

Abstract:

Despite the substantial amount of research, it remains remarkably unclear how, at the corporate level, firms expand and withdraw their international activities over time. The absence of longitudinal studies is not due to a failure to recognize the importance of such analyses, but rather the notorious difficulties in gathering reliable internationalization data over time. This paper addresses this empirical issue by introducing a data set on the internationalization of sales, assets, and employment of 233 firms between 1990 and 2004. These data were manually collected from corporate sources, and the paper explores in detail the methodological problems related to the collection, use and interpretation of these data. The methodological problems are related to a wide range of definitional differences across firms and over time, which necessitate a substantial number of within-time-series corrections in order to prevent biased results. But also the treatment of sample changes due to mergers and acquisitions are discussed. Comparisons with existing secondary data sources are made before presenting the first results regarding the patterns of internationalization of the world's largest MNEs from 1990 onwards.

Koos Gardebroek

“Evaluating Different Growth Scenarios for Organic Farming Using Bayesian Techniques”

Agricultural Economics and Rural Policy

Wageningen University, Hollandseweg 1, 6706 KN Wageningen

E-mail: koos.gardebroek@wur.nl

Abstract:

Different views exist on the future development of organic agriculture. The Dutch government believes that in 2010 10 percent of the farm land will be used for organic farming. Others have a more radical view: due to increasing emphasis on sustainable production in the end all farming will be organic. Others believe in a more pessimistic scenario in which the recent growth in

organic farming was just a temporary upswing so that the share of organic farmers already reached its maximum. In this paper, different potential scenarios for the further growth of organic farming are evaluated using Bayesian techniques. A nonlinear logistic growth model explaining the share of organic farms is estimated using available historical data for Dutch agriculture. Various scenarios imply different prior values for the parameters. Because of the nonlinear model specification a Metropolis-Hastings algorithm is used to simulate the posterior densities of the model parameters. Finally, using Bayesian model comparison techniques, probabilities can be attached to the different scenarios. The proposed methodology is a promising tool for analyzing technology diffusion in general when different scenarios for diffusion are possible and limited data is available.

Natalia Goncharova, Arie Oskam, and Jos Verstegen

“Modeling Investment Decisions at Firm Level: Dutch Glasshouse Horticulture”

Department of Social Science

Wageningen University, Hollandseweg 1, 6706 KN Wageningen

E-mail: natalia.goncharova@wur.nl

Abstract:

Modeling investment decisions belongs to the most difficult parts of economic analysis. Still investments are crucial in explaining growth of firms or sectors. In this paper, we attempt to bridge “value maximizing” and “behavioral” economics. The paper supplements existing work in four ways. First, we combine theoretically the two approaches. Second, we introduce a definition of “relative zero” investment level and employ this definition for the estimation of the “participation” investment decision. Third, we separate the decision to invest from the decision on how much to invest. Fourth, we compare whether typical “behavioral variables” contribute to the explanation of investments at the firm level. Comparing sub-samples of zero and positive investments, one can see that an investing firm has a bigger scale, which