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Khahro, Shabir Hussain; Farooq, Shoail; Ali, Tauha Hussain Dr; Memon, Nafees Ahmed Dr; and Khahro, Qasim Hussain, "An Assessment of Research Trends on FISCAL POLICY" (2020). *Library Philosophy and Practice (e-journal)*. 4817.

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An Assessment of Research Trends on FISCAL POLICY

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Abstract

Fiscal policy has been a topic of research interest for researchers. It plays a very important role in the economic growth of any country. Fiscal policy does not only achieve economic development but eliminates the hindrances that assist economic stability. Based on the significance of the term. This paper evaluates the research output of the term fiscal policy since 1970 in different fields using the Scopus database. The data was collected from the Scopus database and were analyzed using Microsoft Excel to analyze the research trends on fiscal policy. It is concluded that fiscal policy has been a topic of researchers' focus since 1970 but higher attempts are made after 2000. Most of the researchers prefer journal article publications and only 1% are in the press, whereas all other articles are already published. Most of the publications are published in the English language and the researcher from the field of Economics, Econometrics & Finance, Social Sciences and Business, Management & Accounting are publishing the most on fiscal policy. This paper will assist the junior researchers to find the gap and design their future research on fiscal policy as this paper compiles the database of the last five decades available on Scopus.

Keywords: Fiscal Policy, Research Trend, Bibliometric Assessment, Research Output

Introduction

The federal government affects the macro-economy with two tools; one of them is fiscal policy [1]. Fiscal policy is simply defined as; revenue generation and public expenditure to influence the economy of any country [2][3]. Fiscal policy does not only achieves economic development but eliminate the hindrances that assist economic stability [4]. According to Sullivan et al, the cumulative impact on the budget outcome of the economic activity is related to Fiscal policy [5]. Government sets the level of revenue generation (taxation) and public expenditure (government spending) in its budget. Thus, fiscal policy changes every year by making some amendments in previous policy or by initiating a completely new fiscal policy [2]. Fiscal policy is also used when the country is facing low economic crisis and recession to increase economic growth and to decrease unemployment. John Maynard Keynes (1883-1946) figured out that government

spending and tax rates could impact economic performance if they are balanced well [6]. They were then known as fiscal components/fiscal instruments and each of them has their effect on the economy of the country [2][7][5]. According to Amadeo (2015), there are three different types of fiscal policies used when there is a change in the increase or decrease of the elements of fiscal policy; neutral, expansionary and contractionary fiscal policy. A balanced budget is implemented by a neutral fiscal policy where tax revenue is equal to government spending. It is an expansionary fiscal policy where the government spending is greater than tax revenue. Contractionary fiscal policy occurs due to a reduction in government spending or the rise in tax revenue [2][6][8].

Fiscal policy aims to achieve economic growth, exchange rate stability, price stability, the balance of payments equilibrium and full employment which are the most important macroeconomic objectives focused by the government [5][9]. Fiscal policy has its pros and cons i.e. Alesina and Ardagana (2009) found that when the taxation (a component of fiscal policy) is increased by 1% the output of GDP will be decreased by a maximum of 3% in next three years. Therefore, revenue in the form of direct and indirect taxes is raised by the government [10]. The fiscal policy reduces net exports, with a balancing impact on domestic production and revenue. When the interest rates are increased by government borrowing, it draws foreign investments from foreign investors [2]. Impact of Fiscal policy is smaller in developing countries than in developed ones because most developed countries have high economic growth rates, unlike those of developing countries with very low growth rates, except for some oil-producing countries that control their rate of growth [4][9]. Fiscal policy plays a key role in developing the potential growth of the economy. At the global level, it virtually guarantees macroeconomic stability, an important condition for growth; and at the local level, tax and spending policies can boost growth by adjusting incentives for jobs and investment, fostering the accumulation of human capital, and improving the overall productivity factor [11]. Fiscal policy has few limitations too i.e. It can only influence the growth rate during the transition to a steady-state. The most significant barrier to an objective analysis of the effects of the growth of fiscal policy is that it is not possible to observe income tax rates and subsidies [12]. Fiscal policy's success depends on taking the right measures, lowering public expenditure, increasing revenues and reducing taxes to help improve and maintain the economy efficiently during administration and execution [13]. Based on the significance of the term, this paper evaluates the research trends on Fiscal Policy in different industries conducted since the last five decades.

