



Leverhulme Centre  
for Research on Globalisation and Economic Policy

# **Leverhulme Centre for Research on Globalisation and Economic Policy**

## **University of Nottingham**

**2004 ANNUAL REPORT TO  
THE LEVERHULME TRUST**

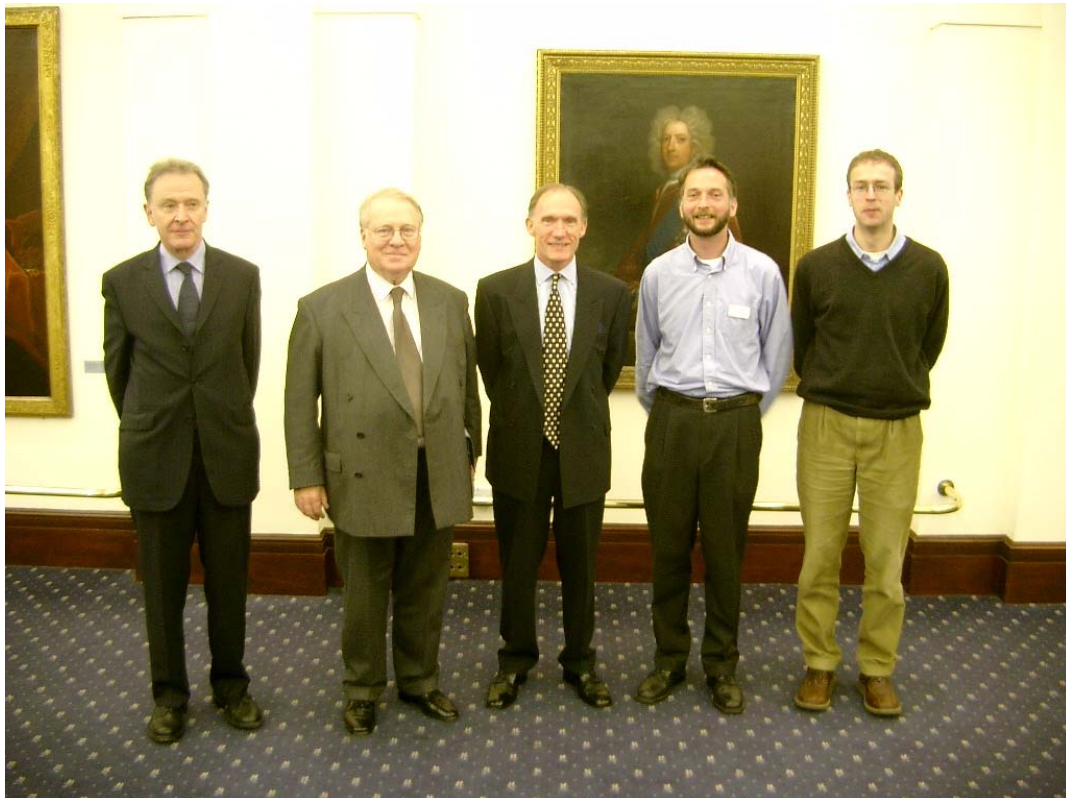


The University of  
Nottingham

## ACKNOWLEDGEMENTS

The research, dissemination activities and capacity building undertaken in 2004 have only been possible with core support from The Leverhulme Trust, under Programme Grant F114/BF. That support is gratefully acknowledged, as is the personal interest, enthusiasm and advice of the Trust's Director, Professor Sir Richard Brook. Sir Michael Angus, Chairman of the Trustees, together with Sir Richard visited the Centre in May to receive presentations on progress and developments, meet researchers, visiting Fellows and PhD students and to discuss future priorities. We were delighted to welcome them both and to receive their observations and suggestions.

Financial support from the University of Nottingham Research Committee towards co-funding the Centre's PhD students, and from the University's Strategic Fund for co-funding the Leverhulme Chair in Economics, is also gratefully acknowledged.



Sir Richard Brook and Sir Michael Angus at Nottingham in May, with Professor David Greenaway, Dr Peter Wright and Dr Holger Görg

**LEVERHULME CENTRE FOR RESEARCH ON GLOBALISATION  
AND ECONOMIC POLICY (GEP):  
ANNUAL REPORT TO THE LEVERHULME TRUST FOR 2004**

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## **A. REPORT FROM THE DIRECTOR**

It is a pleasure to be able to report on another full and productive year of activities for the *Leverhulme Centre for Research on Globalisation and Economic Policy* (GEP). The Centre supports the largest cluster of economists in the United Kingdom focused on economic effects of the globalisation process. Moreover, the Centre is one of the largest of its kind worldwide.

GEP's size and reputation are such that it can support a very wide range of research and dissemination activities. In May we undertook our annual review of all activities under the scrutiny of a number of internationally respected advisers. In addition to providing reassurance about the quality and direction of our Research Programmes this also helped identify new strategic priorities.

As can be seen from this Annual Report our research output continues to persuade referees and editors of leading journals that it is of high quality. We have also invested further in engaging with the policy-making community, who are key users of our outputs.

Our outreach activities continue to be diverse, ranging from our highly successful public lecture series, through to playing host to high quality seminars and conferences. With regard to the former, an innovation this year was the *Nottingham Lectures in International Economics* - a major new three-day series, given this year by Professor Jonathan Eaton of New York University. With regard to the latter, a particularly notable event was the Annual Conference of the European Trade Study Group in September, which attracted a record number of delegates to Nottingham.

