption that the limiting distribution of the estimator is normal. We introduce bootstrap approach as an alternative way to construct confidence intervals and to estimate the sampling distributions of estimators of marginal effect in linear model. We illustrate the performance of traditional method and bootstrap procedure in case of bad outliers. We make use of double bootstrap procedure for confidence interval estimation. Results indicate that double bootstrap confidence intervals outperform traditional OLS intervals in presence of severe outliers.

Total Quality Management and Performance Achievement in Higher Education

Author: Abbos Utkirov, PhD student at WIUT

Abstract

As world moves forward, much has been explored about Total Quality Management (TQM) in the manufacturing, banking, and other service industries. Admittedly, the use of these quality techniques in university education has been given less focus. This literature investigation will look at higher education institutions from

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across the world in order to identify current quality management techniques. The review, which will begin with early TQM publications in higher education and precede with contemporary research findings, will show that degree of TQM growth in education has not maintained the same rate of progress of TQM in manufacturing, banking, and service industries. Additionally, the research examines the central concepts and principles that are crucial for enhancing the quality of universities, thereby distinguishing them from other institutions, with a focus on performance achievement.

Keywords: *Total Quality Management (TQM), Higher education institutions, Quality management techniques, Literature investigation, Contemporary research findings*

Afternoon parallel session A: Finance and Banking

Economic Shocks and Central Bank Balance Sheets: an Exploration of Expansionary Fiscal Policy in the GCC Countries and Iraq

Author: Dheyaa Alkhafaji, PhD student at BU

Abstract

The global economic landscape has changed due to the Global Financial Crisis (2007-2009) and the COVID-19 pandemic. Central banks worldwide have been compelled to expand their balance sheets dramatically, using conventional and unconventional policy tools to manage these economic shocks and ensure economic stability. This research aims to dive into the intricate dynamics of these phenomena, explicitly focusing on the Gulf Cooperation Council (GCC) countries and Iraq.

The study tries to check the impact of economic shocks on central bank balance sheets within the context of expansionary fiscal policy. The researcher seeks to understand how these shocks, particularly fluctuations in oil prices and the economic fallout from the COVID-19 pandemic, directly affect the monetary institutions' financial stability and capacity. This investigation is vital as these economies rely heavily on oil exports and have been critically affected by the pandemic, requiring innovative fiscal and monetary policy responses.

Secondly, the researcher intends to investigate how fiscal policies can effectively complement monetary policies to counterbalance these shocks. The synchrony between these two policy domains can pave way for a more robust and resilient economic system capable of absorbing or mitigating future shocks. Therefore, understanding the interplay between fiscal and monetary policies provides insights into constructing a comprehensive strategy to manage economic disruptions.

Also, the researcher explores how central banks adjust their exit strategies considering expansionary fiscal policies and shifting macroeconomic conditions. Expanding the central bank's balance sheets could lead to potential risks once the normalization process begins and the complementary actions are withdrawn. Therefore, understanding how fiscal policies can facilitate the transition during monetary policy normalization is critical.

Lastly, the research will investigate the interaction between fiscal policy and central bank normalization and its impact

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on central bank financial strength. Given the enormous increase in the central bank's balance sheets and the cost of managing reserves, preserving their financial strength during the normalization process is necessary. Hence, our study will propose measures that ensure stability while supporting recovery.

This comprehensive examination of economic shocks and fiscal policy's role in managing them will contribute significantly to the existing body of knowledge. It will provide policymakers with essential tools and perspectives to mitigate future economic shocks and pave the way for sustainable economic growth in the GCC countries and Iraq.

You do not know what you have got until it has gone: Impact evaluation of the closure of the non-bank microfinance sector

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The authors acknowledge the financial support from the Czech Science Foundation (GA ČR) grant, project no. 19-19158S.

Abstract

Microfinance became a buzzword in development economics and a promising tool for poverty alleviation. Most impact evaluations of microfinance programs focus on measuring the impact of introducing new microfinance programs on business and household indicators (Coleman, 1999 JDE; Ashraf and Karlan, 2006 QJE; Banerjee et al., 2015 AEJ, AE; Banerjee et al., 2015 AEJ; Crépon et al., 2015 AEJ; Attanasio et al., 2015 AEJ; Tarozzi et al., 2015 AEJ).

