

Economics and Business Review

Volume 7 (21) Number 2 2021

CONTENTS

Editorial introduction

Joanna Lizińska, Paweł Niszczoła

Escalation of commitment is independent of numeracy and cognitive reflection. Failed replication and extension of Staw (1976)

Michał Białek, Michał Węgrzyn, Ethan A. Meyers

On some analogies between one-criterion decision making under uncertainty and multi-criteria decision making under certainty

Helena Gaspars-Wieloch

The EU Member States' national healthcare systems compared using the single synthetic index

Maciej Jankowiak

Determinants of fiscal effort in sub-Saharan African countries: Does conflict matter?

Princewill U. Okwoche, Chimere O. Iheonu

The impact of environmental, social and corporate governance responsibility on the cost of short- and long-term debt

Piotr Ratajczak, Grzegorz Mikołajewicz

Small area quantile estimation based on distribution function using linear mixed models

Tomasz Stachurski

Editorial Board

Monika Banaszewska, Ivo Bischoff, Horst Brezinski, Gary L. Evans, Niels Hermes, Witold Jurek, Tadeusz Kowalski (Editor-in-Chief), Joanna Lizińska, Ida Musiałkowska, Paweł Niszczota, Michał Pilc, Konrad Sobański

International Editorial Advisory Board

Edward I. Altman – NYU Stern School of Business
Udo Broll – School of International Studies (ZIS), Technische Universität, Dresden
Conrad Ciccotello – University of Denver, Denver
Wojciech Florkowski – University of Georgia, Griffin
Oded Galor – Brown University, Providence
Binam Ghimire – Northumbria University, Newcastle upon Tyne
Christopher J. Green – Loughborough University
Mark J. Holmes – University of Waikato, Hamilton
Andreas Irmen – University of Luxembourg
Bruce E. Kaufman – Georgia State University, Atlanta
Robert Lensink – University of Groningen
Steve Letza – The European Centre for Corporate Governance
Robert McMaster – University of Glasgow
Victor Murinde – SOAS University of London
Hugh Scullion – National University of Ireland, Galway
Yochanan Shachmurove – The City College, City University of New York
Richard Sweeney – The McDonough School of Business, Georgetown University, Washington D.C.
Thomas Taylor – School of Business and Accountancy, Wake Forest University, Winston-Salem
Linda Gonçalves Veiga – University of Minho, Braga
Habte G. Woldu – School of Management, The University of Texas at Dallas

Thematic Editors

Economics: *Monika Banaszewska, Ivo Bischoff, Horst Brezinski, Niels Hermes, Witold Jurek, Tadeusz Kowalski, Ida Musiałkowska, Michał Pilc, Konrad Sobański* • **Finance:** *Monika Banaszewska, Gary Evans, Witold Jurek, Joanna Lizińska, Paweł Niszczota, Konrad Sobański* • **Statistics:** *Marcin Anholcer, Maciej Beręszewicz, Elżbieta Gołata*

Language Editor: *Owen Easteal* • **IT Editor:** *Marcin Reguła*

© Copyright by Poznań University of Economics and Business, Poznań 2021

Paper based publication

ISSN 2392-1641
e-ISSN 2450-0097

POZNAŃ UNIVERSITY OF ECONOMICS AND BUSINESS PRESS
ul. Powstańców Wielkopolskich 16, 61-895 Poznań, Poland
phone +48 61 854 31 54, +48 61 854 31 55
www.wydawnictwo.ue.poznan.pl, e-mail: wydawnictwo@ue.poznan.pl
postal address: al. Niepodległości 10, 61-875 Poznań, Poland

Printed and bound in Poland by:
Poznań University of Economics and Business Print Shop

Circulation: 215 copies



Economics and Business Review

Volume 7 (21) Number 2 2021

CONTENTS

Editorial introduction

Joanna Lizińska, Paweł Niszczoła 3

Escalation of commitment is independent of numeracy and cognitive reflection. Failed replication and extension of Staw (1976)

Michał Białek, Michał Węgrzyn, Ethan A. Meyers 5

On some analogies between one-criterion decision making under uncertainty and multi-criteria decision making under certainty

Helena Gaspars-Wieloch 17

The EU Member States' national healthcare systems compared using the single synthetic index

Maciej Jankowiak 37

Determinants of fiscal effort in sub-Saharan African countries: Does conflict matter?

