

CBLG BULLETIN FEBRUARY/MARCH 2021



JAMES COOK
UNIVERSITY
AUSTRALIA

CBLG Research Newsletter

Showcasing great research



Townsville

Associate Professor Sizhong Sun

Malaysia's exports to China: Does diplomatic relationship matter?

In a recent paper published at *Economic Papers*, Hong, Sun, Beg and Zhou (2020) investigate the role of bilateral diplomatic relationship in affecting the bilateral export from Malaysia to China. Conceptually, institutional arrangements can play an important role in fostering trade between countries. Strong institutions can generate, promote and protect trade cooperation, ensure product excellence, develop mutual trust and maintain elastic trade relationships.

Among different institutional arrangements, the diplomacy, both political and cultural, has been seen as a mechanism of representations, communication and negotiation through which states and other international actors conduct their business. In an increasingly globalised era, where international organisations that regulate economic behaviour, such as the WTO, are increasingly influential, many states have realized that diplomats specializing in economic issues can effectively promote a country's interests in international trade.

Nevertheless, despite of its importance in promoting trade, these institutional aspects have been largely overlooked in trade studies for developing economies, especially for Malaysia. Hong, Sun, Beg and Zhou (2020) fill this gap by examining the importance of diplomatic relationships in fostering Malaysia–China's trade. Specifically, through consumer utility maximisation, they incorporate the diplomatic relationship, measured as the number of exchange visits by high-level leaders, as well as other institutional aspects, such as halal-related variables, into an augmented gravity model. Then they estimate the augmented gravity model with export data from the United Nations Commodity Trade Statistics Database (UNComtrade), disaggregated by the Harmonized System (HS) 6-digit product categories. Their estimations account for potential endogeneity of diplomacy by using an excluded instrument.

Their estimations find that the diplomatic visits promote Malaysian export to China. A one percent increase in the number of official visits generates around 1.8 percent increase in exports from Malaysia to China. Their study demonstrates that it is possible to integrate institutions into an international economic exchange model. The study is also intended to stimulate discussions and prompt policy makers and stakeholders to arrive at a tentative prioritization of their efforts in this arena. To this end, Malaysia should utilise established diplomatic relationships in trade and optimize its export structure so as to further expand its exports to China.

Recent Publications

Hong, M., Sun, S., Beg, R. and Zhou, Z. (2020). *Economic Papers*, 39(1): 72-88. <https://doi.org/10.1111/1759-3441.12270>



Townsville

Prof. Peter Case

Restructuring and Improving HIV Prevention Services in Zimbabwe

Professor Peter Case recently secured a prestigious Bill & Melinda Gates Foundation grant (in collaboration with the Malaria Elimination Initiative research centre based at the University of California, San Francisco) to assist the Ministry of Health and Child Care (MOHCC) in Zimbabwe to improve HIV prevention. The project, entitled 'Optimizing Stakeholder Operating Models for HIV Prevention in Zimbabwe', will run from June 2020 to December 2022 with an overall aim of integrating prevention services and moving them forward in a more sustainable way. Using a variety of methods, such as, key informant interviewing, participatory action research and action learning, the study will focus, in particular, on the transformation and integration of Voluntary Male Medical Circumcision (VMMC) services. The research objectives are to:

- Identify and quantify the barriers and enablers for uptake of key VMMC and prevention program responsibilities.
- Identify the current state of motivation, organizational and individual ability to change stakeholder operating models, and organizational intervention gaps to achieve sustainability.
- Identify the drivers (e.g. incentive structures, information, and other triggers) to achieve a sustainable HIV prevention and VMMC program.
- Segment community and system stakeholders by their behaviour towards the uptake of VMMC program responsibilities in order to better target interventions.