In contrast, empirical evidence on measuring the reverse effect, i.e., what might occur if microfinance institutions (MFIs) exit an economy, is relatively scarce, with impact evaluation studies primarily focusing on microfinance closure in India (Breza and Kinnan, 2021 QJE; Banerjee et al. 2017, Global Poverty Research Lab WP). The lack of evidence is mainly due to the difficulty in implementing a unique experimental study and the insufficiency of reliable data for robust impact measures.

Measuring the consequences of closing the MFI sector gives rise to a significant policy agenda, as the loss due to terminating MFI activities may be devastating and may far outweigh the positive effects of introducing a new MFI. From 2008 to 2011, seven microfinance crises hit national economies in Nicaragua (2008 farmers' protest), Bosnia and Herzegovina (2009 over-indebtedness), India, Kolar (2009 religious issues), India, Andhra Pradesh (2010 suicides), Pakistan (2010 floods), and Nigeria (2010 liquidity crisis).

In this project, we provide a novel contribution to the literature by characterizing the effect of the 2011 closure of Uzbekistan's non-bank MFI sector. Specifically, in October 2011, the Central Bank of Uzbekistan revoked the licenses of all credit unions (121) and some of the 34 microcredit organizations.

We develop a multi-dimensional approach to measure the impact of MFI sector closure on socio-economic outcomes and various beneficiaries. We use mixed methods to measure the impact of the closure, combining qualitative and quantitative research methods. For the quantitative part, we employ a modified difference-in-difference model to estimate the impact of the closure on the socio-economic and business outcomes of the borrowers.

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Preliminary findings indicate that mostly middle-income borrowers were affected by the closure, as opposed to traditional claims in the literature about ultra-poor clients of MFIs. We complement the empirical findings with qualitative data collection using Interpretative Phenomenological Analysis (IPA), which enables us to re-create the puzzle of the closure and thus to trace micro-level impact stories of borrowers and non-borrowers. We thus also measure the impact on communities and a set of unobservable yet significant outcomes, including trust in MFIs, informal borrowing and lending, bargaining power in the family, and gender roles. Overall results indicate that microfinance programs influence societies and regional economies as they are deeply rooted in borrowers' lives and influence non-borrowers. Shocks on the supply side of microfinance provision could shatter the well-being of middle-income entrepreneurs who boost local economies the most.

More importantly, dramatic shocks in the market also lead to changes in institutional and behavioural aspects, such as trust in MFIs and financial literacy, which may be difficult to restore. We suggest that microfinance program development and further promotion should be maintained with prudent regulatory and sector stability to avoid nationwide shocks. We also identify a set of MFI and microfinance sector indicators that could warn of a potential crisis, thus enabling the prevention of shocks rather than coping with the repercussions.

Digitalization and Microfinance: The Review of Opportunities and Hidden Challenges

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The authors acknowledge the financial support from the Czech Science Foundation (GA ČR) grant, project no. 19-19158S.

Abstract

The new era of microfinance faces the digitalization of services and new product development. Following the COVID-19 pandemic, the importance and implementation of digitalization have also intensified, while future predictions for microfinance envisage further positive trends toward digitalization. Although digitalization positively contributes to MFIs, there may be hidden and unforeseen long-term consequences for both MFIs and clients.

In this paper, we review existing empirical evidence on the digitalization of microfinance from the perspectives of both clients and MFIs. With the advent of digital financial technology, digital microcredit will likely take centre stage in the academic discourse on economic development. Although most findings in the digital banking literature on developing countries are consistent with those on the impact of traditional microcredit, some recent evidence on the implications of digitalization is mixed.

We use thematic analysis of qualitative research and the Gioia methodology to analyse studies on digitalization and microfinance, identifying potential challenges in moral hazard and asymmetric information on microfinance's supply and demand sides. We analyse 108 research papers that analyse digitalization from various perspectives and countries

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worldwide. These studies address MFIs and clients, discussing digitalization's positive and negative aspects, including information asymmetries. We use a qualitative approach and thematic analysis to present the opportunities and hidden challenges of digitalization in microfinance. We use the Gioia methodology to generate aggregate themes and potential long-term implications of digitalization for microfinance service provision.

Our results generate several insights that challenge digitalization in the microfinance context. The current era is characterized by the widespread digitalization of all essential services, including access to finance and microcredit; microfinance service providers will ultimately encounter digitalization universally, regardless of their individual use of technology. Given that most clients of MFIs are borrowers with relatively higher risk (i.e., non-stable income, start-up entrepreneurs, etc.), the digitalization of microfinance implies that information asymmetries (i.e., moral hazard and adverse selection) between borrowers and lenders would also increase.

