

Introduction to the Special Issue: Selected papers from 11th International Economic Policy Conference

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Received: 4 November 2013

Accepted: 4 November 2013

The papers for this special issue of *Economic and Business Letters* come from the 11th Economic Policy International Conference. The Conference, organized by the Department of Applied Economics V of the University of the Basque Country UPV/EHU took place the days 30th and 31st May 2013 in Bilbao at the Faculty of Economics and Business of the University of the Basque Country.

The paper by Andrés Maroto-Sánchez and Juan R. Cuadrado-Roura analyzes the cyclical behavior of the productivity in the Spanish economy. Contrary to other advanced economies, the productivity in Spain registers low rates of growth during upswings and significant improvements during downturns. For the authors, this pattern can be explained by the combination of two elements. The first one has to do with the behavior of the employment. Thus, during the expansions the Spanish economy registers a strong process of employment creation in low productivity sectors, and vice versa. The second reason is related to the specialization of the Spanish economy in industries and activities with a strong cyclical component.

The paper written by Indalecio Pérez-Díaz del Río, Pablo Castellanos-García and José Manuel Sánchez-Santos analyzes the evolution of the spread between the Spanish and the German sovereign bonds. The objective of their paper is to check the hypothesis that the evolution of this spread is explained by Spanish economic fundamentals, namely public debt/GDP, private debt/GDP, inflation rate, unemployment rate and financing capacity/need. Using unit root tests and cointegration analysis, the authors find no evidence of a significant long-term relationship between the evolution of the spread and the evolution of the fundamentals

The paper by Meliyara S. Consuegra and Javier García-Verdugo focuses on the analysis of the functional efficiency of the energy futures market. Contrary to the view that energy markets are efficient, and therefore lead to an optimum outcome in terms of social welfare,

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Citation: Ferreiro, J. (2013) Introduction to the Special Issue: Selected papers from 11th International Economic Policy Conference, *Economics and Business Letters*, 2(3), 84-85.

the paper argues that energy markets make a mistake when they use the futures prices to predict the spot prices in the future, resulting in a wrong allocation of resources. The empirical analysis made in the paper leads the authors to conclude that the efficiency of the energy futures markets is declining, resulting in a rising loss of social welfare.

Finally, the paper by Adão Carvalho and Beatriz Corchuelo studies the R&D policies implemented in Portugal and Spain. For Carvalho and Corchuelo, both Spain and Portugal are characterized by low overall expenditures in R&D, low business R&D expenditures and low business R&D expenditures -to-overall R&D expenditures ratios. The paper analyzes and discusses the policies of Spain and Portugal to promote business R&D. Carvalho and Corchuelo argues that despite the generosity of the public incentives to business R&D, science and technology indicators in both countries remain low in comparison to the indicators registered in the OECD countries, and that, though this gap is declining, the main objectives of the R&D policies in Spain and Portugal have not been achieved. The authors also conclude that, contrary to Spain, Portugal has succeeded in increasing the business R&D-to-GDP ratio.