



The Latest REM [Working Papers](#)

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Events

29-31/05/2019, 09:00h. [LxDS Spring School 2019 – three free minicourses on Dynamical Systems](#), Faculdade de Ciências, Universidade de Lisboa.

05-06/09/2019, 09:00h. [International Workshop on Differential Equations – On the Occasion of Luis Sanchez's 70th Birthday](#), Faculdade de Ciências, Universidade de Lisboa.

Lisbon Doctoral Summer School in Economics

3-5/06/2019. NOVA SBE, Carcavelos, **Gender, Politics and Policies**, Paola Profeta

10-12/06/2019. ISEG, Lisbon. **Understanding and Evaluating Inflation-Targeting Central Banks**, Douglas Laxton

13/09/2019, 09:00h. [7th UECE Conference on Economic and Financial Adjustments](#), ISEG/UL – School of Economics and Management.

25-26/10/2019, 09:00h. [6th International Workshop on the Socio-Economics of Ageing](#), ISEG/UL – School of Economics and Management.

REM [Working Papers](#)

1. [Efficiency of the European banks in the aftermath of the financial crisis: A panel stochastic frontier approach](#), Cândida Ferreira. *Working Paper 084-2019*

Using panel estimates and Stochastic Frontier Analysis this paper aims to contribute to the analysis of bank efficiency of the European banks in the aftermath of the international financial crisis and the sovereign crisis that seriously affected many EU countries. It also considers hypothetical scenarios of exit from the EU of some of the particularly relevant member-states, including the Brexit scenario. The results obtained very clearly demonstrate the existence of statistically significant technical inefficiencies in all considered scenarios. Nevertheless, the results reveal that the exclusion of the Italian banks and of the UK banks from our estimates would be more beneficial to the decrease of the banks' cost inefficiencies than the exclusion of the French and the German banks. Moreover, the worst scenario in terms of the decrease of the EU banks' cost inefficiencies would be the exclusion of the banks from the five EU countries that were deeply affected by the international financial and sovereign crises and were obliged to restructure their bank systems, that is, Cyprus, Greece, Ireland, Portugal and Spain.

2. [Crises and Emissions: New Empirical Evidence from a Large Sample](#), João Tovar Jalles. *Working Paper 083-2019*

In this paper, we empirically assess by means of the local projection method, the impact of different types of financial crises on a variety of pollutant emissions categories for a sample of 86 countries between 1980-2012. We find that financial crises in general lead to a fall in CO₂ and methane emissions. When hit by a debt crisis, a country experiences a rise in emissions stemming from either energy related activities or industrial processes. During periods of slack, financial crises in general had a positive impact on both methane and nitrous oxide emissions. If a financial crisis hit an economy when it was engaging in contractionary fiscal policies, this led to a negative response of CO₂ and production-based emissions.

3. [On the Cyclicity of Social Expenditure: New Time-Varying evidence from Developing Economies](#), João Tovar Jalles. *Working Paper 082-2019*

This paper provides a novel dataset of time-varying measures of social spending cyclicity for an unbalanced panel of 45 developing economies from 1982 to 2012. More specifically, we focus on four categories of government social expenditure: health, social protection, pensions and education. We find that social spending has generally been acyclical over time in developing countries, with the exception of spending on pensions. However, sample averages high marked heterogeneity across countries with the majority showing procyclical behaviour in different social spending categories. In addition, by means of weighted least squares panel regressions with country and time effects, we find that the degree of social spending [pro]cyclicity is generally negatively associated with financial deepening, the level of economic development, trade openness, government size as well as political constraints on the executive.

4. [Cross-country Evidence on the Determinants of Inclusive Growth Episodes](#), João Tovar Jalles, Luiz de Mello. *Working Paper 081-2019*

Widening income disparities and slow productivity growth in most advanced, and several emerging-market, economies have rekindled interest in the empirical analysis of the determinants of inclusive growth, defined in this paper as episodes of increases in GDP per capita without a concomitant deterioration in the distribution of household disposable income. The empirical analysis is based on a chronology of inclusive growth episodes between 1980 and 2013 for a sample of 78 countries. Logit and multinomial probit estimations show that human capital accumulation, the redistributive potential of tax-benefit systems, increases in multifactor productivity and labor force participation, as well as trade openness and a range of institutional factors, including political system durability and electoral regimes, are important determinants of the probability of occurrence of inclusive growth. This empirical evidence contributes to the policy debate about how countries can deal with efficiency-equity trade-offs.

5. [Taxation and Public Spending Efficiency: An International Comparison](#), António Afonso, João Tovar Jalles, Ana Venâncio. *Working Paper 080-2019*

This paper evaluates the relevance of the taxation for public spending efficiency in a sample of OECD economies in the period 2003-2017. First, we compute the data envelopment analysis (DEA) scores and the Malmquist productivity index to measure the change in total factor productivity, the change in efficiency and the change in technology. Second, we explain these newly computed public efficiency scores with tax structures using a reduced-form panel data regression specification. Looking at the period between 2007 and 2017, our main findings are as follows: inputs could be theoretically lower by approximately 32-34%; the Malmquist indices show an overall decrease in technology and in TFP. Crucial for policymaking, we find that expenditure efficiency is negatively associated with taxation, more specifically direct and indirect taxes negatively affect government efficiency performance, and the same is true for social security contributions.

6. [Measuring Gender Disparities in Unemployment Dynamics during the Recession: Evidence from Portugal](#), Joana Passinhas, Isabel Proença. *Working Paper 079-2019*

We research gender differences in unemployment incidence and persistence during the debt crisis in Portugal. A dynamic random effects probit model is estimated to control for unobserved individual heterogeneity and for the 'initial conditions' problem. The estimation uses data from four waves of the Survey on Income and Living Conditions (ICOR) between 2010 and 2013. We find strong evidence of persistence in unemployment, and an indication that men are more prone to endure the negative implications of previous unemployment. Simultaneously, we found evidence of higher probabilities of unemployment for women through a fixed effect that aimed to capture gender discrimination in an unstable labour market. Results suggest that policies to boost employment should accommodate a gender dimension and also have a special focus on the long-term unemployed.