Perhaps more concerning, the true essence of the personalized approach to clients originally promised by microfinance could be shattered in the era of digitalization. Thus, a promising avenue for research may be the design of digital products that cater to the various needs of target clientele, considering the behavioural imperfections of their decision-making.

Another area to address is a revision of the roles of microloan officers, who have been seen as the bottleneck in the microloan organization process by previous literature. Currently, their presence in local communities is declining due to digitalization and restrictions imposed by the on-going pandemic. At the same time, the level of stress they experience from their jobs has been documented to have increased.

Keywords: *microfinance, digitalization, digital microcredit, moral hazard, asymmetric information*

JEL classifications: G21, O31, E0, D82

The Impact of Non-performing Loans on Bank Profitability: Evidence from Commercial Banks of Uzbekistan

Author: Ulmas Jurayev, UG student, WIUT

Abstract

This research aimed to investigate the link between bank-specific factors, specifically the impact of non-performing loans and macroeconomic factors on the bank performance of commercial banks of Uzbekistan. Understanding the connection between these factors in bank profitability can help ensure that the financial system remains stable. Furthermore, determining profitability measures could help allocate capital and adequately increase financial stability. This study will provide new insight into Uzbek commercial banks and attempt to fill and address research gaps.

To provide empirical evidence, quantitative research designs were adopted to determine bank profitability indicators, ROE, and ROA. The study employed Random Effects, Fixed Effects, and Pooled OLS methods of estimations. A total of 20 banks, with 9 state-owned and 11 private and joint-stock commercial banks were chosen for the year 2014 to 2021.

Our findings will suggest that NPLs have a negative impact on bank profitability in Uzbekistan. Specifically, we expect to find that an increase in NPLs reduces both ROA and ROE, indicating that banks with high levels of NPLs are less profitable. Our results will be robust to various sensitivity tests, including controlling for bank-specific and macroeconomic factors. Moreover, our results are expected to show

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that the impact of NPLs on bank profitability is more pronounced in state-owned banks compared to other banks. This suggests that state-owned banks are more vulnerable to the adverse effects of NPLs and may need to take additional measures to manage their credit risk.

As Uzbekistan is in a significant economic area and the study for Uzbek commercial banks had not been widely studied and needed more discussion, this study would contribute to filling the research gap in the Uzbek financial market and provide solid policy recommendations for government stakeholders and individuals The following research will apply a broader range of determinant variables on bank performance in the context of Uzbek commercial banks. The variables to be included are Capital Adequacy, Liquidity ratio, Deposits ratio, Ownership, and Capital account openness, which has yet to be widely, researched in Uzbek commercial banks. In addition, two dependent variables are presented in the study. To analyse data, various econometric model fit tests were applied.

Afternoon parallel session B; Energy

The Impact of Energy Consumption, FDI, and Renewable Energy on Sustainable Economic Growth in CIS countries. Empirical Evidence from Panel Data Models

Authors:

Yuldoshboy Sobirov, PhD Candidate at Jeonbuk National University;

Elbek Khodjaniyazov, Urgench State University

Abstract

The main aim of the paper is to explore the impact of energy consumption, foreign direct investment, trade openness, and renewable energy use on sustainable economic growth in CIS members from 1992 to 2021. The paper also seeks to compare renewable energy consumption with total energy consumption and examine the relative importance of each factor in promoting the sustainable growth of the economies of CIS countries.

The authors utilize various econometric approaches to demonstrate the link between energy consumption, FDI, trade openness, renewable energy consumption, and economic growth.

Both static models, including Ordinary Least Squares, Fixed Effects, and Random Effects models, and dynamic models, like the pooled mean group autoregressive distribution model (ARDL), have been employed by the authors to evaluate both long-run and short-run links for countries. Furthermore, Panel FMOLS and DOLS approaches are applied to validate the outcomes of Panel ARDL. Lastly, the

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authors have also used Granger causality testing following the method proposed by Juodis, Karavias, and Sarafidis (2021) to investigate the possibilities for a causal relationship between the examined variables.

According to the findings of the models applied in the paper, FDI, energy consumption, and renewable energy consumption have a positive and statistically significant impact on economic growth in CIS countries, while trade openness has a negative and statistically significant effect on economic growth. Furthermore, the Granger causality test results find the bidirectional relationship between FDI-Economic Growth, Energy Consumption-Economic Growth, and Renewable Energy Consumption-Economic Growth. According to the results, trade openness and Economic growth have a unidirectional causality.