GEP is a vibrant Centre with which to be associated and I am very grateful to the Internal Research Fellows, External Research Fellows and Research Students that make it so. There is growing evidence that the Centre's activities and outputs are highly regarded by the academic and policy-making communities. The reasons for this are clear from our 2004 Annual Report.



**Professor David Greenaway,  
Director**

## **B. THE GEP RESEARCH AGENDA**

GEP's research activity in 2004 was co-ordinated through three Programmes of work: Globalisation, Productivity and Technology, Globalisation and Labour Markets and the Internationalisation of Economic Policy.

### ***Globalisation, Productivity and Technology (GPT)***

The main focus of the **Globalisation, Productivity and Technology** Programme is the analysis of the role of globalisation on behaviour of firms. In particular, we study the determinants of inward foreign direct investment, international outsourcing and exporting, and their implications on firm performance in terms of productivity, choice of technology and so on. To this end, research employs three approaches: theoretical modelling, econometric analysis of micro level data sets, and econometric work on country level data.



**Dr Holger Görg**  
**GPT Programme**  
**Co-ordinator**

Theoretical work examines the decision process of firms aiming at entering foreign markets. Recent research addresses a number of questions, including the link between firms locating abroad and their decision to undertake R&D, use of technology and patenting. Following on from this, research questions addressed are how inward foreign direct investment can increase domestic productivity, and more generally the impact of inward FDI on the development of local firms through input-output linkages. Focussing more on export behaviour, research contributed to the understanding of the link between exporting and productivity-which firms are more likely to export in the context of the presence of firm level heterogeneities?

Empirical work attempts to be closely related to the theoretical work carried out in the programme and in the literature more generally. Research using plant and firm level data has focussed in particular on the effects of inward foreign direct investment, foreign acquisitions, international outsourcing and exporting on the performance of the firm/plant. Hence, research focuses on a firm's decisions to become exporters and asks whether exporters are more productive than purely domestic firms and why. Also, research examines the productivity and

employment implications of international outsourcing as well as the effects of inward foreign direct investment and foreign acquisitions on productivity and other aspects of the performance of domestic firms in the host country. Much of this work is based on data for the UK, using official data available from the Office of National Statistics or commercial databases such as *OneSource*. However, research also looks at other countries to provide a comparative dimension. Other country studies include the EU members Germany, Ireland and Sweden as well as a developing country, Ghana.

While the main emphasis of our empirical work is based on micro level data, this analysis is complemented by cross-country comparisons of productivity growth, based on country level macro data. This part of the research programme focuses on the relationship between openness to international trade and economic growth across countries. Research here uses up-to-date econometric techniques to overcome the pitfalls of much of the work on cross-country growth regressions – in particular of how to deal with cross-country heterogeneity, as well as the endogeneity problem of the trade – growth relationship.

This research programme has proved to be particularly relevant for the policy-making community. An analysis of the link between firms' exporting activities and productivity was commissioned by the Department of Trade and Industry and subsequently published as a DTI Report. Work on FDI, international outsourcing and exporting was taken into account for the economic framework to the recent *DTI Trade and Investment White Paper 2004*, and is cited in the accompanying DTI background paper. Furthermore, a study on the link between foreign direct investment, exporting and R&D was undertaken for Forfás, the Irish government body with responsibility for technology and economic development.

### ***Globalisation and Labour Markets (GLM)***

The **Globalisation and Labour Markets** Programme examines the consequences of increased globalisation for labour market structures and outcomes. This work has both theoretical and empirical components.

Work within the centre is examining how predictions regarding the impact of globalisation on wage and employment outcomes are modified under different theoretical assumptions. In this



**Dr Peter Wright**  
**GLM Programme**  
**Co-ordinator**

vein, Udo Kreickemeier has examined the consequences of 'fair wage' considerations for a standard trade model and argues that different attitudes to wage inequality may help to explain why Europe is characterised by lower wage differential as well as higher unemployment rates vis a vis the United States.

The impact of *multinationals* on wage outcomes is also a recurring theme in the Centre's research. It has been widely noted that average wages paid in multinational firms are higher than those paid in their domestic equivalents. However multinational firms are, by their very nature, different to other firms. The suspicion remained that, once these differences were controlled for, the wage differences would diminish. Access to more sophisticated data has allowed this assertion to be examined in increasing detail. Using matched employer-employee data, researchers have controlled both for individual worker and firm characteristics. The more detailed data has also allowed a comparison to be made between foreign greenfield plants and foreign firms where entry into the UK market is by takeover. These datasets also allow a comparison between foreign multinationals and domestic multinationals.

The increased internationalisation of production has also led to the increasing use of *outsourcing* by firms- those activities which were previously done within the firm are increasingly being farmed out, often to firms overseas. GEP research has investigated consequences of these changes in the production process for the skill structure of the UK workforce. Hijzen has also examined the impact that outsourcing has had on wage inequality in the United Kingdom.

Theoretical work within the centre has also examined the role that *trade unions* play in moderating the impact of globalisation. Previous work has examined the importance of relative country/market size, and the impact of differing bargaining arrangements. Recent work by Bastos, Kreickemeier and Wright has examined how the conclusions of this work are modified when unions are characterised by 'open shop' arrangements. That is, when union membership is not compulsory, and unions must attain a sufficiently high level of membership before they can engage in bargaining. Research has also examined how the presence of unions affects the incentives for foreign firms to invest and asks whether, if a country wishes to encourage FDI, it is in its interest to relax or to tighten labour laws. Future work will examine the impact of trade unions in the presence of other labour and product market imperfections.