Another major aim will be to support and capacitate the MOHCC in working with stakeholders to develop and implement sustainability plans. This will involve reviewing progress on the MOHCC strategic plans before facilitating the process of establishing goals, priorities and action plans and creating the necessary leadership coalition to drive change. In a series of national and subnational workshops (to be conducted in Matabeleland South, Matabeleland North and Manicaland provinces), the research team will seek to demonstrate how VMMC and other HIV prevention services can be mainstreamed. Beginning in March, approximately 16 healthcare professionals representing key stakeholder groups will be trained in the application of participatory change management methods. Throughout the project, these trainees will be enlisted to help facilitate workshops and meetings, taking on increasing levels of responsibility as the project progresses. An intended legacy will be to ensure the sustainability of interventions by putting in place a strong local team that can carry forward HIV prevention programme activities well beyond the life of the funded project.

Chung Thanh Phan, HDR Candidate

The Effect of Microcredit on Rural Households' Social Network in Vietnam

Social network plays an important role in helping the poor escape poverty trap in low-income countries, for example through providing peer supports in time of need. Given its vital role, it is important to have a more comprehensive understanding on the impact of anti-poverty programs, including microcredit, on social network. Although microcredit targets both financial and, more importantly, social returns, it is unclear in the existing literature whether

participating in microcredit programs fosters social network. Filling this gap, this study aims to quantitatively test whether microcredit improves the social network of rural households in Vietnam. Specifically, using microcredit borrowing to fund its family business, a representative household is engaged in a two-stage decision-making process, namely to first choose a social network and then consumption to maximize its life-time utility. Utility maximization yields an optimal social network as a function of microcredit borrowing, which is estimated using the VARHS dataset from 2008 to 2016 in Vietnam. We find that being a client of microcredit lenders, the borrower can improve the quality and size of its social network via regular group meetings and non-financial supports from the lenders. Through such activities, the rural household can strengthen its reputation and make more close friends. Given the positive role of microcredit, microcredit providers need to overcome the lack of "physical collateral", a problem that the rural poor generally has. Microcredit providers can adopt long-term lending strategies that are based upon the social network of their clients, namely to accept the "social collateral", in addition to any "physical collateral". In such a way, the poor households will have better chance to access finance. Successful use of microcredit loans helps them further improve the size and quality of their social network. Eventually, it is likely for those poor rural households to break the poverty trap.

Recent Publications

Phan, C. T., Sun, S. Zhou, Z-Y. & Beg, R. (2020) Does Microcredit Improve Rural Households' Social Network? Evidence from Vietnam, *The Journal of Development Studies*, 56:10, 1947-1963,

Prof. Stephen Graw

Solving subdiv 360-A's 'affiliate' problem

Subdivision 360-A provides investors in 'early stage innovation companies' with tax incentives in the form of a non-refundable tax offset equal to 20% of the value of their investments and a 'modified CGT treatment' for any gains or losses they ultimately realise on those investments. There are however a number of conditions that must be met and a number of situations in which the incentives are not available. One such restriction is the s 360-15(1)(d) requirement that the investor and the company not be 'affiliates of each other' immediately after the investment. If they are, the investor is denied the tax offset and, because the modified CGT treatment is only available if there is an entitlement to a tax offset, it is denied too. At least on its face, that would seem to mean that the founders of early stage innovation companies could be denied the tax incentives for money that they invest in their 'baby' and, given the difficulty of attracting other investors at that early stage of the company's life-cycle, that could, inadvertently, defeat the legislation's primary aim of encouraging and rewarding entrepreneurial risk-taking. Fortunately (or unfortunately depending on your perspective) the definition of 'affiliate' in s328-130 is such that it would appear to be relatively simple for founders to circumvent the limitation and qualify for the tax incentives, at least indirectly, by structuring their investments appropriately. This paper analyses the operation and scope of the denial provision and suggests possible options for closing, at least in part, what appears to be an inadvertent 'loophole'.

