

THE NEW DIGITAL ERA

Other Emerging Risks
and Opportunities

Edited by Simon Grima, Ercan Özen
and Hakan Boz

CONTEMPORARY STUDIES IN
ECONOMIC AND FINANCIAL ANALYSIS

VOLUME 109B

THE NEW DIGITAL ERA

CONTEMPORARY STUDIES IN ECONOMICS AND FINANCIAL ANALYSIS

Series Editor: Simon Grima

- Volume 92: Moving Beyond Storytelling: Emerging Research in Microfinance
Edited by Todd A. Watkins and Karen Hicks
- Volume 93: The Impact of the Global Financial Crisis on Emerging Financial
Markets *Edited by Jonathan A. Batten and Peter G. Szilagyi*
- Volume 94: Derivative Securities Pricing and Modelling *Edited by Jonathan A.
Batten and Niklas F. Wagner*
- Volume 95: The Developing Role of Islamic Banking and Finance: From Local to
Global Perspectives *Edited by Fouad Beseiso*
- Volume 96: Risk Management Post Financial Crisis: A Period of Monetary
Easing *Edited by Jonathan A. Batten and Niklas F. Wagner*
- Volume 97: Contemporary Issues in Bank Financial Management *Edited by
Simon Grima and Frank Bezzina*
- Volume 98: Contemporary Issues in Finance: Current Challenges from Across
Europe *Edited by Simon Grima, Frank Bezzina, Inna Romānova and
Ramona Rupeika-Apoga*
- Volume 99: Governance and Regulations' Contemporary Issues *Edited by Simon
Grima and Pierpaolo Marano*
- Volume 100: Contemporary Issues in Business and Financial Management in
Eastern Europe *Edited by Simon Grima and Eleftherios Thalassinos*
- Volume 101: Contemporary Issues in Behavioral Finance *Edited by Simon Grima,
Ercan Özen, Hakan Boz, Jonathan Spiteri and Eleftherios Thalassinos*
- Volume 102: Contemporary Issues in Audit Management and Forensic Accounting
Edited by Simon Grima, Engin Boztepe and Peter J. Baldacchino
- Volume 103: Global Street Economy and Micro Entrepreneurship *Edited by Simon
Grima, Osman Sirkeci and Kamuran Elbeyoğlu*
- Volume 104: Contemporary Issues in Business, Economics and Finance *Edited by
Simon Grima, Ercan Ozen and Hakan Boz*
- Volume 105: Contemporary Issues in Public Sector Accounting and Auditing
Edited by Simon Grima and Engin Boztepe
- Volume 106: Contemporary Issues in Social Science *Edited by Simon Grima, Ercan
Ozen and Hakan Boz*
- Volume 107: A New Social Street Economy: An Effect of the COVID-19 Pandemic
Edited by Simon Grima, Osman Sirkeci, and Kamuran Elbeyoğlu.
- Volume 108A: Managing Risk and Decision Making in Times of Economic Distress
Edited by Simon Grima, Ercan Özen, and Inna Romānova
- Volume 108B: Managing Risk and Decision Making in Times of Economic Distress
Edited by Simon Grima, Ercan Özen, and Inna Romānova
- Volume 109A: The New Digital Era: Digitalisation and Emerging Risks and
Opportunities *Edited by Simon Grima, Ercan Özen and Hakan Boz.*

CONTEMPORARY STUDIES IN ECONOMIC AND
FINANCIAL ANALYSIS VOLUME 109B

THE NEW DIGITAL ERA: OTHER EMERGING RISKS AND OPPORTUNITIES

EDITED BY

SIMON GRIMA

University of Malta, Malta

ERCAN ÖZEN

University of Uşak, Turkey

and

HAKAN BOZ

University of Uşak, Turkey



United Kingdom – North America – Japan
India – Malaysia – China

Emerald Publishing Limited
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2022

Editorial matter and selection © 2022 Simon Grima, Ercan Özen and Hakan Boz.
Individual chapters © 2022 The authors.
Published under exclusive licence by Emerald Publishing Limited.

Reprints and permissions service

Contact: permissions@emeraldinsight.com

No part of this book may be reproduced, stored in a retrieval system, transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without either the prior written permission of the publisher or a licence permitting restricted copying issued in the UK by The Copyright Licensing Agency and in the USA by The Copyright Clearance Center. Any opinions expressed in the chapters are those of the authors. Whilst Emerald makes every effort to ensure the quality and accuracy of its content, Emerald makes no representation implied or otherwise, as to the chapters' suitability and application and disclaims any warranties, express or implied, to their use.

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN: 978-1-80382-984-5 (Print)

ISBN: 978-1-80382-983-8 (Online)

ISBN: 978-1-80382-985-2 (Epub)

ISSN: 1569-3759 (Series)



ISOQAR certified
Management System,
awarded to Emerald
for adherence to
Environmental
standard
ISO 14001:2004.