This paper will try to provide four significant contributions to the current literature. (i) It examines the impact of energy consumption and renewable energy usage on economic development. (ii) We focus on CIS countries over a lengthy time frame, allowing us to draw general conclusions about the emerging economies. (iii) This work seeks to contribute by bringing state-of-the-art econometric methods to the analysis of short- and long-term associations between relevant variables by implementing dynamic panel data models like Panel DOLS, Panel FMOLS, and Panel ARDL, more especially the PMG approach. (iv) last but not least, regarding the cross-sectional dependency, the authors have used a Granger causality test developed by Juodis, Karavias, and Sarafidis (2021) to determine the direction of causation among variables.

Powering Up Cleaner Choices: A Study on the Heterogeneous Effects of Social Norm-Based Electricity Pricing on Dirty Fuel Purchases

Author: Salim Turdaliev, Ph.D. student, Institute of Economic Studies of Charles University in Prague

Abstract

In this paper, I investigate the impact of increasing-block-tariff (IBT) schemes on electricity consumption and household behavior in Russia, one of the major industrial nations contributing to climate change. According to Worldometers.info, Russia is the fourth largest polluter globally, primarily due to its carbon-intensive electricity generation fueled by natural gas and coal.

Back in 2013, the energy regulators in Russia attempted to implement IBT schemes by introducing a two-step IBT for residential electricity in experimental regions, with the plan to expand it nationwide by 2014. However, the experiment results were deemed unsuccessful, leading to an indefinite postponement of the country-wide implementation. Unfortunately, the officials never published the detailed results of the experiment, leaving a gap in rigorous policy assessment.

To address this gap, Turdaliev (2021) delves into the effects of the IBT introduction on electricity consumption and the propensity to purchase major electrical appliances among residential consumers. My findings indicate that introducing IBT in the experimental regions resulted in a 1% reduction in electricity consumption compared to households with flat tariffs. Furthermore, Turdaliev (2023) shows that there was a significant increase of approximately 20% in the propensity to purchase major electrical appliances.

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In addition to studying electricity consumption and appliance purchases, I also examine the impact of IBT on the propensity of households to purchase dirty fuels. The results highlight a substantial increase of more than 60% in the likelihood of purchasing dirty fuels in regions where IBT electricity pricing was introduced compared to regions with flat tariffs.

While previous studies have explored the effects of IBT policies on energy consumption, there needs to be more research on the heterogeneous impacts of these policies, particularly considering household socio-economic factors. Therefore, I contribute to the literature by analysing the heterogeneous effects of IBT on the propensity to purchase dirty fuels among Russian households.

My findings reveal that certain households experience more pronounced adverse effects, such as an increased propensity to purchase dirty fuels, due to the demand-side stimuli of IBT. Specifically, households with higher base energy consumption, those receiving utility subsidies, and those in vulnerable social positions—where the household head primarily engages in childcare or housekeeping—are particularly affected. Interestingly, households headed by females are 20% less likely to purchase dirty fuels after IBT's introduction.

These findings underscore the disproportional impact of IBT for residential electricity on specific household segments despite the policy's design accounting for social norms and various household and dwelling characteristics. Policymakers should consider fine-tuning the calculation of social norms to mitigate the negative social and environmental implications of IBT for vulnerable populations.

Furthermore, the insights from my research extend beyond Russia and can benefit other developing and transition economies seeking to implement energy reforms. Policymakers can use these findings to design tailored policy interventions that balance environmental objectives with social equity, considering the heterogeneous effects of socioeconomic and household characteristics.

In conclusion, my study sheds light on the heterogeneous effects of IBT on residential electricity in Russia, emphasizing the importance of considering socioeconomic factors in policy design. By doing so, policymakers can minimize the negative social and environmental aspects of IBT, ultimately leading to more effective and equitable energy reforms.

Social Cues and Electricity Consumption: Evidence from a Randomized Control Trial in Armenia

Authors:

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Abstract

In order to mitigate the harmful effects of climate change, global greenhouse gas emissions must be drastically reduced and reach net zero by 2050 (Tsiropoulos et al., 2020). Household energy consumption represents over 30 percent of global energy consumption, and as such, reducing household energy consumption and associated carbon emissions is an essential part of decarbonizing efforts.