Recent Publications

Graw, S. (2020). Solving subdiv 360-A's 'affiliate' problem. 35(3) (October 2020) *Australian Tax Forum* 267-95 (ATF is an A* journal)

Townsville and Cairns

Dan Lai (Doreen), HDR Candidate

Scale development and validation of anime tourism motivations

Anime tourism, a type of media-induced tourism, is defined as visitation to sites depicted via or associated with anime or manga. It has emerged as an important form of tourism resulted from both online and offline human activities and interactions. However, anime tourism has received limited attention in tourism research. Motivation, as an essential factor explaining anime tourist behavior is under-researched. The current research thus aims to develop and validate an anime tourism motivations measurement scale by following the rigorous procedures of scale development. Using Chinese anime tourists as study subjects and employing a mixed methods approach, this study develops a five-dimension anime tourism motivation scale with sufficient reliability and validity. The five motivational factors are anime authenticity seeking, novelty, escape/relaxation, socialization, and anime cultural exploration.

The results help understand unique anime tourist behaviors, expand the current knowledge of media-induced tourism, and extend contemporary cultural consumption literature. More specifically, with the aid of the newly developed scale, it is possible to classify anime tourists according to their travel motivations. Further, it can help extend the cultural tourist typology in a popular culture-induced tourism setting by applying the two anime culture-related dimensions (i.e., anime authenticity seeking and anime cultural exploration) to measure cultural centrality. Likewise, the scale can help to test the relationships between travel motivations and potentially correlated concepts under the context of contemporary cultural consumption. This study also finds that anime tourism is a type of postmodern tourism, which is identified by the diversity of tourists motivations, experiences, and environments. In particular, the authenticity anime tourists seek is endowed by anime culture and it is pure 'hyperreal'. In postmodern society, multiculturalism is widely accepted, the feature of anime authenticity seeking may extend to other types of popular cultural tourism.

Recent Publications

Liu, S. Lai, D., Huang, S. & Li, Z. (2020). Scale development and validation of anime tourism motivations, *Current Issues in Tourism*.



Dr. Denis Tolkach

Stupidity in Tourism

Various disciplines have called upon further exploration of stupidity. The issue is pertinent to tourism as well. Stupidity in tourism may occur due to the lack of sound judgment by those involved in tourism, and it can negatively impact tourists themselves, other people, animals, organisations, or destinations. We conceptualise various manifestations of stupidity in tourism by adapting Sternberg's Balanced Theory of Wisdom (2003) and Greenspan's Explanatory Model of Human Foolishness to an Imbalanced Theory of Stupidity (2019). We then view stupid behaviour through a framework developed by Cipolla in the book *The Basic Laws of Human Stupidity*. The framework places all people on two axes: losses/benefits to themselves and losses/benefits to others, thus resulting in four quadrants. This paper provides a basis for further investigation of the irrational behaviour of tourists and the impacts of circumstances on stupid behaviour.

Recent Publications

Pratt, S., & Tolkach, D. (2020). Stupidity in tourism. *Tourism Recreation Research*, 1-14. <https://doi.org/10.1080/02508281.2020.1828555>

Associate Prof. Taha Chaiechi

Sustainable Tropical Cities: A Scoping Review of Multidisciplinary Methods for Urban Planning

Most studies of urban sustainability are characterised by traditional approaches focusing on environmental aspects. These studies often neglect the influence of issues such as governance, society, culture, and geography. Multidisciplinary contributions remain poorly understood in this field, although evidence suggests that regional, geographical and socio-cultural factors are essential in shaping sustainable urban planning. Following Arksey and O'Malley's (2005) scoping approach to literature reviews, this article provides a mapping technique and a scoping review to show the extent and nature of applied methodologies in the field of urban sustainability. The paper finds that there is a global need for sustainable urban planning through innovative multidisciplinary approaches. The paper calls for accelerated knowledge creation in the field of urban development based on climate-classifications, socio-economic information, and locational characteristics. It particularly notes the need for research in the Tropics where distinct socio-economic dynamics and climate conditions have specific impacts on sustainable urban planning.