Another focus of research is concerned with labour market adjustment. Work on *Labour Mobility* examines the causes and consequences of regional, occupational and industrial movement of labour. Recent work in this area has examined the extent to which regional immobility contributes to differing unemployment experiences between countries. Various commentators have suggested for instance that Spain's extremely immobile workforce has contributed to its recent poor unemployment performance. Attempts have been made to benchmark Spain's experiences against other countries, such as the UK, that have had lower rates of unemployment.

Research is also ongoing to examine the role that technological change and globalisation has had on occupational changes and on the career choices of individuals. This is proceeding on both theoretical and empirical fronts. Research in this area has attempted to answer questions such as 'Does skill upgrading by firms offer workers an opportunity to move up the skill ladder, or does it cause disruption to their employment?'

Finally, work within the Centre has examined the impact of *migration* on the UK labour market. The impact of migration on the welfare of native workers is a long running and ongoing debate in the literature. Recent work has examined the impact of migration on the employment prospects and wages of high and low skilled workers.

### ***Internationalisation of Economic Policy (IEP)***

The **Internationalisation of Economic Policy** Programme investigates economic policy formulation in an increasingly globalised world economy. Research under this theme is quite diverse but can be grouped within three broad strands.

Research on *Policy Choices and Effectiveness* considers the influence of the global economic environment on the effectiveness of government policy and the policy choices of individual governments. These areas are relevant to most of the policy-oriented research of internal and external fellows. Of particular note is the continuing theoretical and applied work on the location choices and preferred modes of entry of multinational enterprises, and



**Professor Rod Falvey,  
IEP Programme  
Co-ordinator**



how these are affected by government policies. The positive and normative implications of trade policies are a second broad area of interest to researchers associated with the Centre. A subset of this work was presented at the "Antidumping at 100" Conference held in Nottingham in June. Presentations included overview papers on the political economy of antidumping and global trends in its use, along with papers focussing on practice in Europe, the USA, third party antidumping and the growing use of antidumping by developing countries. Work continues on the effects of trade and trade policy for a variety of issues, including the location of polluting firms, the incentives for cross-border and national mergers and outsourcing.

Research under *Policy Interactions* considers the case for policy co-ordination in the light of the policy externalities that arise from broader and deeper international interactions. Much of this work, both theoretical and empirical, relates to the implications of regional integration. The European Union and its enlargement has been a natural focus, but other work concentrates on new issues for international agreements. These include the appropriate strength of intellectual property rights regimes, particularly patent policy in the open economy, and the appropriate structure and role of international agreements regulating the environment. The latter examines the Kyoto Protocol and the possible characteristics of its successors.

Research on *Policy Transmission* investigates how the experience with particular policies in some jurisdictions informs the policy choices made in others. Such transmission appears to occur through a variety of channels, even where there are no direct policy linkages. Policies relating to trade, education, welfare and income support have all received attention. The international agencies, in particular the World Bank and the Regional Development Banks, may act as major conduits of international policy transfer through the promotion of "best international practice". The focus is their role in formulating and disseminating the general lessons from individual country experiences. The diverse nature of the policies involved could make this a fertile area for interdisciplinary research.

### **C. GEP RESEARCH FELLOWS**

GEP's core resource is its Research Fellows, of which there are three cadres: full-time researchers paid in full from the Programme Grant and working full-time on

the Centre's Research Programmes; staff of the School of Economics who are paid in full by the School but benefit from the research leaves released by the Leverhulme Lecturers to work on the Centre's research programmes; researchers from outside Nottingham who are appointed for a three-year (renewable) period to work on GEP research and interact with GEP's research staff. The first two groups constitute the cadre of **GEP Internal Research Fellows**; the third, our **GEP External Research Fellows**. In addition, we have a network of **GEP Policy Associates**, leading analysts from the policy-making community engaged in GEP-related research and analysis. All three groups have grown this year.

### **GEP Internal Research Fellows**

Professor David Greenaway (Director)	Professor of Economics
Dr Marta Aloï	Lecturer in Economics
Dr Spiros Bougheas	Senior Lecturer in Economics
Professor Richard Cornes	Professor of Public Economics
Dr Bouwe Dijkstra	Leverhulme Lecturer
Professor Richard Disney	Professor of Labour Economics
Professor Alan Duncan	Professor of Microeconometrics
Professor Rod Falvey	Leverhulme Professor of International Trade
Dr Ben Ferrett	ESRC Research Fellow
Dr Holger Görg	Lecturer in Economics
Dr Alessandra Guariglia	Senior Lecturer in Economics
Dr Emran Haque	Research Fellow
Mr Alex Hijzen	ESRC Research Fellow
Mr Bob Hine	Senior Lecturer in Economics
Dr Richard Kneller	Senior Research Fellow
Dr Udo Kreickemeier	Lecturer in Economics
Ms Sara Maioli	Research Fellow
Professor Chris Milner	Professor of International Economics
Dr Arijit Mukherjee	Lecturer in Economics
Professor Doug Nelson	Professorial Research Fellow
Mr Mauro Pisu	ESRC Research Fellow
Mr Geoff Reed	Reader in Economics
Dr Richard Upward	Senior Lecturer in Economics
Dr Peter Wright	Senior Lecturer in Economics

