Editorial

The current issue of the Journal of CENTRUM Cathedra offers seven articles ranging across research topics on capital markets, behavioral finance, accounting theory, competitive strategy, macroeconomics, agricultural GDP, and human resource management. The primary focus of this journal has always been the different dimensions of modern management.

The articles cover theoretical and empirical research, a wide data spectrum and a variety of research techniques. This reflects both the international nature of the journal and its wide span of interests within the fields of business and economics research.

The first article, Spillover Effects for Gold, Stocks and Bonds, attempts to document the interdependence among stocks, bonds, and gold. Based on sample data from January 1970 to April 2009, the authors conclude that there does not seem to be any trend in the spillovers, just periods when the spillovers increase, stay elevated for a while, and then return to “normal” levels. However, the authors did find a low and slightly negative correlation of gold with stocks and bonds, which makes gold an important asset from the perspective of portfolio construction.

The second article, by Adam Szyszka, examines the field of behavioral finance to offer an alternative perception of the processes taking place in capital markets. By referring to psychology, Szyszka points out the imperfections of the human mind, and thus reveals mistakes made by both individual and professional investors. From this perspective, the author suggests that the 2008 financial crisis shows that these behavioral inclinations also affected market supporting entities (e.g. rating agencies) and regulatory institutions (e.g. central banks and financial supervisory authorities). The author claims that the entities designed to protect the stability of the financial system and ensure its uninterrupted operation failed to assess the importance of psychological traps properly.

The article Positive Accounting Theory and Science by Humayun Kabir contributes to the methodology of accounting by comparing the development of Positive Accounting Theory (PAT) with three standard theories of science as formulated by Kuhn, Popper and Lakatos. Kabir argues that the methodological positions of PAT conforms to none of the standard theories of science, but instead contains elements of all three and that there remain some methodological gaps.

The article by John A. Parnell compares competitive strategy-performance relationships in Mexico, Peru and the USA. The author suggests that his findings raise questions about a widely accepted assumption about firms in emerging nations, specifically those in Latin America. According to Parnell, conventional wisdom suggests that successful firms in developed nations are more likely to pursue strategies anchored in innovation, while those in emerging economies are more likely to emphasize cost containment. This assumption was not supported by the research presented in the paper.

The paper by Vanina A. Farber focuses on Argentina’s Convertibility Plan (1991-2002). As stated in the paper, the mainstream explanation of the failure of the Convertibility Plan is based on the overvaluation of the domestic currency, fiscal indiscipline, and the mounting foreign debt, which were inconsistent with a sustainable fixed exchange rate. The article explores a different, complementary explanation and demonstrates that it was the counter-cyclical role of domestic interest rates, in addition to investors’ asymmetric information, which finally broke the Plan. According to the author, high interest rates ultimately changed investors’ confidence in the commitment of policy makers to continue with unpopular recessionary and deflationary adjustment policies.

The article “Employability Management Needs Analysis within the ICT sector in Europe”, provides insight into current employability management activities and its effects on ICT professionals working in small and medium sized enterprises throughout Europe. Using a qualitative research methodology, the authors interviewed managers from SMEs in seven European countries and found that although an interest in employability management emerged, actual policy and action lagged behind.
The last paper by Mario Tello, examines the impact of both external shocks and of six preferential trade arrangements on the Peruvian economy, during the period 1950-2007 with a special focus on the agricultural sector.

This sixth issue of the journal has been made possible by the contribution of many people. Thanks are due to the researchers who submitted their articles for peer review evaluation and to the reviewers involved in the rigorous evaluation process. Recognition also goes to the administrative and editorial staff from CENTRUM, CENGAGE and Language on Line Editing. Special thanks to CENTRUM’s General Director, Professor Fernando D’Alessio for his support and general guidance.

The next issue of the Journal will be published in March 2011.

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Editor