Recent Publications

Chaiechi, T. (2020). Sustainable Tropical Cities: A Scoping Review of Multidisciplinary Methods for Urban Planning. *eTropic* 19(2)

Singapore

Associate Prof. Pengji Wang and Dr. Breda McCarthy

Completing the food waste management loop: Is there market potential for value-added surplus products (VASP)?

Addressing the social, environmental and economic consequences of food waste has become an urgent issue for governments and industry stakeholders. This study investigates the factors influencing consumer acceptance of novel value-added surplus products (VASP) which could advance industry action to reduce food waste. Consumers' perceptions and potential acceptance of VASP is under-explored in the academic literature. A survey with a panel of 687 consumers in Australia and the UK was conducted to examine the factors that influence consumers' willingness to buy VASP and to identify potential consumer segments. Almost half of the participants are willing to buy VASP, such as a vegetable powder, a snack and a fermented product, with Australian respondents being more likely to buy these types of foods (47%, 51% and 44%) than respondents in the UK (43%, 49% and 39%). Consumers who are price conscious, convenience oriented, status seeking and concerned about the consequences of food waste are more willing to buy VASP than others. Cluster analysis reveals two consumer segments that show promise for the targeted marketing of VASP: the 'status and convenience seeker', which is a larger segment in Australia (76%) than in the UK (59%), and the 'price and environmentally conscious' consumer, which is larger in the UK (41%) than in Australia (24%). Respondents generally rank 'other-oriented' benefits, such as farmers' welfare, as more important drivers of purchasing than 'self-oriented' benefits, such as healthy food. The results not only advance the theoretical understanding about consumer acceptance and segmentation of novel products, but also provide a valuable indication of the market potential of VASP, along with positioning strategies to assist marketers and policy makers in preventing pre-consumption food waste.

Recent Publication

McCarthy, B., Kapetanaki, A. B., & Wang, P. (2020). Completing the food waste management loop: Is there market potential for value-added surplus products (VASP)? *Journal of Cleaner Production*, 256, 120435.

Associate Prof. Huiping Zhang

Stock price crashes in emerging markets

This paper studies large price declines of individual stocks in 22 emerging markets. Using analyst reports as a proxy for information arrivals, we find that majority of crashes in emerging markets are not accompanied by information events, and these crashes are followed by price reversals. Further analyses show that crashes in countries with a better information environment or a lower level of openness are less likely to reverse in the short run, suggesting that factors such as information transparency and market integration may shape the large swings in emerging market stock prices.

Recent Publication

Bai, M., Qin, Y. and Zhang, H. (2021). Stock price crashes in emerging markets. *International Review of Economics and Finance* 72, 466–482

Dr. Sook Rei Tan

International capital flows and extreme exchange market pressure: Evidence from emerging market economies.

Ever since the emerging market economies (EMEs) liberalized their financial markets in the 1980s, their foreign exchange volatilities have surged in face of massive and irregular capital flows. During the 1990s, in response to the systemic currency crises taken place in the developing economies, earlier studies tended to put emphasis on identifying and explaining currency crashes, which are extreme positive events of the exchange market pressure (EMP) associated with massive capital outflows from the EMEs. After the 2008 global financial crisis, the focus shifted towards enormous capital inflows to the EMEs, which put a sharp appreciation pressure on their domestic currencies, represented by the extreme negative tails of EMP distributions.

Against such backdrop, this article aims to study the proximate determinants of both extreme positive and negative EMP events of a set of emerging countries between 1995Q1 and 2019Q4, with specific attention drawn to the linkage between international capital flows and the foreign exchange movement. The research approach consists of two steps. In the first step, identification of extreme observations is carried out under the framework of Extreme Value Theory to handle asymmetric and heavy-tailed EMP distribution. In the next step, a panel multinomial logit regression is conducted to explore whether the predictors differ across extreme positive and negative EMP events.