Certificate Number 1985
ISO 14001



INVESTOR IN PEOPLE

CONTENTS

About the Editors vii

About the Contributors ix

Section A Other Emerging Risks and Opportunities

Chapter 1 Achieving Financial Inclusion: Whatever It Takes 3
Peterson K. Ozili

**Chapter 2 Tourism Economic Policy, COVID-19 Restrictions
and Estimated Economic Impact the Industry** 13
Maia Diakonidze

**Chapter 3 Impact of Crises on Capital Market Volatility:
A Bibliometric Analysis** 21
*Adriana Anamaria Davidescu, Răzvan Gabriel Hapau
and Eduard Mihai Manta*

**Chapter 4 Difficult Issues in Financial Regulation for
Financial Stability** 55
Peterson K. Ozili

**Chapter 5 Determinants of Intention and Investment
Behaviour of Youth in Kosovo: A Partial Least Squares
Structural Equation Model (PLS-SEM) Approach** 69
Luan Vardari, Dafina Abdullahu and Rinor Kurteshi

**Chapter 6 Defining and Analysing the Epidemiological
Results in the Balkan Region during 2020 – An Overview** 81
Hamdi Hoti, Edisona Kurhasku and Arbër H. Hoti

**Chapter 7 The Mediation Effect of Entrepreneurial
Self-Efficacy in the Relationship Between Entrepreneurial
Passion and Leadership Styles** 99
Diego Norena-Chavez and Eleftherios Thalassinou

Chapter 8 Bank Income Smoothing During the COVID-19 Pandemic: Evidence from UK Banks <i>Peterson K. Ozili</i>	127
Chapter 9 Assessment of Financial Reporting Quality: Theoretical Background <i>Lovinska Liudmyla and Kucheriava Maria</i>	141
Chapter 10 Probability of Default Estimation as a Credit Risk Parameter: A Markov Chain Approach Applied in Real Data <i>Vasileios Ouranos and Alexandra Livada</i>	151
<i>Index</i>	177

ABOUT THE EDITORS

Prof. Simon Grima, is the the Deputy Dean of the Faculty of Economics, Management and Accountancy, Associate Professor and the Head of the Department of Insurance and Risk Management which he set up in 2015 and started and coordinates the MA and MSc Insurance and Risk Management degrees together with the Undergrad degree in Insurance. Simon is also a Professor at the University of Latvia, Faculty of Business, Management and Economics and a visiting Professor at UNICATT Milan. He served as the President of the Malta Association of Risk Management (MARM) and the President of the Malta Association of Compliance Officers (MACO) between 2013 and 2015 and between 2016 and 2018, respectively. Moreover, he is the chairman of the Scientific Education Committee of the Public Risk Management Organization (PRIMO) and the Federation of European Risk Managers (FERMA). His research focus is on Governance, Regulations and Internal Controls and has over 30 years of experience varied between Financial Services, academia and public entities. He has acted as co-chair and is a member of the scientific program committee on some international conferences and is a chief editor, editor and review editor of some Journals and Book Series. He has been awarded outstanding reviewer for *Journal of Financial Regulation and Compliance* in the 2017 Emerald Literati Awards. Moreover, Simon acts as an Independent Director for Financial Services Firms, sits on Risk, Compliance, Procurement, Investment and Audit Committees and carries out duties as a Compliance Officer, Internal Auditor and Risk Manager.

Ercan Özen received his BSc in Public Finance (1994), MSc in Business-Accounting (1997) and PhD in Business Finance (2008) from the University of Afyon, Kocatepe. Now, he is the Associate Professor of Finance in the Department of Banking and Finance, School of Applied Sciences, University of Uşak, Turkey. His current research interests include different aspects of Finance. He has (co-) authored 3 book chapters and more than 30 papers, more than 20 conferences participation, and is a member in International Program Committee of 3 conferences and workshops. He is chair of International Applied Social Sciences Congress. Also, Özen is a certified accountant, member of Agean Finance Association and member of TEMA (Turkey Combating Soil Erosion, for Reforestation and the Protection of Natural Resources Foundation.)

Hakan Boz is an Assistant Professor at the Usak University's School of Applied Sciences, Turkey. Prior to joining the academia, he has held various positions in the tourism and hospitality sector. He carries out research to better understand consumer and employee behavior in the tourism and hospitality sectors, especially by using neuromarketing tools such as Galvanic Skin Response, Body temperature, Heart Rate, Eye Tracker, Facial Recognition and EEG.