Research Method, Data Collection and Analysis

In the first phase of this research, the complete database available on Scopus since 1970 till 10th December 2020 collected in .exe format and the later phase, all data were analyzed using Microsoft excel for trend assessment of different features targeted in this research. The raw data was downloaded from the Scopus database and the data was cleaned in the next phase to get the results for this paper.

Open Access: Accessible to all without any restriction.

Gold Open: Documents that are in journals which only publish open access.

Hybrid Gold: Documents that are in journals which provide authors with the choice of publishing open access.

Bronze: Published version of record or manuscript accepted for publication. The publisher has chosen to provide temporary or permanent free access.

Green: Published version or manuscript accepted for publication, available at the repository.

Closed Access: Restricted article which needs permission or nominal fees to access the full version of the article.

Results and Discussions

The following section is showing the complete results of this study which includes the number of publications on fiscal policy followed by researchers, publishers, types, publication status, countries publishing the most on fiscal policy, funding agencies supporting the research on fiscal policy and others. Figure 1 shows the total number of open access publications and others.

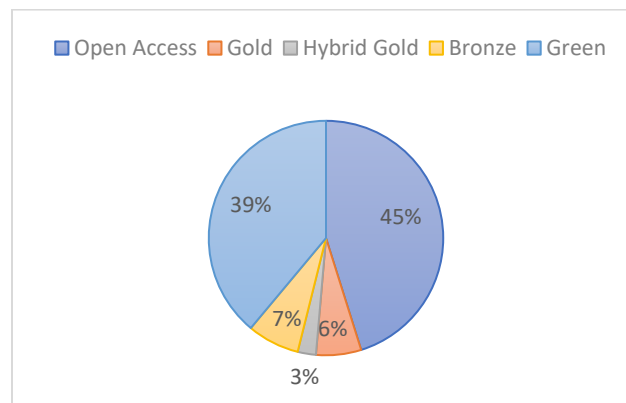


Figure 1: Publications Access Type

The figure examines the publications access to fiscal policy publication trends and shows 5 types of publication accesses namely open, gold, hybrid gold, bronze and green. Almost half of the publications are open access with 45% followed by green access type with 39% making its availability at the repository. Publications of bronze and gold accesses are very limited in number; 7% and 6% respectively. Papers in hybrid gold access are in limited quantity with 3% publications. Thus, the author would have the access to approach, read and review the publication. Figure 2 shows the research trend of publication on fiscal policy since 1970.

