

# **ECONOMIC REVIEW**

## **Journal of Economics and Business**

**Vol. XIX, Issue 1, May 2021**  
**ISSN 1512-8962 (Print) ISSN 2303-680X (Online)**  
**DOI 10.51558/2303-680X.2021.19.1**

In the period between 2003 and 2010, the *Economic Review: Journal of Economics and Business* was published in Bosnian (Ekonomaska revija: Časopis za ekonomiju i biznis).

**Publisher:**

University of Tuzla, Faculty of Economics

**Editor:**

Jasmina Okičić, Associate professor  
University of Tuzla, Faculty of Economics

**Members of Editorial:**

Safet Kozarević, Professor  
safet.kozarevic@untz.ba

Zijad Džafić, Professor  
zijad.dzafic@untz.ba

Sado Puškarević, Professor  
sado.puskarevic@untz.ba

Merim Kasumović, Professor  
merim.kasumovic@untz.ba

Meldina Kokorović Jukan, Associate Professor  
meldina.kokorovic@untz.ba

Beriz Čivić, Associate Professor  
beriz.civic@untz.ba

Amra Nuhanović, Associate Professor  
amra.nuhanovic@untz.ba

Mirza Suljić, Senior Teaching Assistant  
mirza.suljic@untz.ba

**Editorial lector:**

Tanja Pavlović, Associate professor

**Members of the International Advisory Board:**

Adil Kurtić, Professor Emeritus, University of Tuzla, BiH

Adel M. Sarea, Associate Professor, Ahlia University, Kingdom of Bahrain

Adisa Delić, Professor, University of Tuzla, BiH

Ali Coşkun, Associate Professor, American University of Middle East, Kuwait

Aziz Šunje, Professor, University of Sarajevo, BiH

Badar Alam Iqbal, Professor Emeritus, Federic Bastiat Institute for African Research, Ghana

Bahrija Umihanić, Professor, University of Tuzla, BiH

Dražen Barković, Professor, University of Osijek, Croatia

Edin Osmanbegović, Associate Professor, University of Tuzla, BiH

Emira Kozarević, Professor, University of Tuzla, BiH

Fabrizio Santoboni, Sapienza University of Rome, Italy

Francisco J. Delgado, Associate Professor, Faculty of Economics and Business, Oviedo, Spain

Gianfranco A. Vento, Professor, Regent's University, London, UK

Hala Hattab, British University in Egypt, El Sherouk, Egypt

Hasan Hanić, Professor, Belgrade Banking Academy, Serbia

Joseph W.H. Lough, University of California, Berkeley, US

Jusuf Šehanović, Professor, University Jurja Dobrile in Pula, Croatia

Kasim Tatić, Professor, University of Sarajevo, BiH

Lorena Škuflić, Associate Professor, University of Zagreb, Croatia

Mary A. Weiss, Professor, Temple University, Philadelphia, US

Miodrag Lovrić, Professor, University of Kragujevac, Serbia

Miroslav Rebernik, Professor, University of Maribor, Maribor, Slovenia

Mustafa Sinanagić, Professor, University of Tuzla, BiH

Olivera Kostoska, Associate Professor, "St. Kliment Ohridski" University – Bitola, North Macedonia

Ondřej Dvouletý, Assistant Professor, University of Economics, Czech Republic

Oğuzhan Aytar, Assistant Professor, Faculty of Economics and Administrative Sciences, Turkey

Reza Fazeli, California Polytechnic University, Pomona, US

Sead Omerhodžić, Professor, University of Tuzla, BiH

Sejfidin Zahirović, Professor, University of Tuzla, BiH

Senija Nuhanović, Associate Professor, University of Tuzla, BiH

Slavica Singer, Professor Emeritus, University of Osijek, Croatia

Stevan Stević, Professor, University of Eastern Sarajevo, BiH

Thomas Schøtt, Professor, University of Southern Denmark, Kolding, Denmark

Teoman Duman, Professor, Epoka University, Albania

Tim Query, Associate Professor, New Mexico State University, Las Cruces, US

Vesna Čančer, Associate Professor, University of Maribor, Slovenia

Zlatan Fröhlich, International Graduate Business School (IGBS) Zagreb, Croatia

**Webmaster:**

Senad Čeliković, librarian

**EDITORIAL OFFICE:**

University of Tuzla, Faculty of Economics  
Urfeta Vejzagića 8, 75000 Tuzla  
Bosnia and Herzegovina, 75000 Tuzla

t. +387 (0)35 320 820; f. +387 (0)35 320 821  
www.ef.untz.ba  
e-mail: economic.review@untz.ba

**Indexed in:**

Cabell's Directories, Crossref, DOAJ, EBSCO  
Business Source Complete, ECONBIZ, EconLit,  
EconStor, EconPapers, ERIH PLUS, Index  
Copernicus, RePEc (Research Papers in Economics),  
Road.