This page intentionally left blank

ABOUT THE CONTRIBUTORS

Dafina Abdullahu is a Teaching Assistant at the University of Prizren ‘Ukshin Hoti’. She earned both her bachelor’s and master’s degree from the University of Prizren, Business Administration Department with a specialisation in accounting and auditing. She is a PhD Candidate at two Public Universities: one is in University of Osijek – Croatia in the Department of Management and the other is in University of Trakya – Turkey in Business Administration field Accounting and Finance. Her research interests are in accounting, auditing, finance and operation management. She has worked in a bank from 2016 to 2019 as a Commercialist and Credit Analysts. From 01.04.2019 to 30.09.2019, she worked as a teacher in high school ‘Center of competence’ in the Economics field. She has attended some conferences, seminars and trainings and has published several scientific articles.

Adriana AnaMaria Davidescu is a Full-time Professor in the Department of Statistics and Econometrics of the Bucharest Academy of Economic Studies and a Senior Researcher at the National Institute for Scientific Research in Labor and Social Protection, with over 14 years of experience in socio-economic research and labour market analysis. She has a PhD from the Bucharest University of Economic Studies and has been a Visiting Scholar at the University of Salerno (Italy). She has over 14 years of experience in the analysis of informal economy issues, coordinating or being a member of the research team of over 50 national and international projects. The main areas of interest include, among others, labour market analysis, sustainable development, regional development, analysis and evaluation of public policies and programs, human resources management, etc. She has coordinated as a director in numerous national research projects in the field of informality, holding the position of Senior Expert of the European Commission in the project aimed at implementing the mission, objectives and activities of the European Platform to strengthen cooperation in tackling Undeclared Work in 2017.

Maia Diakonidze is a Doctor of Economics, Assistant Professor at Akaki Tsereteli State University and a Visiting Lecturer at Kutaisi University. After graduating with honors from bachelor’s, master’s, and doctoral studies, she engaged in scientific research. Participated in various educational and grant projects. She is a member of the editorial board of two international scientific conferences, author of one monograph, coauthor of two books and the author of 33 scientific papers. Akaki Tsereteli State University awarded the Certificate of Honor for her contribution to the organization and management of an active and fruitful educational process.

Răzvan Gabriel Hapau is a PhD student at the Doctoral School of Economics and Business Administration and has over 4 years of experience in the financial field, holding various positions within the Financial Supervisory Authority. In recent years, he has focussed on financial analysis, machine learning and data science. The subject studied in the doctorate is ‘The impact of crises on the volatility of the capital market’. He has work experience in developing analyses in the field of capital markets and insurance and working on reports that underlie decision making within the organisation.

Arbër H. Hoti is a teaching assistant at the University of Prishtina ‘Hasan PRISHTINA’, Faculty of Education. Also, he is pursuing doctoral studies at the South East European University in Computer Science- Contemporary Technologies. His interests include Internet of Things, Machine Learning and Artificial Intelligence, where he has several papers indexed in digital platforms.

Hamdi Hoti received his PhD at the University of Tirana. He is an Associate Professor at the Faculty of Economics, University ‘Ukshin HOTI’ Prizren. His research interests include Corporate Governance, Change Management, Human Resource Management, Scientific Research Methods and Project Management. He is Vice Dean in the same faculty.

Edisona Kurhasku is a PhD candidate in Economic field, University ‘Hasan Prishtina’ Prishtine. She has long experience on the development of marketing techniques especially in Republic of Kosovo where two of her thesis has treat role and challenges in Kosovo’s market. Also, she has published several scientific papers that are focussed on developing and finding new forms of solution especially in the marketing field.

Rinor Kurteshi is a third year PhD candidate in Business Administration at the Central European University, where he also works as a Teaching Assistant. He also works a Lecturer at the Universum College in Kosovo where he teaches Microeconomics to first year students. He has finished his MPA degree at IIT Stuart School of Business in Chicago, IL, and a second MA in Management at The University of Sheffield. He has an extensive experience in teaching in higher education and research. He loves reading about entrepreneurship and his research focusses on entrepreneurial teams.

Lovinska Liudmyla – Head, Department of Tax management and financial monitoring, SHEE ‘Kyiv National Economic University named after Vadym Hetman’, Head, Department of Accounting Methodology and Financial Control, Financial Research Institute, SESE ‘Academy of Financial Management’ (Kyiv, Ukraine), Doctor of Economic Sciences, Professor, Member of the Methodological Council for Accounting, Member of the International Financial Reporting Standards Council under the Ministry of Finance of Ukraine. Co-author of the *Strategy of Upgrading Public Sector Accounting System, IFRS Implementation Strategy in Ukraine* (2007) and *Tax Code of Ukraine* (2010). Provides the scientific support

for implementing National Public Sector Accounting Standards and Public Finance Development Strategy.