Princewill U. Okwoche, Chimere O. Iheonu 50

The impact of environmental, social and corporate governance responsibility on the cost of short- and long-term debt

Piotr Ratajczak, Grzegorz Mikołajewicz 74

Small area quantile estimation based on distribution function using linear mixed models

Tomasz Stachurski 97

Editorial introduction

Decision making in the area of economics is becoming ever more complex. This can be the result of a significant growth in the dynamism of processes observed in many private or public entities, as well as their environment. The diversity of topics of papers published in this issue of *Economics and Business Review* reflects the variety of problems faced in the process of making economic decisions. The research presented contributes to the literature on the validity of cognitive biases, decision making under certainty, the complexity of decisions in the healthcare and fiscal systems, financing decisions in the context of corporate social responsibility and small area estimation problems.

The contributions are from ten researchers. They represent nine institutions located in four countries: Canada, Republic of South Africa, Nigeria, and Poland. Taking into account the wide range of topics discussed in this issue of *Economics and Business Review* a brief summary of problems studied is provided below.

In the first paper entitled ***Escalation of commitment is independent of numeracy and cognitive reflection. Failed replication and extension of Staw (1976)*** Michał Białek, Michał Węgrzyn and Ethan Meyers attempt to replicate one of the findings of the literature on the sunk cost fallacy. More specifically, they investigated whether people tend to be more likely to invest further resources if they (and not others) were responsible for making an initial, unsuccessful allocation of resources. Additionally they propose numeracy and cognitive reflection as potential predictors of the effect under scrutiny (escalation of commitment). However, contrary to the original findings, they find no evidence of such an effect. This well-founded replication study serves as a very welcome addition to the body of research on the intersection of economics and psychology, allowing us to further add to our knowledge on what drives economic decision-making.

Helena Gaspars-Wieloch's text deals with the problem of decision making under uncertainty in the article entitled ***On some analogies between one-criterion decision making under uncertainty and multi-criteria decision making under certainty***. The paper delivers a detailed examination of essential similarities between methods formulated for one-criterion, scenario-based decision making under uncertainty and procedures designed for multi-criteria decision making under certainty. The problem has not been previously fully identified and has been rarely discussed. The contribution describes novel approaches which are partially based on other decision rules. The research results create

possibilities of improvements in existing decision rules as well as the discussion of new algorithms.

In the article entitled *The EU Member States' national healthcare systems compared using the single synthetic index*, Maciej Jankowiak suggests that the number of practising physicians, the number of hospital beds and the public expenditure on healthcare in a country can be aggregated to provide one measure that would capture human, physical and financial capital. This measure may facilitate comparisons of healthcare systems between countries but also for tracking changes within a country.

Princewill Okwoche and Chimere Iheonu extend our understanding of what socio-political factors impact on how much space governments have to make fiscal adjustments in response to debt-distress, in their article entitled *Determinants of fiscal effort in sub-Saharan African countries: does conflict matter?*. They focus on a subset of countries from sub-Saharan Africa which have been engaged in many armed conflicts in the period studied (1990–2019), allowing the authors to more accurately estimate how conflicts affect the ability to make fiscal adjustments. Their research suggests that conflicts attenuate fiscal efforts, limiting the ability of governments to address issues arising due to high levels of public debt. Decision-makers and policy-makers should be cognizant of this finding.