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This study examines the impact of providing information and social cues, known as "nudges" (Leonard, 2008), on household energy decisions in Armenia, a developing country. Developing countries are significant as they are the locations where the most rapid growth in energy consumption is observed, and many results and outcomes observed in the Western world have proven difficult to replicate in the context of developing countries (Henrich et al., 2010).

One important aspect of household energy decisions is energy consumption rates and associated payments. In this project, we have collected data on energy consumption rates and resulting payments in Yerevan, the capital of Armenia. Participants were asked to provide information about their electricity consumption monthly for eight months and socio-economic information.

The study focused exclusively on house owners to avoid any potential interference by agency problems that may arise with renters. A total of 300 participants were randomly and evenly distributed across three groups. Randomization was conducted at the participant level. The two treatment groups received peer comparison reports of their energy consumption and associated costs, reflecting the average values of similar households. The first treatment group received social comparison treatment (S), which provided feedback on the average electricity consumption of similar households and their consumption differences. The second treatment group received a social comparison focusing on monetary savings (SM), which provided the same feedback as treatment S but also included potential or realized monetary savings relative to the average of similar households' expenditures. The control group (C) only recorded relevant energy consumption and socio-economic data.

The study found that households receiving monthly peer comparison reports regarding their energy consumption and associated costs exhibited reduced energy consumption levels, although the relationship was statistically insignificant. However, the study found a substantial and statistically significant heterogeneous treatment effect in households where the respondent was a female. The effect increased in size and became even more statistically significant when the sample was further restricted to female respondents with higher education.

These findings have important policy implications for efforts to reduce household energy consumption and associated carbon emissions in developing countries like Armenia. The use of peer comparison reports, particularly those focused on monetary savings, can be an effective tool for reducing household energy consumption. Furthermore, policymakers should consider the importance of heterogeneity in treatment effects when developing and implementing energy-saving interventions.

Overall, this study adds to the growing body of literature on the effectiveness of nudges in reducing household energy consumption and highlights the need for more research on the heterogeneity of treatment effects.

Do Costs of Renewable Energy Increase Generation? An Empirical Test Across Eurasian Countries

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Abstract

Currently, renewable energy plays a vital role in the modern global economy to improve affordable, soft, and cheap energy. Additionally, the growth of the

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population, dependent on import energy and shortage of natural resources, conflicts between countries (Russia and Ukraine), and sanctions force to solve the energy problems globally. Considering renewable energy generation between costs, we investigate how much investment in renewables increases respectively.

We explore the effect of capital costs from government or investment on renewable energy generation, using data from more than 72 Eurasian nations for 2019, considering carbon cost variables. We use levelised cost of electricity (LCOE) estimation to tuck up costs of variables, which included capital, operation and maintenance, and carbon costs. We use cross-sectional secondary data from the Global Economy and IRENA, and our result reveals a positive relationship with all types of costs, which refer to improving this type of energy sector.

However, operation and maintenance costs are implicit and not concrete because of the different types of plants to generate the energy; for instance, in solar PV, labor costs are taken 15% to 20% from the generation in a year, in wind or hydro production of energy are different as well. In operation and maintenance, fixed and variable costs are subtracted from generation and equalized per year. According to nebulosity, the operation and maintenance costs are omitted in our study. Finally, we checked for robustness standard error tests to avoid heteroscedasticity.

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Afternoon joint session: Management & Behavior

Advertisement's Role in Understanding the Materialistic Behavior of Children in this Era

Authors:

Sadikova Aziza, Sanemkhan Abdullaeva, Prabha Kiran, WIUT

Abstract

The introduction provides an overview of the research background, including the influence of advertisements on children's consumerism and materialistic behaviour, the correlation between advertisements and materialism, the adverse effects on children's health, and cultivation theory.

The purpose of the paper is to highlight the negative impact of advertisements on children's consumerism and materialism and to emphasize the need for regulating advertisements to protect children from their harmful effects. Additionally, the study aims to examine the impact of advertisements on children's materialistic behaviour and acceptance of product placement, to identify the primary factors that influence children's acceptance of product placement, and to explore the relationship between children's materialistic behaviour and product placement in the context of advertisements.

This paper proposes a conceptual model that includes product placement factors and children's materialism. In order to determine the extent of these variables, a survey questionnaire was administered to

parents. The study collected primary data from 433 respondents located in Tashkent. Respondents were surveyed through various channels, including social media platforms and email. Questionnaires were distributed at schools as well. The regression model was used to analyse the data.

The study found a significant relationship between factors of product placement (quality, advertisement placement, and context) and children's materialistic behaviour, with all three significant predictors. The quality of product placement was positively associated with children's materialistic behaviour, while advertisement placement was negatively associated with it. Additionally, the context in which the product was placed was found to be positively associated with children's materialistic behaviour.

The study also found a significant positive relationship between children's materialistic behaviour and acceptance of product placement. Approximately 32% of the variance in acceptance of product placement can be explained by the materialistic behaviour of children.

The fundamental limitations include its narrow focus on the correlation between product placement and children's materialistic behaviour and its failure to explore the impact of other advertising techniques on children's well-being. Additionally, the study did not examine the long-term effects of product placement on children's attitudes toward material possessions, nor did it consider the impact of product placement on children from diverse cultural backgrounds.

This study is among the first to examine the impact of advertisements on children's materialistic behaviour and acceptance of product placement in the Uzbek context.

Keywords: *Factors of product placement, Quality, Advertisement placement, Context, Children's materialistic behaviour, Acceptance of product placement, Product placement.*

The Antecedents of Perceived Enjoyment and its Influence on Impulse Buying Behavior

Authors: Yuliya Kan, Prabha Kiran, Nasiba Mukhtorova, WIUT

Abstract

Researchers throughout various academic fields have recently begun drawing more attention to impulsive purchases since customers are increasingly incentivized to spend their money as various new goods and services enter the market. The thesis aims to examine the antecedents of perceived enjoyment, which are internal, situational, and external stimuli, and their influence on impulse buying behavior.

Drawing on the Stimulus-Organism-Response (S-O-R) framework, the conceptual model covers internal, situational, and external stimuli, perceived enjoyment, and impulse buying behavior. An online questionnaire was conducted from 450 respondents above 18 years old and living in Tashkent. SPSS software was implemented to analyze the data with a Chi-Square test and Regression analysis. Frequency analysis was initially conducted to analyze the overall profile of the respondents. In order to assess the scale reliabilities of all variables, Cronbach's alpha coefficients were also determined.

Second, the means of the demographic variables were contrasted using the Chi-Square test. Finally, Simple and Multiple Linear Regression analysis was undertaken between Internal Stimuli, Situational Stimuli, External Stimuli, and Perceived Enjoyment, as well as between Perceived Enjoyment and Impulse Buying Behavior,

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to demonstrate the conceptual model and offered hypotheses.

Results demonstrated that all three types of stimuli have a positive and significant effect on perceived enjoyment, thus triggering consumers' impulse behavior. Moreover, the findings reveal a significant relationship among the demographic factors, such as gender, age, income and shopping spending, shopping frequency, and type of preferred shopping, whether online or in-store. The Chi-Square study revealed the association between gender, age, income, the type of shopping done, the average amount spent per shopping, and the decision-making process. The preferred method of shopping online or in-store is strongly correlated with gender.

Furthermore, as per the results, age affects how much time a person has to determine whether or not to purchase a thing. In addition, the consumers' monthly income has a significant impact on their decision-making and buying behavior. The results of the multiple regression analysis indicate that purchasing decisions are highly complex and have become more complicated with perceived enjoyment.

The study will help marketers and researchers further understand how to stimulate consumers' impulse buying behavior. Research on impulsive purchasing behavior may also assist retailers in increasing their revenue and client retention. Moreover, retailers may create tailored marketing tactics that appeal to consumers' emotional and situational triggers by understanding the elements that cause impulsive purchases that increase the possibility of impulsive purchases and increase their bottom line by utilizing these triggers.

Keywords: *impulse buying behavior, perceived enjoyment, impulse buying tendency, stimuli*

Gastronomy Tourism in Uzbekistan: need for strategic approach

Authors: Ravshan Kamilov, Angelo Battaglia, Prabha Kiran, WIUT

Abstract

The paper explores the initiatives launched by various tourism-related organizations to promote gastronomy tourism in Uzbekistan. The research aims to assess the availability of gastronomic products, the effectiveness of promotional activities, and the collaboration of tourism stakeholders, including government and non-government organizations, to promote gastronomy tourism.

The study used a qualitative approach that included in-depth interviews with tourism stakeholders involved in developing this kind of tourism. The qualitative method was necessary since it was essential to understand the thoughts and opinions of key players in this field in order to get their significant insights and knowledge.

The findings indicated that there are minimal gastronomy resources available to travellers. As a result, travel organizations and agencies are reluctant to highlight Uzbek food in their promotional activities, instead concentrating on traditional and heritage-related tourism. Several initiatives have been launched in collaboration with tourism-related profit and non-profit organizations that are actively involved in developing and promoting gastronomy tourism to increase the amount of these resources.

However, there is a need to strengthen collaboration among other stakeholders since only tourism-related stakeholders are actively involved, although other stakeholders might be more valuable in this process. This implies that long-term strategic planning is required, with each stakeholder having their obligations and

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acting within a single structural framework.

Since gastronomy tourism is a new product of the Uzbekistan tourist sector, existing research studies to form the foundation of the literature review needed to be revised, necessitating the researcher's development of an entirely new study typology. Future studies could yield more favourable results than current research since respondents stated that Uzbekistan's development initiatives to boost gastronomy tourism are underway.

The findings may impact future research, governmental decisions, or this study's specific subject of interest. Conclusions and suggestions are generated from the research's outcomes and reveal measures or strategies that may be implemented.

Key players in the development of gastronomy tourism in Uzbekistan may use the research findings to focus on creating a long-term strategy plan that connects all essential stakeholders and encourages new participants, as suggested in this study. Furthermore, key stakeholders may understand their role and position in this process and act appropriately in developing culinary resources, marketing and advertising these products, and successfully collaborating with one another.

The paper supports the development of a strategic plan that might elevate the efforts of tourism-related stakeholders to a higher degree of benefit.

Keywords *Gastronomy tourism, culinary, Uzbek food, promotion, collaboration, strategy*

The Impact of Moonlighting to Work-Life Balance and Employee Turnover

Authors: Nodira Iskhakova, Dildara Gapparova, Prabha Kiran, WIUT

Abstract

This study aimed to examine the impact of moonlighting on employee turnover and work-life conflict. This study aims to offer guidance on how companies might reduce the risks related to employees participating in non-official secondary employment, known as moonlighting, while still obeying Uzbekistan's labor laws. Our goal is to close a gap in the literature by investigating the impacts of moonlighting in the Uzbekistan context.

Based on the JD-R model and COR theory, it is hypothesized that moonlighting considerably impacts employees' work-life balance (Hypothesis 1) and attrition intentions (Hypothesis 2). We also hypothesize a correlation between work-life balance and employee turnover (Hypothesis 3), as prior research has demonstrated that work-life conflict is a significant predictor of turnover intentions (Kalliath & Brough, 2008; Kim & Rhee, 2017).

This study used the quantitative method for data collection and analysis for hypothesis testing. Data were collected from 495 employees of various organizations using a structured questionnaire. The questionnaire was designed based on the literature review by considering the essential variables of the research. The questionnaire consisted of 12 questions and 15 statements for Likert Scale questions. The data collected from the questionnaires were analysed using statistical software such as SPSS.

Cronbach's Alpha analysis was used to determine the consistency of the survey

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questions. In addition, correlation and regression analyses were conducted to investigate the relationship between moonlighting, employee attrition, and work-life conflict and to test the hypotheses. In addition, a Chi-square test was carried out to determine the association between the employee's employment industry and the variables' scale statements.

The regression analysis results revealed no statistically significant relationship between moonlighting and employee turnover. However, another regression analysis revealed that moonlighting had a significant positive effect on work-life conflict. Additionally, the results indicate that moonlighting has a positive relationship with work-life conflict, meaning that as moonlighting increases, work-life conflict also increases. This is consistent with previous studies that have found that moonlighting can lead to increased stress and reduced time for non-work activities, contributing to work-life conflict.

This study's primary contribution is to understand better the extent to which workers in Tashkent, Uzbekistan, engage in informal employment. This will help businesses understand what motivates employees to take on extra work and its effect on productivity. The findings of the study findings indicate that moonlighting has a significant impact on work-life conflict.

The study recommends that organizations regulate moonlighting and provide flexible work schedules to reduce this conflict and employee turnover. The research outcomes revealed that organizations and governments could be assisted in understanding how to promote employee well-being while reducing the negative impacts of moonlighting. Policies that help workers maintain a healthy work-life balance and feel valued by their employers might fall under this category.

Keywords: *moonlighting, second job, turnover of employees, and work-life conflict*

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