

Essays on International and Financial Economics

Abstrakt

The dissertation consists of three papers that provide a brief summary of my research. In all of the papers I use meta-analytical approaches to study the publication bias, indicate key heterogeneity drivers in the given areas and suggest the implied values for studied parameters. In the first paper I focused on the Armington elasticity, which measures the elasticity between domestic and foreign goods and suggest the values of the parameters for different countries. In the second paper, I study the effect of changes in capital-based measures on lending for all three: the capital-to-asset ratio, regulatory capital ratio and capital requirements. In the third paper I study the effect of trading volume on stock returns on the financial markets. The general introduction binds the three chapters together, while the detailed abstracts for each paper is presented at the beginning of the respective chapters.

In the first paper, I scrutinize a key parameter in international economics called Armington elasticity. I reflect the context in which researchers obtain their estimates, examine the key drivers of the heterogeneity and account for inherent model uncertainty. I employ the Bayesian model averaging and several newly developed techniques for publication bias detection. I found that there is publication bias against small and insignificant estimates and that the differences between findings from the primary articles are best explained by aggregation, frequency, size, and dimension. Moreover, the mean elasticity implied by the literature corrected for publication bias is 3.

In the second paper, I focus on the relationship between bank capital in its three forms, in the capital-to-asset ratio, regulatory capital ratio and capital requirements; and lending. I show that the relationship between bank capital and lending evolves over time. It reflects the post crisis period accompanied by with demanding bank regulation and reduced profitability. Besides, my findings indicates that the literature fails to provide policymakers with reliable estimates of the effects of capital regulation on lending.

In the third paper, I study if the literature indicates the predictability of the stock returns based on trading volume performances. After correcting for publication bias, which distorts the estimates in primary studies, I found that the predictability of the stock returns vary with different markets and stock types. Besides the results in the primary studies are affected by different data characteristics, structural variations and methodologies, for instance by using monthly data or VAR models.