### **GEP External Research Fellows**

Professor Bruce Blonigen, University of Oregon
Professor Marius Brühlhart, Lausanne University
Professor Paul Collier, University of Oxford

Professor Carl Davidson, Michigan State University  
Professor Peter Dawkins, University of Melbourne  
Professor Alan Deardorff, University of Michigan  
Dr Hartmut Egger, University of Zurich  
Professor Peter Egger, University of Munich  
Dr Karolina Ekholm, Stockholm School of Economics  
Dr Robert Elliott, University of Birmingham  
Dr Simon Evenett, University of Oxford  
Dr Joakim Gullstrand, Lund University  
Professor Jonathan Haskel, Queen Mary and Westfield College  
Dr Sébastien Jean, CEPII, Paris  
Professor Wolfgang Keller, University of Texas  
Professor Wilhelm Kohler, Johannes Kepler University, Linz  
Dr Maurice Kugler, University of Southampton  
Professor Steven Matusz, Michigan State University  
Dr Daniel Mirza, University of Rennes  
Dr Catia Montagna, University of Dundee  
Professor Arvind Panagariya, University of Maryland  
Professor Pascalis Raimondos-Møller, University of Copenhagen  
Professor Ray Riezman, University of Iowa  
Professor Todd Sandler, University of Southern California  
Dr Fredrik Sjöholm, Stockholm School of Economics  
Professor Matthew Slaughter, Dartmouth College  
Professor Constantinos Syropoulos, Florida International University  
Professor Matthew Tharakan, Antwerp University  
Professor Rod Tyers, Australian National University  
Professor Hylke Vandenbussche, Leuven University  
Professor Ian Wooton, University of Strathclyde  
Dr Zhihao Yu, Carleton University

### ***GEP Policy Associates***

Mary Amiti, International Monetary Fund  
Kym Anderson, The World Bank  
Bob Anderton, European Central Bank  
Heather Booth di Giovanni, Department of Trade and Industry  
Tony Clayton, Office of National Statistics  
Cletus Coughlin, Federal Reserve Bank of St Louis  
Adriaan Dierx, EC, Economic and Financial Affairs Directorate  
Zdenek Drabek, World Trade Organisation  
Tim Harcourt, Australian Trade Commission  
Richard Hemming, International Monetary Fund  
Bernard Hoekman, The World Bank

Sam Laird, United Nations Conference on Trade and Development  
John Martin, Organisation for Economic Co-operation and Development  
Christopher Moir, Department of Trade and Industry  
Robert Palacios, The World Bank  
Mark Pearson, Organisation for Economic Co-operation and Development  
Beata Smarzynska, The World Bank  
Ken Warwick, Department of Trade and Industry

#### **D. INVESTMENT IN RESEARCH CAPACITY**

Building capacity was an explicit objective of GEP from the outset and in particular investing in new entrants to the economics profession. Since the Centre began operating, this has been a key priority. Our investment in this area took various forms in 2004:

- Funding of three new PhD studentships for researchers working on core GEP topics.
- Pump-priming of research visits for PhD students to overseas centres of excellence, both to participate in international conferences and in study visits.
- Hosting a postgraduate research student conference, which attracted both external and internal speakers.
- Hosting extended visits from PhD students from Spain, Sweden and Norway.
- Pump-priming two successful applications for ESRC Post Doctoral Research Fellowships to be held at GEP.
- Supporting overseas research visits for our Post Doctoral Fellows.

The outputs from our capacity building efforts have been very rewarding, with our PhD students either moving directly into tenure track academic positions or winning competitive Post Doctoral awards; and our Post Doctoral Fellows being appointed to academic positions in research led universities.

## E. EXTERNAL FELLOWS AND VISITORS

Since its establishment a major priority of GEP has been to attract leading international researchers from elsewhere to visit Nottingham. Not only does this expose GEP Researchers to cutting edge work underway elsewhere, it also helps younger researchers integrate into the most important international networks. The programme has been very successful.

Many visitors come to present seminars and to participate in our conferences. Appendices 3 to 9 testify to the quality of speaker we attract for these events. In addition, however, we host a series of one-week visits for leading researchers from elsewhere. Most of these are **GEP External Research Fellows** who visit on an annual basis, like Carl Davidson and Steve Matusz of Michigan State University, Ray Riezman of Iowa State University



**Ray Riezman and Denise Konan, at the ETSG Conference at Nottingham**

and Joakim Gullstrand of Lund University. Others are specialists from particular fields or research centres, such as Marc Melitz from Harvard

University, Kala Krishna from Penn State University and Mark Melatos from the University of Sydney. Details of our full list of visitors in 2004 are given in Appendix 11.



**Carl Davidson**



**Steve Matusz**

## F. PUBLISHED OUTPUT IN 2004

**GEP Research Papers** are a widely used pre-publication medium for both Internal and External Research Fellows. In 2004 we published a further 42, under the editorship of Alex Hijzen. These are an important outlet for work in progress. Moreover, given the long lead times associated with publishing in the top economics journals, they also ensure that GEP work is in the public domain early. The papers are widely used – many have in excess of 500 downloads per month. They are also extensively cited. In addition to accessing our papers directly, users can now also access them electronically via the Social Science Research Network. The 2004 GEP Research Papers are set out in Appendix 1.