Our findings show that (1) there is asymmetry in the EMP distributions, where the occurrence of currency crises is more frequent than excessive appreciations in most EMEs, (2) portfolio and credit flows are significant predictors to both extreme events, and (3) by distinguishing the residency of capital flows, foreign credit inflow is the key factor that contributes to the devaluation pressure in the EMEs.

Recent Publication

Tan, S. R., Wang, W. S., & Chia, W. M. (2020). International capital flows and extreme exchange market pressure: Evidence from emerging market economies. *Open Economies Review*, 1-28.



CITBA's International Conference on Business, Economics, Management, and Sustainability (BEMAS) - July 2-3, 2021

Community Empowerment, Sustainable Cities, and Transformative Economies

Key Dates

- When: 02-03 July, 2021
Where: Virtual platform
- Abstract due: 01 December 2020
- Notification on abstracts due: 05 January 2021
Full paper due: 20 February 2021
- Notification of acceptance: 20 March 2021
- Cancellation deadline: 31 March 2021
- Final version due: 15 April 2021

Following the successful international Urban Thinkers Campus (UTC) event in 2019 organised by the Centre for International Trade and Business in Asia (CITBA) at James Cook University-Australia, the Centre is pleased to announce the International Conference on Business, Economics, Management, and Sustainability (BEMAS) on the 02-03 July, 2021. The Centre for International Trade and Business in Asia (CITBA) aims to create a platform for the academics, researchers, practitioners and students to disseminate their research findings with other global experts.

The orthodox methods of addressing external risks, climate change adaptation plans, and sustainable economic growth in cities are no longer adequate. These methods, so far, have not only ignored the ongoing structural changes associated with economic development but also failed to account for evolving industries' composition and the emergence of new comparative advantages and skills. Particularly, vulnerable communities and exposed areas, particularly in urban areas, that tend to experience higher susceptibility to external risks (such as climate change, natural disasters, and public health emergencies) have been largely ignored in incremental adaptation plans. Vulnerable communities and areas not only require different adaptive responses to climate risk but also possess unlocked adaptive capacity that can motivate different patterns of sustainable development to achieve the goals of the 2030 Agenda. It is essential, therefore, to view transformative growth and fundamental reorientation of economic resources as integral parts of the solution. Social disorganisation and vulnerability are other undesired outcomes of the unpredictable and widespread external economic shocks. This is due to a sudden and tough competition between members of

society to acquire precious resources, most of which may be depleted during unprecedented events such as natural disasters or pandemics resulting in an even more chaotic and disorganised conditions.

The conference tracks are:

1. Urban Planning, Public Spaces, Sustainable Economic Growth
2. Understanding Principles of Resilient Economies
3. Society and Community Based Initiatives in the Time of Crisis
4. Business, Management and Sustainable Path to 2030 Agenda
5. Sustainable Marketing, Community, and the Planet

Author's Guidelines

Review Process

CITBA requires that all submitted conference papers go through a blind peer-review process and evaluation based on originality, research depth and quality, and relevance to the theme of the conference (Community Empowerment, Sustainable Cities, and Transformative Economies) and/or the other research streams/tracks listed in this call. We invite full research papers, practitioner papers, research notes, scoping/systematic literature review papers, and case studies. Papers that are accepted following the review process, and are presented in the conference will appear in the conference proceeding. Please check the Author guidelines for more details.

Presentation format

All presentations are virtual for this conference. Presentations are either live stream or pre-recorded video presentations. Please note that pre-recorded presentations are to be created by the authors. Further information on creating the video will be sent following registration. The length of live stream or pre-recorded presentations should not be longer than 25 minutes.