Alexandra Livada is an Associate Professor in the Department of Statistics at Athens University of Economics and Business (AUEB). She was graduated from the Athens School of Economics and Business (ASEB) where she finished MA studies in Economic Theory and Policy. She holds a PhD degree in Economics from Essex University–UK. She has more than 20 years of teaching experience in undergraduate and postgraduate levels. Her main research interests are in Quantitative Economics and Business Analysis, Index Numbers and Official Statistics, Applied Econometrics, Applied Time Series Analysis and Forecasting Techniques, Income distribution–Inequality Measurement, Applied Financial Econometrics and Business Cycles Analysis. She has been a referee for many journals such as *European Journal of Political Economy* and *Journal of Public Economics*, *Journal of Insurance*, *Mathematics and Economics*. She has been a member of many project teams and Marie-Curie project supervisor. She is also the co-author of the book *Index Numbers and Official Statistics*.

Eduard Mihai Manta is a PhD student at the Doctoral School of Cybernetics and Statistics and has over 5 years of experience in IT, holding various positions in data teams. In the last few years, he focussed on machine learning and data science. The subject studied in the PhD is the COVID pandemic-19 – an accelerator of the implementation of sustainable development concepts, resilience, green and inclusive of the global economy. He has experience working with one of the principal NGOs in the field of education and working on reports that underlie decision making within the organisation. The main areas of interest are machine learning, deep learning, data visualisation, artificial intelligence and statistical modelling. He has expertise in the area of content analysis, analysis bibliometrics, time series, supervised, unsupervised machine learning, working with software data visualisation and data processing.

Kucheriava Maria, PhD in Economics; Head of the Center for the Implementation of the Results of Financial and Economic Research, SESE ‘Academy of Financial Management’ (Kyiv, Ukraine). The author has about 50 scientific publications. She has participated in national and international conferences. Participant of Case Study of selected company reporting in Ukraine regarding its (company’s) contribution to the SDGs Agenda based on the Guidance on core indicators for entity reporting on the contribution towards implementation of the SDGs developed by UNCTAD. Her areas of scientific interests are the quality of entities’ reporting and assessment and non-financial reporting, including sustainability reporting and its assurance.

Diego Norena-Chavez holds a Doctorate in Strategic Business Administration, Pontificia Universidad Católica del Perú, Peru; Doctorate in Business Administration Paris School of Business, France; Master of Business Administration, Universitat Ramon Llull–Esade Business School, Spain and MBA (Universidad Adolfo

Ibañez, Chile). He also holds a Bachelor's degree in Business Administration. He is the President of Stroma International Scientific Association SAC and CEO of Dinor Servicios Generales SAC. He is also an Assistant Professor of strategic management, creativity and research methods at Centrum Catolica Graduate Business School, Pontificia Universidad Catolica del Peru, part-time Professor of research methods at the Peruvian Navy's Professional Specialization School and invite professor at the Peruvian Army War College. He is a member of Editorial Boards and referee in few journals.

Vasileios Ouranos is a Consultant with a demonstrated history of working in Analytics across different types of industries. Skilled in Data Engineering, Statistical Modelling, Business Intelligence, Customer Relationship Management (CRM), Big Data, Data Quality and Visualisation. A strong business development professional with a master's degree focussed in Statistics from Athens University of Economics and Business.

Peterson K. Ozili is an economist, affiliated with the Central Bank of Nigeria. He works extensively in academia and policy making. He has experience in economic policy, financial inclusion, financial stability, financial innovation, banking regulation and supervision. His areas of specialisation are financial economics, international development, accounting, development finance, the economics of financial markets, banking and financial reporting. He has published extensively in many accounting and finance journals such as the *British Accounting Review*, *Journal of Applied Accounting Research*, *Journal of Accounting in Emerging Economies*, *International Journal of Managerial Finance*, *European Journal of Finance* and *Research in International Business and Finance*.

Eleftherios Thalassinos holds a PhD in Quantitative Methods and International Economics (UIC, Chicago, 1983); an MBA, International Business (De-Paul U Chicago, 1979) and a BA, Economics (U of Athens, 1976). He also holds three DHC degrees in Business and Economics from Danube's University of Galati (2013), University of Craiova (2015) and Rostov University of Economics (2018). He is Editor-in-Chief in three journals and Editor, Guest Editor and Member of Editorial Board in few journals. He has an extensive record of lecturing in several universities around the globe (Europe, America and Asia) and hundreds of publications in journals, conference proceedings, collective volumes and scientific series.

Luan Vardari is an Assistant Professor of Finance in Faculty of Economics at Prizren "UKSHIN HOTI" University. He received his master's degree (MA) in the field of Finance (Balkan Countries Stock Markets) in 2012 from Trakya University and finished his PhD in Business Administration at Trakya University. He teaches finance courses at graduate and undergraduate levels. His research interests include financial markets and institutions, portfolio optimizations and international finance. He is the Founder and Editor-in-Chief of Prizren Social Science Journal. Editor in book chapters and articles in national and international journals.