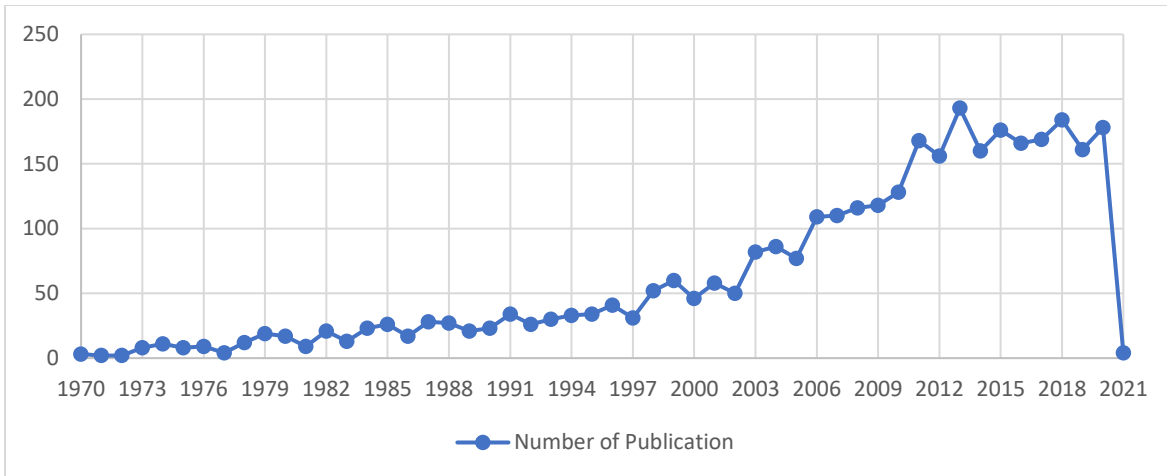


Figure 2: Fiscal Policy Publication Trend Since 1970

The figure shows the research trends on fiscal policy since 1970. The flow of publications has steadily increased over time. It showed that this topic is gaining attention and popularity amongst other researchers. After 2000 the number of publications are increased and reported to be more than 50 in the year 2000. In year 2013, the highest number of publications has been reported in the database which is around 200 publications. The research trend on fiscal policy is gradually growing in current years. It is still one of the prevalent topics of research for scholars and researchers. Figure 3 shows the different study fields the authors are researching fiscal policy.