## CONTENTS

///

1 - 2

**FROM THE EDITOR**

Jasmina Okičić

///

3 - 12

**REEXAMINING THE QUANTITY THEORY OF MONEY: AN EMPIRICAL ANALYSIS FROM THE JOINT HYPOTHESIS**

Cheng-Wen Lee, Andrian Dolfriandra Huruta

*Original scientific paper*

///

13 - 22

**INDUSTRY POLICY EFFECTS ON NAMIBIA'S ECONOMIC GROWTH**

Emilia Landa Shikomba, Elizabeth Elias, Sirorat Ruttanawijit

*Preliminary communication*

///

23- 34

**VALUE CHAIN IN AGRICULTURE: THE CASE OF THE EUROPEAN UNION**

Sanja Franc, Vlatka Bilas, Lana Trifunić

*Preliminary communication*

///

35 - 48

**THE IMPACT OF TOURISM ON RURAL DEVELOPMENT - EXAMPLE OF UNDEVELOPED VILLAGES IN REPUBLIC OF SERBIA**

Drago Cvijanović, Tamara Gajić, Dušica Cvijanović

*Preliminary communication*

///

49- 62

**EFFICIENCY ANALYSIS OF THE INSURANCE SECTOR IN BOSNIA AND HERZEGOVINA**

Mirza Šikalo, Almira Arnaut-Berilo

*Preliminary communication*

///

63 - 72

**GLOBALIZATION AND POVERTY: EVIDENCE FOR LOWER-MIDDLE INCOME COUNTRY**

Philip Ifeakachukwu Nwosa, Temitope Adebisi Adeoye

*Preliminary communication*

**FROM THE EDITOR**

Dear reader,

It is a great pleasure to introduce the first issue of the journal in 2021. For this issue, we selected six new interesting topics in the field of economics and business, provided by the authors from Indonesia, Taiwan, Croatia, China, Serbia, Bosnia and Herzegovina and Nigeria.

The first paper, REEXAMINING THE QUANTITY THEORY OF MONEY: AN EMPIRICAL ANALYSIS FROM THE JOINT HYPOTHESIS, is written by Cheng-Wen Lee and Andrian Dolfriandra Huruta. This study examined the effect of money supply and gross domestic product growth on inflation volatility. The unrestricted regression results pointed inflation volatility in 40 countries was mostly driven by the monetary side, not by the real sector. These findings implied undesirable results from a monetarist perspective. Authors proposed an alternative method to confirm the joint hypothesis test from the quantity theory of money.

The following paper, INDUSTRY POLICY EFFECTS ON NAMIBIA'S ECONOMIC GROWTH, is written by Emilia Landa Shikomba, Elizabeth Elias and Sirorat Ruttanawijit. The aim of this paper was to investigate a relationship between economic growth and industrial policy. The empirical result finds a significant positive association linking industrial policy and economic growth in the short - run.

In the next paper, VALUE CHAIN IN AGRICULTURE: THE CASE OF THE EUROPEAN UNION, the authors, Sanja Franc, Vlatka Bilas and Lana Trifunić, wanted to give an overview of the agricultural sector and Common Agricultural Policy in the EU. Focusing on the food system analysis as the key factor of sustainability and analyzing demand and supply of the food system, the main aim was to bring conclusions regarding the state and strategic role of agriculture, especially in the times of crisis when basic human needs are compromised. Results indicate that, although EU agriculture showed to be resilient during the pandemic, it still needs careful consideration on adequate support measures and consistency in implementation of the existing policy and strategic measures.

The following paper, by Drago Cvijanović, Tamara Gajić and Dušica Cvijanović, titled THE IMPACT OF TOURISM ON RURAL DEVELOPMENT - EXAMPLE OF UNDEVELOPED VILLAGES IN REPUBLIC OF SERBIA, is focused on the factors the local population identifies as those that can, through the development of tourism, most influence or predict rural development or revitalization in the Republic of Serbia. Results indicate that the local population generally has a positive attitude about the impact of tourism on rural development and, furthermore, that there is no statistically significant difference in the predictive power of the given factors, when it comes to predicting the future development of rural areas.

The next paper, EFFICIENCY ANALYSIS OF THE INSURANCE SECTOR IN BOSNIA AND HERZEGOVINA, is written by Mirza Šikalo and Almira Arnaut-Berilo. The paper is focused on the efficiency of the insurance industry in Bosnia and Herzegovina in the period from 2015 to 2019. Efficiency measurement was performed using the nonparametric Data Envelopment Analysis (DEA) technique as the most commonly used tool for efficiency analysis in finance. The results of the analysis indicate significant inefficiencies in the insurance sector in Bosnia and Herzegovina, but also differences among the observed groups. The research has showed a relatively high level of positive correlation between the size of an insurance company and its efficiency. According to all efficiency indicators, there is significant potential for efficiency improvement. Based on the analysis, the main causes of inefficiency were identified and guidelines for improving efficiency were proposed.

The last paper, GLOBALIZATION AND POVERTY: EVIDENCE FOR LOWER-MIDDLE INCOME COUNTRY, is written by Philip Ifeakachukwu Nwosa and Temitope Adebisi Adeoye. The study examined the impact of globalization on poverty rate with evidence from middle-income country. The study recommended the need for the government to maintain strong economic and political global ties with the rest of the world. This would encourage more foreign investors and business opportunities in the country which would aid reduction of poverty rate in Nigeria. More so, there is the need to ensure that the dividend of economic growth from globalization is properly shared among the poor, as this would reduce the number of the poor people below the poverty line.

Editor:

Jasmina Okičić

Faculty of Economics, University of Tuzla