The paper entitled *The impact of environmental, social and corporate governance responsibility on the cost of short- and long-term debt* by Piotr Ratajczak and Grzegorz Mikołajewicz adds to knowledge about corporate finance decisions. The study examines empirically the impact of environmental, social and corporate governance (ESG) responsibility on the cost of debt. The cost of financing is one of key elements of value maximization. Hence it is the area of interest for a broad range of company stakeholders. This is particularly important in times when enhancing business performance through operating activities can be limited, as is arguably the case nowadays. The conclusions of this research may be of interest to both academics and practitioners.

In the article *Small area quantile estimation based on distribution function using linear mixed models*, Tomasz Stachurski responds to the increasing demand for statistical data. The research provides an analysis of different estimators of the cumulative distribution function. Finally, it proposes an estimator of the distribution function. The performance of the proposed estimator is compared with other methods in a simulation process. The research results can be important for practitioners who use quantile estimation, especially institutions and organizations dealing with the measurement of poverty and social exclusion.

Joanna Lizińska
Paweł Niszczoła

Lead Editors

Aims and Scope

The **Economics and Business Review** is a quarterly journal focusing on theoretical, empirical and applied research in the fields of Economics and Corporate and Public Finance. The Journal welcomes the submission of high quality articles dealing with micro, mezzo and macro issues well founded in modern theories and relevant to an international audience. The EBR's goal is to provide a platform for academicians all over the world to share, discuss and integrate state-of-the-art Economics and Finance thinking with special focus on new market economies.

The manuscript

1. Articles submitted for publication in the **Economics and Business Review** should contain original, unpublished work not submitted for publication elsewhere.
2. Manuscripts intended for publication should be written in English, edited in Word in accordance with the **APA editorial** guidelines and sent to: secretary@ebr.edu.pl. Authors should upload two versions of their manuscript. One should be a complete text, while in the second all document information identifying the author(s) should be removed from papers to allow them to be sent to anonymous referees.
3. Manuscripts are to be typewritten in **12' font in A4 paper** format, one and half spaced and be aligned. Pages should be numbered. Maximum size of the paper should be up to 20 pages.
4. Papers should have an abstract of about 100-150 words, keywords and the Journal of Economic Literature classification code (**JEL Codes**).
5. Authors should clearly declare the aim(s) of the paper. Papers should be divided into numbered (in Arabic numerals) sections.
6. **Acknowledgements** and references to grants, affiliations, postal and e-mail addresses, etc. should appear as a separate footnote to the author's name a, b, etc and should not be included in the main list of footnotes.
7. **Footnotes** should be listed consecutively throughout the text in Arabic numerals. Cross-references should refer to particular section numbers: e.g.: See Section 1.4.
8. **Quoted texts** of more than 40 words should be separated from the main body by a four-spaced indentation of the margin as a block.
9. **References** The EBR 2017 editorial style is based on the **6th edition** of the Publication Manual of the American Psychological Association (**APA**). For more information see APA Style used in EBR guidelines.
10. **Copyrights** will be established in the name of the **E&BR publisher**, namely the Poznań University of Economics and Business Press.

More information and advice on the suitability and formats of manuscripts can be obtained from:

Economics and Business Review

al. Niepodległości 10

61-875 Poznań

Poland

e-mail: secretary@ebr.edu.pl

www.ebr.edu.pl

Subscription

Economics and Business Review (E&BR) is published quarterly and is the successor to the Poznań University of Economics Review. The E&BR is published by the Poznań University of Economics and Business Press.

Economics and Business Review is indexed and distributed in Scopus, Clarivate Analytics, DOAJ, ERIH plus, ProQuest, EBSCO, CEJSH, BazEcon, Index Copernicus and De Gruyter Open (Sciendo).

Subscription rates for the print version of the E&BR: institutions: 1 year – €50.00; individuals: 1 year – €25.00. Single copies: institutions – €15.00; individuals – €10.00. The E&BR on-line edition is free of charge.