Publication in this Series is not an end in itself. It is vital to the credibility of the Centre that research output is published in high quality, high impact, peer reviewed journals. In this regard, 2004 was another excellent year, with **GEP Research Fellows** publishing papers in *inter alia* the *International Economic Review*, *Review of International Economics*, *European Journal of Political Economy*, *Oxford Economic Papers*, *Journal of Comparative Economics*, *Economics Letters* and *Review of World Economics*. Papers were also published in refereed journals widely read by the policy making community, including the *Oxford Review of Economic Policy*, *The World Economy* and *World Bank Research Observer*. A full list of journal papers published by Internal Fellows and External Fellows who have published with a GEP affiliation is reported in Appendix 2.

## **G. CONFERENCES AND SEMINARS**

### ***Conferences Hosted***

In 2004 GEP hosted or co-hosted 5 Conferences and convened a special session at the Royal Economic Society Annual Conference.

In March, for the third year in succession, we hosted a postgraduate Conference which Sara Maioli convened. This was a very successful event, with thirteen of the sixteen speakers being research students from other Universities in Europe and the US (see Appendix 3). GEP Research Fellows acted as Discussants and the feedback from participants confirmed that this is an important developmental event for young researchers.



**Delegates from the Third Annual Postgraduate Conference**

Alan Duncan convened a special session at the RES Annual Conference in April, which was held at Swansea University. The session was on Policy Transfer and as can be seen from Appendix 4 focused on a range of policies. A paper drawing on the session is to be published in the *Economic Journal* in 2005.

In June we co-hosted a major Conference on Anti Dumping with Tulane University with Rod Falvey and Doug Nelson as the convenors. Leading analysts of anti-dumping from Europe, the US and Australia presented papers. After the normal refereeing process a selection of them are to be published in the *European Journal of Political Economy*. The full programme of the Conference is set out in Appendix 5.

Our first joint Conference with DIW was held in Berlin in September, convened by Holger Görg, on the theme Foreign Direct Investment and International Outsourcing (Appendix 6). Also in September, GEP hosted the annual conference of the European Trade Study Group. This is the leading European



**ETSG  
Conference Delegates**

convention for trade economists. It was an enormous success and attracted almost 200 delegates to Nottingham, a record number for the ETSG. Finally, in October Alex Hijzen and Holger Görg convened a Conference on International Mergers and Acquisitions, the programme for which is set out in Appendix 7.



**Rod Falvey  
ETSG Conference  
Co-ordinator**

## ***Seminars***

GEP's weekly seminar programme is organised by Ben Ferrett. Full details of the 2004 programme are listed in Appendix 9. In total 27 seminars were presented, 24 by non-Nottingham based speakers. The weekly seminar is not only an important vehicle for bringing GEP Research Fellows and PhD students together, it is also an important networking opportunity. Moreover since many high profile, high impact researchers are included, it also ensures that our research teams are kept abreast of leading edge developments.

In addition to the weekly seminar, we also hold a monthly lunch workshop at which GEP Research Fellows and PhD students report on work in progress. This was a new development in 2004 and is organised by Mauro Pisu. It has proved to be very effective.

### ***Conferences and Seminar Presentations Elsewhere by GEP Researchers***

Appendix 10 reports details of conference and seminar presentations made by GEP Internal Fellows during the year. These included reporting on work at many of the key international conferences including the annual conferences of the European Economic Association, Royal Economic Society, Econometric Society European Meetings, Econometric Society North American Meetings, European Trade Study Group and Midwest International Economics Meetings. They also included many presentations at leading Universities and research institutes.

## **H. LEVERHULME GLOBALISATION LECTURES AND THE NOTTINGHAM LECTURES IN INTERNATIONAL ECONOMIC**

### ***Leverhulme Globalisation Lectures***

These public lectures continue to be excellent outreach events and are consistently well attended. In 2004 we again ran them quarterly and again the invited speakers were all major policy analysts or leading commentators on economic affairs.

In February, Martin Wolf, Associate Editor and Chief Economics Commentator at *The Financial Times* spoke on 'China and Globalisation'. Professor Wolf drew attention to the potentially extraordinary impact that Chinese integration with the global economy could have, describing it as the biggest 'shock' since the integration of the United States over a hundred years ago.



**Martin Wolf, with the Vice-Chancellor, following his lecture**





**David Smith presenting a  
Leverhulme Globalisation  
Lecture**

In October, David Smith, Economics Editor at *The Sunday Times* lectured on 'Offshoring: Political Myths and Economic Realities'. There were two central messages: if Britain tried to cut itself off from the global economy by limiting offshoring, the economy would suffer. The benefits to the domestic economy include lower costs and lower inflation; gains to real incomes; the ability to meet specific shortages of particular labour; and finally the shift of jobs overseas enables workers

to be moved into higher value-added/higher productivity jobs. Second, there is a positive development message. Offshoring helps economies poorer than ours by encouraging their development and providing wages that are typically higher than those available elsewhere in the country.

For the final lecture of the year in November, the topic was 'External Dimensions of the Euro' and the speaker Robert Anderton, Research Director at the European Central Bank. In setting interest rate policy within the European Monetary Union, the European Central Bank requires an understanding of the linkages between the European countries with the rest of the world. In his lecture, Bob Anderton discussed how shocks from outside EMU might propagate through the member countries and the extent of the co-movement between member and external countries.