Paper format

Accepted full research papers, practitioner papers, scoping/systematic literature review papers, and case studies should not be longer than 12 pages in length. Accepted research notes should not be longer than 9 pages. Page limits do not include references, tables/figures, or cover page. General in-text styles: Times New Roman 12 point, regular, Line spacing 1.5, One line space for new paragraph (do not indent first line of paragraph), Footnotes: Times New Roman 10 point, regular

Conference Proceeding

Conference proceeding will be published with Springer.

CITBA

Speakers for CITBA BEMAS Conference - July 2-3, 2021

We are extremely pleased to announce our outstanding panel of six keynote speakers for the BEMAS Conference. Mayor of Cairns, Bob Manning OAM, JCU Dean of CBLG, Professor Stephen Boyle, Executive Director Anglicare Australia, Kasy Chambers, Co-founder citizenM Hotels, Michael Levie, Director, Rural Economies Centre of Excellence, Professor Hurriyet Babacan, and Professor of Management & Organization Studies, JCU and Bristol Business School, Prof. Peter Case.

To visit the conference website (<https://www.jcu.edu.au/citba/citbas-international-conference-2021>), click on the link provided in the attached flyer.

CITBA Research Forum Series

The CITBA Research Forum Series will start in 2021. The series will feature presentations and panel discussion events from important business leaders and academics. The first talk features the Chief Operating Officer from ANZ Bank, Sreeram Iyer and will focus on the WWW (Work, Workplace, and Workforce). Stay tuned for further information on the exact time and date for the presentation.

World Women Tourism

Dr. Jenny Panchal is moderating another fantastic webinar event titled "Accelerating Filipino Women in Tourism & Hospitality". The webinar will be held on February 4th, 2021 (3-5pm Manila time). For further information about registration details, please refer to the banner on the following page.



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Registration: <https://tinyurl.com/wwtph2021>

MODERATORS



Dr. Jenny H. Fanchal
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ASEAN Tourism Research Association (ATRA)



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Co-Founder & Director
World Women Tourism



Dr. Catherine Khoo
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Ms. Alma Jimenez
President, ASEAN Society Phils



Dr. Nelly Nito Dillera
Department of Trade & Industry -
Philippine Trade Training Centre (DTI-PTTC)



Ms. Ma. Christine Aquino
Chairwoman, Tourism Industry Board Foundation, Inc (TIBFI)

SPEAKERS

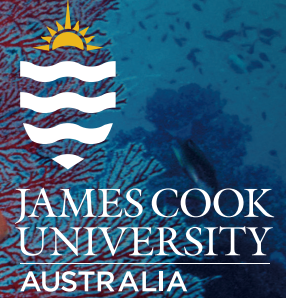


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Community Empowerment, Sustainable Cities, and Transformative Economies

2-3 July 2021



International Conference on Business, Economics, Management, and Sustainability (BEMAS)

Cities and vulnerable communities not only require different adaptive responses to external risks (such as climate change and pandemics) but also possess unlocked adaptive capacities that can motivate different patterns of sustainable development to achieve the goals of the 2030 Agenda. Now it is time to expand the conversation around transformative growth and reorientation of economic resources as integral parts of the solution. Come, join the dialogue !

We are extremely excited to announce our outstanding panel of six keynote speakers for the Conference

MEET THE PANEL



Cr Bob Manning OAM

Mayor of Cairns, Cairns
Regional Council



Stephen Boyle

Professor and Dean,
College of Business, Law
and Governance, JCU



Kasy Chambers

Executive Director,
Anglicare Australia



Michael Levie

Hotelier and Co-
founder of citizenM
Hotels



Hurriyet Babacan

Professorial Fellow & Research Director
The Rural Economies Centre of
Excellence, and The Cairns Institute



Peter Case

Professor of Management &
Organization Studies, JCU and
Bristol Business School

Conference website:

<https://www.jcu.edu.au/citba/citbas-international-conference-2021>

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 **CENTRE FOR INTERNATIONAL TRADE AND BUSINESS IN ASIA (CITBA)**

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