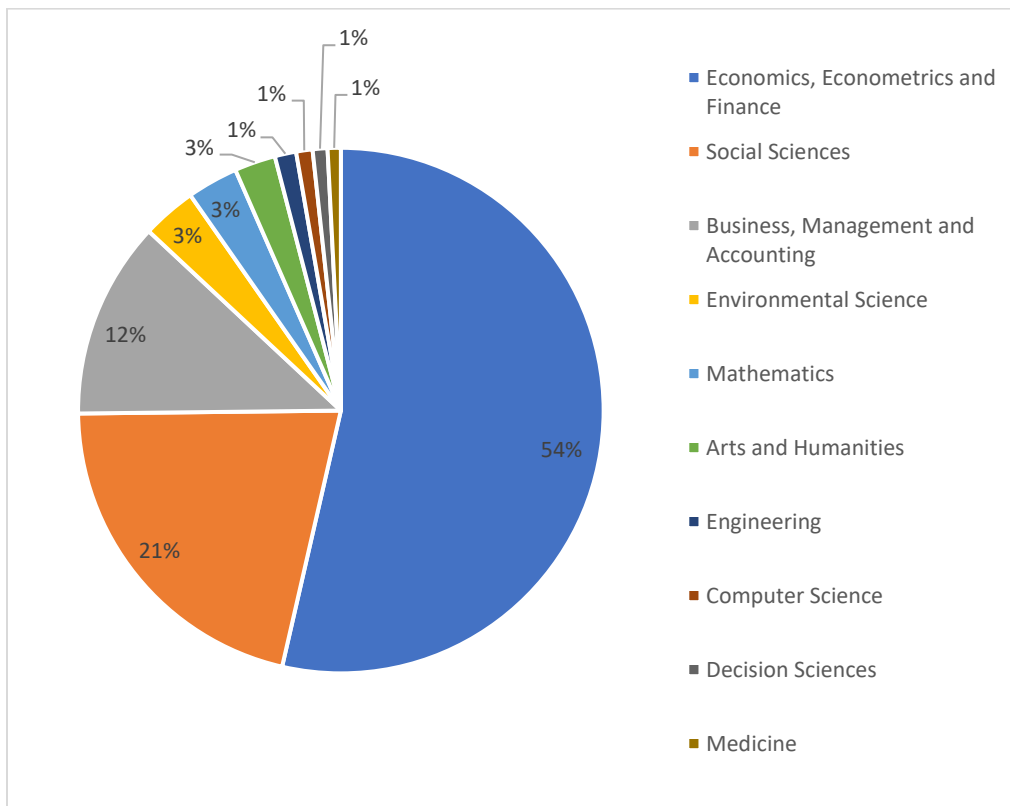


Figure 3: Fiscal Policy Research in Different Fields

It is analyzed that the topic of fiscal policy is interrelated to many fields. Majority of the publications (54%) are made in the field of Economic, econometrics and finance as fiscal policy directly influences the economy of the country so it is a major field [13]. After that, almost 1/4th of the publications (21%) are made in social sciences which itself emphasizes on social overheads to increase productivity and broaden the market to imagine external economies [14]. Third in the list is business management with 12% of the publications in this field. Environmental science, mathematics and arts & humanities have an equal share of 3% in the publications. It is also observed that limited attempts of research on fiscal policy are made in the field of engineering, computer science, decision sciences and medicine with 1% of publication each. Figure 4 shows the top authors frequently researching fiscal policy.

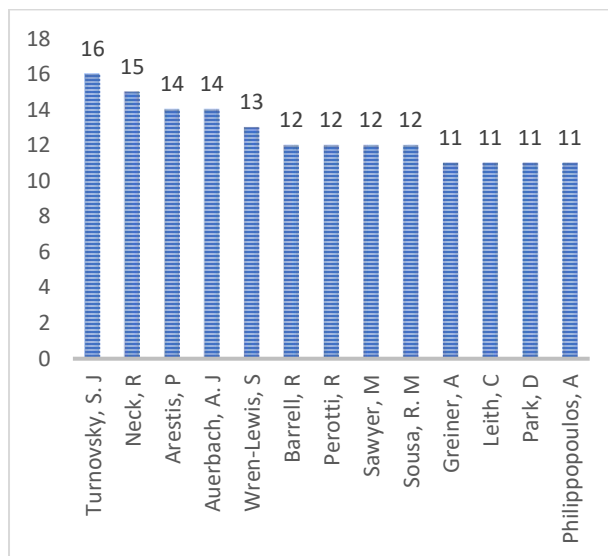


Figure 4: Authors Frequently Publishing Articles on Fiscal Policy

This figure shows the names of the authors who have published the maximum number of publications on fiscal policy. Turnovsky, S. J with 16 publications has the highest number of publications amongst all on this topic. With 15 publications Neck, R is second on the list. Arestis, P and Auerbach, A. J has published an average of 14 publications on fiscal policy followed by Wren-Lewis, S who has published 13 on this topic. Figure 5 shows the types of articles published on fiscal policy since 1970.

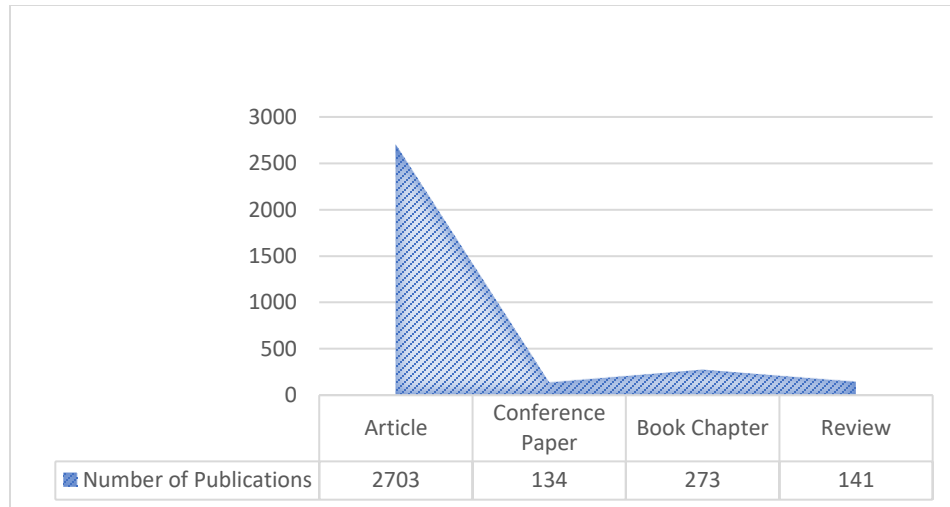


Figure 5: Publication Types of Fiscal Policy

The above figure shows the publication document type. The publication of fiscal policy is based primarily on research articles rather than conference papers, book chapters and reviews. The ratio of conference papers and reviews have been limited. To share and analyze fiscal policy developments, the author should hold conferences/seminars and the researchers must write book chapters that might support new/future researchers working on fiscal policy. Figure 6 shows the status of publications.

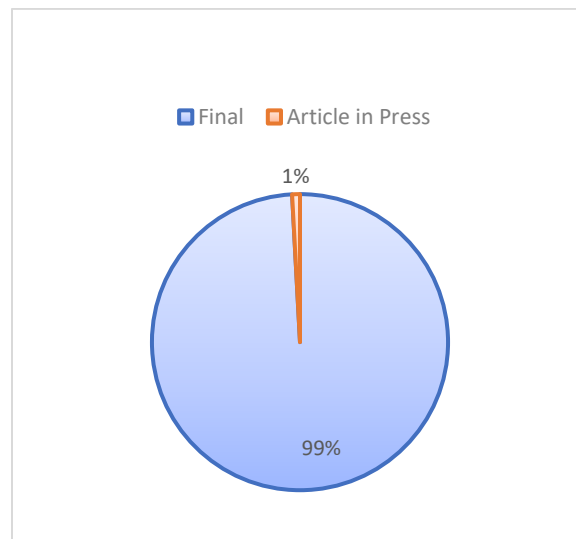


Figure 6: Publication Status

These statistics indicate the status of publications, which shows that only 1% of papers are in the press for publication, while 99% are already published and are online. These journals help researchers examine this subject and diagnose the gap in future research trends on fiscal policy. Figure 7 shows the institutes publishing the research on fiscal policy.

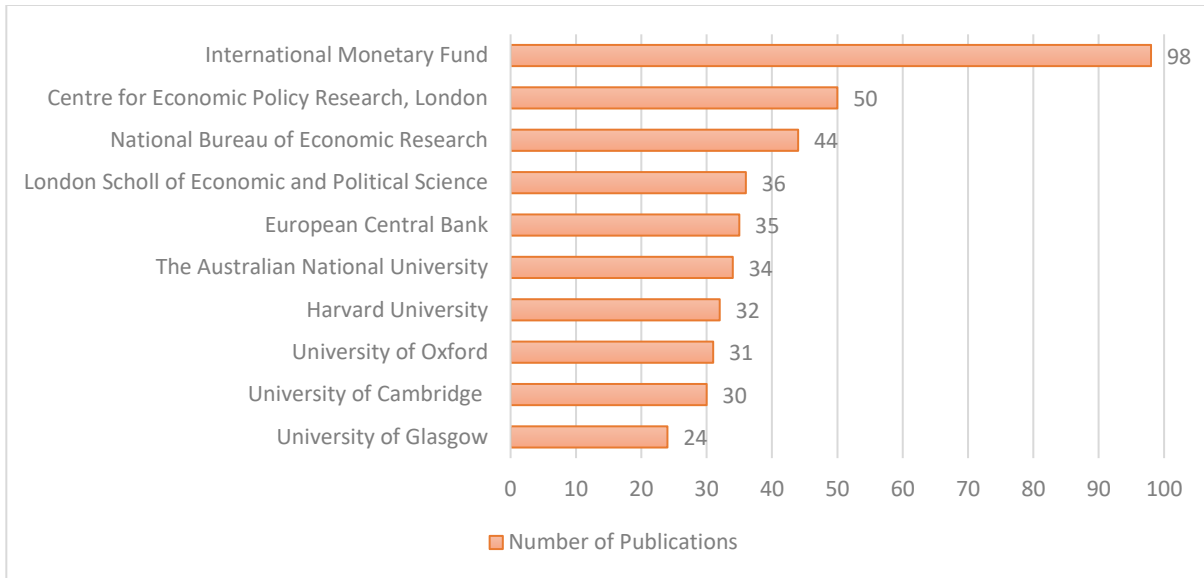


Figure 7: International Institutes Publishing Research on Trends of Fiscal policy.

The figure shows the institutional records that publish papers on fiscal policy patterns. It is observed that the International Monetary fund has published the maximum number of publications which is a total of 98 publications. Two other institutions which have published more on fiscal policy are Centre of Economics Policy Research, London and National Bureau of Economic Research with 50 and 44 publications respectively; followed by other different universities. The concept from various institutes in different countries encourages potential researchers to continue their work and to invent new concepts that could be useful. Figure 8 shows the funding agencies supporting research on fiscal policy.

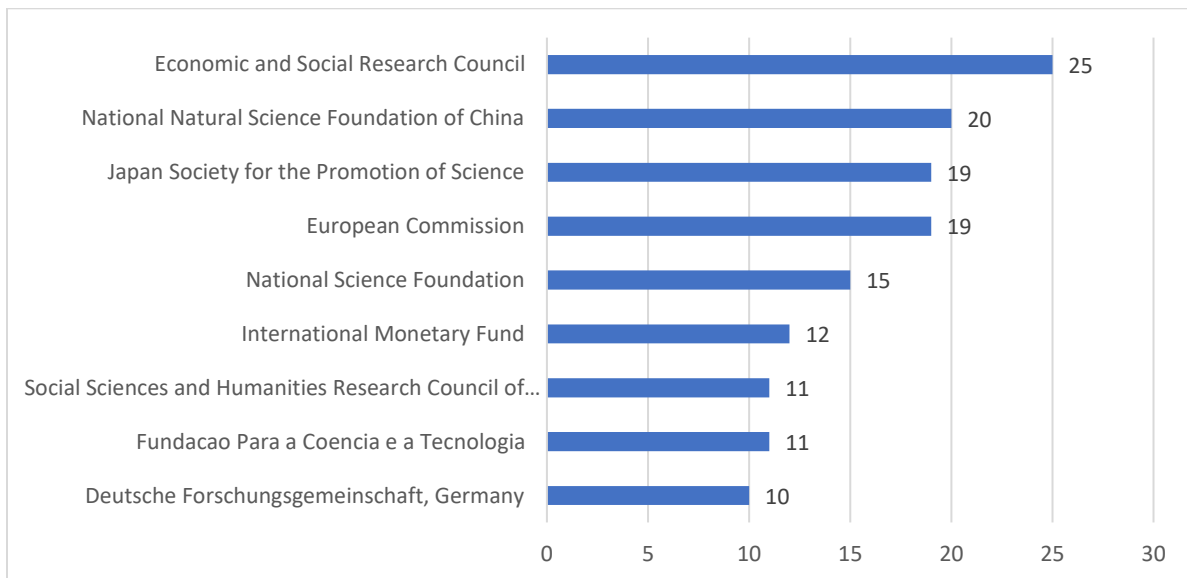


Figure 8: Major funding sources supporting research trends of Fiscal Policy

It is analyzed that the Economic and Social Research Council has supported significantly the publications on fiscal policy research. National Natural Science Foundation has supported 20 publications followed by Japan Society for the Promotion of Science and European Commission. This helps attract new researchers and readers to work in the field of fiscal policies. Figure 9 shows the country wide status for article publications on fiscal policy.

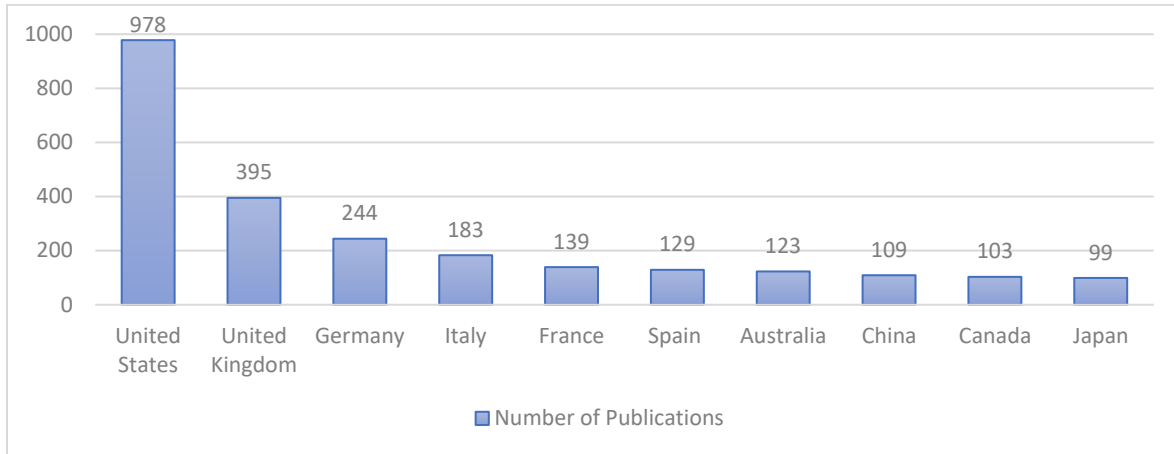


Figure 9: Top Countries Publishing on Fiscal Policy

The figure indicates that the United States of America plays an important role among all other countries in the publication on fiscal policy research trends. According to Wasay, B (2013) rapid, comprehensive, and high-quality peer reviews are carried out by the United States. The United States concentrates mostly on the flow of trends and citations because it would have an effect on the paper [15]. The other countries which were supporting in the huge number of publications of fiscal policy trends were the UK with 395 publications and Germany with 244 publications. Other countries like Canada, China, Australia, Spain, France and Italy had publications between 100-200 and followed by other countries. Table 1 shows the status of articles on fiscal policy research publications in different languages.

Table 1: Most Frequent Language of Publications on Fiscal Policy

Language of Publication	Number of Publication
English	3242
Spanish	46
French	21
German	21
Russian	18
Czech	17
Portuguese	14
Chinese	10
Italian	8

The above table indicates that the majority of the papers are written in the English language as it

an international language and it is widely used all over the world [16]. English language articles are read, checked and understood by numerous national and foreign readers. Researchers have also published articles on fiscal policy in Spanish, French, German, Russian, Czech, Portuguese, Chinese and Italian language but the numbers are limited.

Conclusion

To boost the market for buildings and cash flow needs for development programs, the construction industry depends heavily on funds from the financial sector. To meet their macroeconomic targets, monetary and fiscal policies are introduced to the economy and reform in these policies will affect the building sector. To control and manipulate the economy of a country, fiscal policy is how a government changes its expenditure levels and tax rates. It is the sister monetary policy method by which a central bank impacts the money supply of a country. In different forms, monetary policies may be implemented. In a contraction, the government will raise its expenditure and lower taxation, thus rising customers' discretionary income, which in turn raises the amount of economic activity. This paper concludes that the research trend on fiscal policy is increasing and it has been the topic of research interest for researchers. Most of the researchers prefer journal article publications and only 1% are in the press, whereas all other articles are already published. Most of the publications are published in the English language and the researcher from the field of Economics, Econometrics & Finance, Social Sciences and Business, Management & Accounting are publishing the most on fiscal policy. Turnovsky, S. J, Neck. R, Arestis. P, Auerbach. A.J, Wren-Lewis. S are the authors frequently publishing on fiscal policy with an average of 13 publications and above. It is observed that the International Monetary fund has published the maximum number of publications and followed by Centre of Economics Policy Research, London and National Bureau of Economic Research. Economic and Social Research Council, National Natural Science Foundation, Japan Society for the Promotion of Science and European Commission are found to be the most supporting agencies supporting research on fiscal policy. It is analyzed that most of the publications on fiscal policy are published from the United States followed by the United Kingdom, Germany, Italy, France, Spain and Australia.

Conflict of Interest

The authors report no conflict of interest.

Acknowledgement

The authors are thankful to Prince Sultan University for providing expert support for this research and the authors are also thankful to Scopus as the raw data was collected from the Scopus database.

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