**Bob Anderton (right) with David Greenaway**



**Anne Krueger delivering  
*The World Economy* Lecture**

The other major public lecture sponsored by GEP (and supported by Blackwell Publishers) is *The World Economy* Annual Lecture. In September this was delivered by Anne Krueger, First Deputy Managing Director at the IMF in Washington. Her subject was 'De Tocqueville's 'dangerous moment': the importance of getting reforms right'.

## ***Nottingham Lectures in International Economics***

This was a new initiative and a further instrument in our outreach programme. The Lectures are a high level, high profile, masterclass series, targeted at postgraduate students and academic faculty. The inaugural lectures were presented by Professor Jonathan Eaton of New York University, one of the leading analysts of international economics worldwide, the current Editor of the *Journal of International Economics* and the most recent winner of the Econometric Society's Frisch Medal.



**Jonathan Eaton, with GEP colleagues,  
during his visit to Nottingham**

Professor Eaton's theme was 'The Firm in the International Economy'. Under this umbrella, he presented three Lectures on: 'Firms, Technology and the Global Economy: a Tour of the Data'; 'Firms, Exports and Innovation: A Dynamic Framework'; and 'The Export Behaviour of French Firms: Interpreting Four Portraits'. The Series attracted a large audience, not only of Nottingham based participants but

colleagues from other universities, and provided our postgraduate community and staff with a comprehensive review of work underway in a frontier area.

### **I. INFLUENCING POLICY: USER ENGAGEMENT AND OUTREACH**

The scientific quality of GEP's research outputs has been the foundation to building credibility. In addition, however, it has also been a priority to build links with research users and exploit these through an active programme of outreach activities. In addition to increasing the likelihood of our research programmes having broader impact, this engagement also shapes our work. Our network of GEP Policy Associates is an important element in delivering this. Specific initiatives in 2004 in user engagement and outreach to be highlighted are:

- Joint meetings with economists from HM Treasury and the DTI, which contributed to the Treasury's Report on 'Trade and the Global Economy:

the role of international trade in productivity, economic reform and growth' and the DTI's White Paper on Trade and Investment.

- Organisation and delivery of a programme of Lectures on Globalisation for the Government Economic Service.
- Involvement of one of our Policy Associates in the GEP Research Retreat to lead an evaluation of our user engagement and outreach activities.
- Involvement of Policy Associates as presenters and discussants at two of our conferences and in the Royal Economic Society Special Session.
- Articles by Policy Associates in the **GEP Newsletter**.
- Hosting of five public lectures, including three Leverhulme Globalisation Lectures.
- Presentations made at seminars hosted by users including HM Treasury and the Department for Trade and Industry.

We have recently engaged part-time support for the preparation of non-technical summaries of GEP Research papers and the preparation of press releases on appropriate papers and other GEP events.

## **J. MANAGEMENT OF GEP RESOURCES AND ACTIVITIES**

The Centre's Director, Professor David Greenaway, continues to have overall responsibility for management and strategy. On a day-to-day basis he is supported by a professional Administrator, Susan Berry and a part-time Secretary, Julie Freer. Among their responsibilities are co-ordinating the activities of those responsible for organising the weekly seminar programme, GEP conferences, the **GEP Research Papers Series** and **GEP Newsletter**. Ms Berry also has overall responsibility for the maintenance and development of the Centre's web site, which is now probably the most intensively accessed of all of the University of Nottingham's sites.

Professor Greenaway chairs the GEP Management Committee, which currently comprises the three Programme Co-ordinators, one of the full-time Research Fellows, one Internal Fellow from the School and the Centre Administrator. This meets monthly, reviews all of the Centre's activity and has responsibility for both research strategy and dissemination activities.

Research strategy, dissemination and outreach are systematically re-evaluated, Programme by Programme, at the annual GEP Research Retreat. This involves all of the Centre's Internal Research Fellows. The Programme for the 2004 Retreat is set out in Appendix 7. Discussions were again led by External Fellows in order to ensure an authoritative outside perspective was brought to bear. Moreover, we also ensure that one of our Policy Associates informs the discussion of dissemination and outreach.

The Retreat and in year updates are important inputs to strategy. They are also very useful communication instruments. In addition, to ensure that Research Fellows are fully informed, the Minutes of each GEP Management Committee are circulated among all Internal Research Fellows and a *GEP Monthly Bulletin* is prepared and distributed to all Internal Fellows, External Fellows and Policy Associates. Both are regarded as effective communication tools.

The Director is the Centre's budget holder. Financial management support is provided by the Centre Administrator and the School of Economics Accounts Officer. A monthly budget review takes place. Annual budget statements for submission to the Trust are prepared with assistance from the University's Research Support Office.

## **K. OUTLOOK FOR 2005**

This Report has set out and reflected on 2004's activities and achievements. GEP has built up a heartening and stimulating momentum, which augurs well for 2005 and beyond. Developments in place for 2005 that will sustain and enhance that momentum include:

- New appointments including a newly created **Chair in International Economics** to which Professor Daniel Bernhofen (currently of Clark University in Massachusetts) has been appointed.
- **New Research Programmes:** GPT and GLM will continue, whilst the Internationalisation of Economic Policy will migrate into a new *Centre for Policy Evaluation* in the School of Economics. This will be replaced by a new Programme in Trade Theory and Methods. In addition, scoping is currently underway for a potential Programme on China and the World Economy.

- The Centre will again sponsor the **Nottingham Lectures in International Economics**, which in 2005 will be given by Professor Alan Deardorff of the University of Michigan.
- Four major **Conferences** will take place and a full programme of *Leverhulme Globalisation Lectures* is again planned. Speakers will include Martin Wolf of *The Financial Times* and Evan Davis of the BBC and Professor Han-Werner Sinn will deliver *The World Economy* Annual Lecture in October.
- Each year we review, update and refresh our planning at the **GEP Research Retreat**. This is planned for May 2005 and will involve high calibre external advisers, including Professor James Tybout of the University of Pennsylvania, Professor Ray Riezman of Iowa State University and Dr John Martin of the OECD.
- 2005 also promises to be an excellent year in terms of published outputs, when papers that first appeared in our *GEP Research Papers* series will appear in, inter alia, the *Journal of International Economics*, *Economic Journal*, *Canadian Journal of Economics*, *Economica* and *Review of International Economics*. Moreover, several volumes of papers are also scheduled for publication with major publishers.

## **APPENDIX 1**

### ***GEP Research Papers published in 2004***

- 2004/01 David Greenaway and Zhihong Yu, 'Firm Level Interactions Between Exporting and Productivity: Industry Specific Evidence'
- 2004/02 Daniel Mirza and Giuseppe Nicoletti, 'What is So Special About Trade in Services?'
- 2004/03 Alexander Hijzen, 'Trade in Intermediates and the Rise in Wage Inequality in the UK: A GNP Function Approach'
- 2004/04 Gabriel J. Felbermayr and Wilhelm Kohler, 'Immigration and Native Welfare'
- 2004/05 Rod Falvey, David Greenaway and Zhihong Yu, 'Intra-industry Trade Between Asymmetric Countries with Heterogeneous Firms'
- 2004/06 Salvador Barrios, Holger Görg and Eric Strobl, 'Foreign direct investment, competition and industrial development in the host country'
- 2004/07 Arijit Mukherjee and Enrico Pennings, 'Tariffs, licensing and market structure'
- 2004/08 Holger Görg, Aoife Hanley and Eric Strobl, 'Outsourcing, foreign ownership, exporting and productivity: An empirical investigation with plant level data'
- 2004/09 Udo Kreickemeier, 'Fair Wages and Human Capital Accumulation in a Global Economy'
- 2004/10 Hartmut Egger, Peter Egger and David Greenaway, 'Intra-Industry Trade with Multinational Firms: Theory, Measurement and Determinants'
- 2004/11 Holger Görg and Eric Strobl, 'Foreign Direct Investment and Local Economic Development: Beyond Productivity Spillover'
- 2004/12 Rod Falvey, Neil Foster and David Greenaway, 'Intellectual Property Rights and Economic Growth'
- 2004/13 Patricia S. Pollard and Cletus C. Coughlin, 'Size Matters: Asymmetric Exchange Rate Pass-Through at the Industry Level'
- 2004/14 Hassan Molana, Catia Montagna and Mara Violato, 'On the Causal Relationship between Trade-Openness and Government Size: Evidence from 23 OECD Countries'
- 2004/15 Ben Ferrett, 'Foreign Direct Investment and Productivity Growth: A Survey of Theory'
- 2004/16 Keith Blackburn, Niloy Bose, M Emranul Haque, 'Endogenous Corruption in Economic Development'
- 2004/17 Roberto A. De Santis, Robert Anderton and Alexander Hijzen, 'On the Determinants of Euro Area FDI to the United States: The Knowledge-Capital-Tobin's Q Framework'

- 2004/18 Arijit Mukherjee and Uday Bhanu Sinha, 'Product vs. Process Patent'
- 2004/19 Dermot Leahy and Catia Montagna, 'Union Bargaining Power, Labour Standards and Foreign Direct Investment'
- 2004/20 Matthew A. Cole, Robert J.R. Elliott and Per G. Fredriksson, 'Endogenous Pollution Havens: Does FDI Influence Environmental Regulations?'
- 2004/21 Matthew A. Cole, Robert J.R. Elliott and Kenichi Shimamoto, 'Why the Grass is Not Always Greener: The Competing Effects of Environmental Regulations and Factor Intensities on US Specialization'
- 2004/22 Matthew A. Cole, Robert J.R. Elliott and Kenichi Shimamoto, 'Industrial Characteristics, Environmental Regulations and Air Pollution: An Analysis of the UK Manufacturing Sector'
- 2004/23 Joseph Francois, Kevin Grier and Douglas Nelson, 'Globalization, Roundaboutness and Relative Wages'
- 2004/24 Alexander Hijzen, Holger Görg and Robert C. Hine, 'International outsourcing and the skill structure of labour demand in the United Kingdom'
- 2004/25 Arijit Mukherjee, 'Foreign Direct Investment Under R&D Competition'
- 2004/26 Sébastien Jean and Giuseppe Nicoletti, 'Regulation and Wage Premiums'
- 2004/27 Wolfgang Buchholz, Richard Cornes and Wolfgang Peters, 'Lindahl vs. Cournot Nash: The Role of the Income Distribution'
- 2004/28 Wilhelm Kohler, 'The WTO Dispute Settlement Mechanism: Battlefield or Cooperation?'
- 2004/29 Bruce Blonigen, 'Working the System: Firm Learning and the Antidumping Process'
- 2004/30 Sourafel Girma, Holger Görg and Mauro Pisu, 'The Role of Exporting and Linkages for Productivity Spillovers from FDI'
- 2004/31 M. Emranul Haque and Richard Kneller, 'Corruption Clubs: Endogenous Thresholds in Corruption and Development'
- 2004/32 Ben Ferrett, 'Entry, Location and R&D Decisions in an International Oligopoly'
- 2004/33 David Greenaway and Richard Kneller, 'Industry Differences in the Effect of Export Market Entry: Learning by Exporting?'
- 2004/34 David Greenaway and Richard Kneller, 'Exporting and Productivity in the United Kingdom'
- 2004/35 Richard Kneller and Mauro Pisu, 'Export Oriented FDI'
- 2004/36 Hartmut Egger and Peter Egger, 'Outsourcing and Trade in a Spatial World'
- 2004/37 Holger Görg and Aoife Hanley, 'Labour demand effects of international outsourcing: evidence from plant level data'

- 2004/38 M. Emranul Haque and Arijit Mukherjee, 'Free Entry and Government Revenue Under Trade Liberalization'
- 2004/39 Fredrik Heyman, Fredrik Sjöholm and Patrik Gustavsson Tingvall, 'Is There Really a Foreign Ownership Wage Premium? Evidence From Matched Employer-Employee Data'
- 2004/40 Rod Falvey, David Greenaway, Joakim Gullstrand and Zhihong Yu, 'Exports, Restructuring and Industry Productivity Growth'
- 2004/41 Holger Görg, Alexander Hijzen, 'Multinationals and Productivity Spillover'
- 2004/42 Carl Davidson and Arijit Mukherjee, 'Horizontal Mergers with Free Entry'



## APPENDIX 2

### GEP Related Published Output of Internal Fellows in 2004

#### *Papers in Refereed Journals*

- Bougheas, S.** (with N. Adnett and Y. Georgellis) 'On the Trade-off between Work-Related Training and Labor Mobility: The Role of Firing and Exit Costs' *Journal of Economics*, Vol. 82, pp. 49-70.
- Bougheas, S.** (with Y. Georgellis) 'German Apprenticeship Training, Earning Profiles and Labour Turnover: Theory and Empirical Evidence', *Labour*, Vol. 18, pp. 233-63
- Davidson, C.** (with J.P. Choi) 'Strategic Second Sourcing by Multinationals', *International Economic Review*, Vol. 45, pp. 579-600.
- Davidson, C.** and **S. Matusz** 'An Overlapping Generation Model of Escape Clause Protection', *Review of International Economics*, Vol. 12, pp. 724-748.
- Dijkstra, B. R.** 'Political Competition, Rent Seeking and the Choice of Environmental Policy Instruments: Comment', *Environmental and Resource Economics*, Vol. 29, pp. 39-56.
- Falvey, R. E.** (with N. Foster and **D. Greenaway**) 'Imports, Exports, Knowledge Spillovers and Growth', *Economics Letters*, 85, pp. 209-13
- Görg, H.** (with S. Girma) 'Outsourcing, foreign ownership and productivity: Evidence from UK establishment level data' *Review of International Economics*, Vol. 12, pp. 817-832.
- Görg H.** (with S. Girma and E. Strobl) 'Exports, international investment, and plant performance: Evidence from a non-parametric test' *Economics Letters*, Vol. 83, pp. 317-324.
- Görg H.** and A. Hanley 'Does outsourcing increase profitability?' *Economic and Social Review*, Vol. 35.
- Görg H.** (with S. Girma) 'Blessing or curse? Domestic plants' survival and employment prospects after foreign acquisition' *Applied Economics Quarterly / Konjunkturpolitik*, Vol. 50, pp. 89-110.
- Görg H.** (with F. Barry and E. Strobl) 'Multinationals and training: Some evidence from Irish manufacturing industries' *Scottish Journal of Political Economy*, Vol. 51, pp. 49-61

- Görg H.** and **D. Greenaway** 'Much ado about nothing? Do domestic firms really benefit from foreign direct investment?' *World Bank Research Observer*, Vol. 19, pp. 171-197.
- Greenaway, D.** (with S. Girma and **R. Kneller**) 'Entry to Export Markets and Productivity: A Microeconometric Analysis of Matched Firms', *Review of International Economics*, Vol. 12, pp.855-866.
- Greenaway, D.** (with N. Sousa and K. Wakelin) 'Do Domestic Firms Learn to Export from Multinationals?', *European Journal of Political Economy*, Vol. 20, pp. 1027-1043.
- Greenaway, D.** (with **R. Kneller**) 'Exporting and Productivity in the UK', *Oxford Review of Economic Policy*, Vol. 20, pp. 358-371.
- Greenaway, D.** 'Firm Level Adjustment to Globalisation', *Oxford Review of Economic Policy*, Vol. 20, pp. 335-342.
- Greenaway, D.** (with **Z. Yu**) 'Firm Level Interactions Between Exporting and Productivity: Industry Specific Analysis', *Review of World Economics/Weltwirtschaftliches Archiv*, Vol. 140, pp. 376-392.
- Guariglia, A.** (with Y. J. