



INSTITUTIONS & TRANSITION ECONOMICS: MACROECONOMIC ISSUES eJOURNAL

Vol. 7, No. 72: Dec 14, 2015

ERIK BERGLÖF, EDITOR

Professor/Director, Institute of Global Affairs, London School of Economics and Political Science

e.berglof@lse.ac.uk

[Browse ALL abstracts for this journal](#)

Links: [Subscribe ~ Unsubscribe](#) | [Distribution](#) | [Network Directors](#) | [Advisory Board](#) | [Submit ~ Revise Your Papers](#)

Table of Contents

How Do Institutions Determine Economic Growth: Evidence from the CEE Countries Before and During the Global Economic Crisis

[Darko Lazarov](#), University Goce Delcev

[Trajko Slaveski](#), Ss. Cyril and Methodius University - Faculty of Economics

Employment Drivers in Small and Medium-Sized Enterprises in Poland

[Grzegorz Gołębiowski](#), University of Finance and Management

[Dorota Wiśniewska](#), Poznan University of Economics

Devaluation of Yuan - Chinese Currency

[Nishi Malhotra](#), Bansthali Vidyapith

[Priya Malhotra](#), University of Delhi

INSTITUTIONS & TRANSITION ECONOMICS: MACROECONOMIC ISSUES eJOURNAL

"How Do Institutions Determine Economic Growth: Evidence from the CEE Countries Before and During the Global Economic Crisis"

DARKO LAZAROV, University Goce Delcev

Email: darko.lazarov@ugd.edu.mk

TRAJKO SLAVESKI, Ss. Cyril and Methodius University - Faculty of Economics

Email: trajko.slaveski@eccf.ukim.edu.mk

The main goal of the paper is to investigate how the institutions influence on economic growth and economic performance of the CEE countries, before and during the global economic crisis. We use principal factor component analysis in order to create a more reliable and representative variable that will measure the institutional capacity in our regression models, and to avoid the multi colinearity, a common statistical weakness of this type of regression model. The results from panel (random and fixed effects) regressions and a GMM dynamic panel regression lead to two contrasting insights. The first regression model shows positive and statistically significant correlation between institutions and economic growth, which would imply that the CEE countries that have created a strong institutional capacity during transition and post-transition period have experienced higher economic growth.

On the other side, the estimated results refer to the global economic crisis period, shows a negative influence of institutions on economic growth for the same sample of countries. One explanation for this result might be the fact that countries with a higher degree of integration into the EU were also more vulnerable to the global economic crisis.

"Employment Drivers in Small and Medium-Sized Enterprises in Poland"

GRZEGORZ GOŁEBIOWSKI, University of Finance and Management

Email: grzegorz.golebiowski@gmail.com

DOROTA WIŚNIEWSKA, Poznan University of Economics

Email: dorota.wisniewska@ue.poznan.pl

The paper encapsulates empirical research on factors driving employment in small and medium-sized enterprises (SMEs) in Poland. A linear econometric model has been constructed whereby the workforce employed in SMEs (expressed as a percentage of the total number of the working population) has been used as a dependent variable. The quality of the model's results is high, in particular, it may be interpreted as an econometric record of a long-term co-integrating relationship. Further to the research, a hypothesis has

been set whereby an increase in employment within this group of enterprises is affected by an increase in the index of monetary freedom and reduction of budget deficit. An analysis of alternative models has also performed demonstrating that an increase in the index of fiscal freedom and a decrease in public debt tends to boost employment in the SME sector as a proportion of the population employed. Intriguing conclusions have been drawn from the analysis of an alternative model under which a strongly correlated unemployment rate has been used as a dependent variable instead of the ratio of budget deficit to the GDP. Consequently, if the unemployment rate increases, the number of people employed in SMEs as a proportion of the employed population appears to grow as well.

"Devaluation of Yuan - Chinese Currency"

International Journal of Management and Commerce Innovations, Vol. 3, Issue 1, pp: (607-609), Month: April 2015-September 2015

NISHI MALHOTRA, Bansthali Vidyapith

Email: NISHI1582@GMAIL.COM

PRIYA MALHOTRA, University of Delhi

This paper talks about the recent devaluation of the Chinese Yuan and its impact upon the Indian economy. Since second world war in 1939 when perforce Chinese economy was thrown open to the world after dethroning of the Dowager Empire, the Chinese dragon has emerged as the most powerful Communist Force in the Southeast Asian economy. This paper explores the impact of the cheaper Chinese exports on Balance and Payment of Indian economy. It discusses the various reasons for the slump in the markets because of the devaluation of yuan. In the wake of the rapid industrialization that took place in 1991, the Indian economy has emerged very very resilient and insulated to all kinds of global shocks. This paper discusses the emergence of the new arbitrage opportunities and its impact upon on the Indian economy.

[^top](#)

About this eJournal

This eJournal distributes working and accepted paper abstracts of empirical and theoretical papers that investigate macroeconomic issues in the context of transitional economies.

Editor: **Erik Bergl f**, *Stockholm School of Economics*

Submissions

To submit your research to SSRN, sign in to the **SSRN User HeadQuarters**, click the My Papers link on left menu and then the Start

New Submission button at top of page.

Distribution Services

If your organization is interested in increasing readership for its research by starting a Research Paper Series, or sponsoring a Subject Matter eJournal, please email: RPS@SSRN.com

Distributed by

Economics Research Network (ERN), a division of Social Science Electronic Publishing (SSEP) and Social Science Research Network (SSRN)

Directors

INSTITUTIONAL & TRANSITION ECONOMICS EJOURNALS

MICHAEL C. JENSEN

Social Science Electronic Publishing (SSEP), Inc., Harvard Business School, National Bureau of Economic Research (NBER), European Corporate Governance Institute (ECGI)

Email: michael_jensen@ssrn.com

Please contact us at the above addresses with your comments, questions or suggestions for ERN-Sub.

Advisory Board

Institutions & Transition Economics: Macroeconomic Issues eJournal

PHILIPPE AGHION

Professor, College de France and London School of Economics and Political Science, Fellow, Fellow, Centre for Economic Policy Research (CEPR), National Bureau of Economic Research (NBER)

MASAHIKO AOKI

Professor Emeritus, Senior Fellow, Stanford University

KENNETH J. ARROW

Joan Kenney Professor of Economics, Stanford University - Department of Economics

OLIVIER J. BLANCHARD

Peter G. Peterson Institute for International Economics, National Bureau of Economic Research (NBER)

IRENA GROSFELD

Professor, Paris School of Economics

JANOS KORNAI

Corvinus University of Budapest

GUR OFER

Hebrew University of Jerusalem - Department of Economics

RICHARD PORTES

Professor of Economics, London Business School - Department of Economics, Fellow, Centre for Economic Policy Research (CEPR), National Bureau of Economic Research (NBER)

YINGYI QIAN

Dean, Tsinghua University - School of Economics & Management, Fellow, Centre for Economic Policy Research (CEPR)

GÉRARD ROLAND

Professor of Economics and Political Science, University of California, Berkeley - Department of Economics, Fellow, Centre for Economic Policy Research (CEPR)

JEFFREY D. SACHS

Professor and Director, Columbia University - Columbia Earth Institute, National Bureau of Economic Research (NBER)

ANDREI SHLEIFER

Professor of Economics, Harvard University - Department of Economics, Fellow, National Bureau of Economic Research (NBER), Fellow, European Corporate Governance Institute (ECGI)

HANS-WERNER SINN

CEO, CESifo (Center for Economic Studies and Ifo Institute), Fellow, National Bureau of Economic Research (NBER), Director, Center for Economic Studies, Professor, Ludwig Maximilian University of Munich

JAN SVEJNAR

School of International and Public Affairs, Columbia University, NY, USA, CEPR, IZA, CERGE-EI, University of Ljubljana

[^top](#)

Links: [Subscribe to Journal](#) | [Unsubscribe from Journal](#) | [Join Site Subscription](#) | [Financial Hardship](#)

Subscription Management

