



## Best Article Award: Moussa and Varsakelis

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The *Atlantic Economic Journal* (*AEJ*) is proud to announce that the winners of the 2023 Best Article Award are Bachar Moussa and Nikos Varsakelis, Aristotle University of Thessaloniki, Greece. Their paper entitled, “Causality Between International Trade and International Patenting: A Combination of Network Analysis and Granger Causality,” appeared in the June 2022 issue of the *AEJ*. The *AEJ* Best Article Award committee reviewed all eligible papers (those with ratings of top 25% or better) published in 2022. The committee was chaired by International Atlantic Economic Society (IAES) Vice President, Xavier Gabaix, Harvard University. Members of the committee included the *AEJ* Board of Editors and IAES Endowment Fund sponsors. The Managing Editor gratefully acknowledges the participation and diligence of all committee members who participated in the review process. The award emphasizes the intellectual and scholarly approach to economic research which has always been a focal point of the *AEJ*. A brief summary of the award-winning paper follows.

Due to increasing globalization and an international patenting surge, Moussa and Varsakelis (2022) utilized social network analysis and Granger causality tests to examine the possible causal relationship between a country’s position in the international trade and international patenting networks. In the first stage, they applied social network analysis to the international patenting network (IPN) and international trade network (ITN) using data from the World Intellectual Property Organization and the United Nations Conference Trade and Development for 82 countries for the period 1995–2018. The authors found that the linking frequency of patenting abroad and trade participation increased during the sample period. The results indicated a trend to protect not only innovations in the country of origin, but also innovations globally. More countries became integrated within world trade and their

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trade volume increased in an unprecedented manner. The authors also found that countries with high in-degree or out-degree centralities were important players in the trade network.

Application of panel data Granger causality tests to the computed metrics of the two networks indicated two-way causality between a country's relative position as recipient of foreign patents and imports. According to the authors, this finding indicates that patentees who identify business opportunities in a destination country first register their innovation in the foreign country and only then proceed to export because of imitation risk. Both null hypotheses of no Granger causality from international patenting to international trade, and the reverse, were rejected. The authors found that for weighted in-degrees, rejection of the null hypotheses implies two-way causality between international patenting and international trade with respect to incoming patents and imports in a country, suggesting a feedback effect. For weighted out-degrees, rejection applied to the entire lag structure and implied one-way causality from the IPN position as the patent origin to the ITN position as exporter.

## Reference

Moussa, B., & Varsakelis, N. C. (2022). Causality Between International Trade and International Patenting: A Combination of Network Analysis and Granger Causality. *Atlantic Economic Journal*, 50(1–2), 9–26.

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