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Guest Editor:
Constantina Kottaridi

UNIVERSITY OF PIRAEUS



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Editorial

This is a special volume of SPOUDAI Journal of Economics and Business with selected papers from the very successful 14th Biennial Athenian Policy Forum conference hosted by the University of Piraeus in July 2018.

I was truly honored to serve as the President of this conference with theme “Contemporary Economic, Political, Business and Policy Issues” which is also the title of the current volume.

The Athenian Policy Forum (APF) was incorporated in Toronto, Canada in 1994 by the late Christos C. Paraskevopoulos as a nonprofit research organization. Its mission is to stimulate research and public discussion on topics of economic and financial asymmetries, demography and economic change, the environment, social and political transformation, technology and trade. To this end, APF organizes conferences, symposia and seminars, and publishes conference volumes with papers selected after a careful referee process. It is also noteworthy that the well-established Journal of Economic Asymmetries was an initiative of the APF.

The current volume includes six papers dealing with current issues on trade, finance and taxation.

The first paper by Evrard Claessens and Cedric Guisson examines the issue of BREXIT and the consequences that it might entail for the EU-UK trade and traffic flows. Brexit has been an important issue for the EU, even more so recently, since the new Prime Minister of the U.K., Boris Johnson, is an advocate of a hard BREXIT. The authors pose the question of the extent to which the famous “*land of hope and glory* might switch into *land of soap and sorry*, or anyway a growing uncertainty with some *hope and worry*”. They conclude that a hard Brexit will cause an extra shock effect and, potentially some temporary chaos. The authors claim that any agreement between the UK and the EU will be in the form of previous models such as that of the newborn deal with Japan, the CETA with Canada, a combination between EFTA and EEA and the current neighbourhood policy of the Union.

The second paper by Aggelos Kotios, Spyros Roukanas and Emmanouil Karakostas deals with the current trade protectionism of the United States as a means to save jobs and reduce income inequality. Using the theory of competitive advantage, the authors explore the causes of the US protectionism in relation to China, Japan, South Korea and Germany. The authors find that, although protectionist trade policies would have some temporary benefits for the US, it wouldn't be advisable to undertake trade protectionism as this will cause chain reactions of protectionism across the world with bad effects on trade and GDP. Tariffs and other trade restrictions are presumably having a positive effect on US imports but also a large negative effect on US exports. The authors conclude in favour of competitiveness than protectionism.

The third paper co-authored by John Berdell, Thomas S. Mondschean and Rowena A. Pecchenino asks “Where has all the demand gone”? The authors' interest relies on countries which run large trade surpluses providing an extensive literature review of the political and economic forces that lead to demand decreasing policies. They undertake an empirical analysis of four countries where government policies have most prominently contributed to the surpluses and conclude that “perhaps the IMF needs to take a more active role in encouraging countries running large, persistent current account surpluses to adopt policies that may reduce imbalances. If this can be done in a way to increase aggregate demand without causing higher inflation, this would potentially benefit global economic growth”.

The fourth paper by Carl Luft, Jin Man Lee, and Jin W. Choi deals with the cryptocurrency Bitcoin, and discusses Bitcoin Futures Contract. This is also an important topic given the ongoing debate on cryptocurrencies. The Bitcoin is a novel monetary unit, which is believed to have large unproven value. This belief has caused a large surge in its price in recent years. The authors examine empirically the behavior of the Chicago Mercantile Exchange (CME) bitcoin futures contract between the launch of the CME bitcoin futures contract on December 18, 2017, and September 17, 2018 and compare the Garman-Klass volatilities of bitcoin spot and futures prices with those of different assets. Their findings suggest that both the bitcoin spot and futures markets exhibit relatively high volatility compared to other assets. They also explore other interesting aspects of the bitcoin such as liquidity and the exchange margin, issues of highly importance for all agents involved in these markets.

The fifth paper by Apostolis Xanthopoulos remains within the wider finance literature shifting however the interest to regulation aspects of consultant firms regarding their portfolio strategies to their institutional clients. The study narrows down to some interesting conclusions regarding distortions created by advisory capture and how on-line platforms “reshuffle portfolios in a way that entails large losses or forgone gains in *IR* to the investor”.

The sixth paper by Georgios Karras is an empirical investigation of taxation and macroeconomic policy. Using data from 1870 to 2013 for a panel of seventeen OECD economies the paper finds some interesting results, quite useful to policy makers trying to decide on their policy mix. The paper also examines two recent applications: the 2017 Trump Administration tax cuts in the US and the more recent tax breaks announced by China in February 2019 which both aim at boosting investment and speeding up growth. Based on this exercise, the author concludes that “the tax cuts will indeed raise investment permanently, but they will produce only a transitory boost on the growth rate”.

In concluding this special volume, I would encourage scholars to engage in future Athenian Policy Forum conferences and promote public discussion on economic policy in a fast-changing world facing many and diverse challenges.

I would also like to thank the Editor of the SPOUDAI Journal of Economics and Business Professor Evangelos Sambracos for his support and guidance in preparing this special volume.

Guest Editor

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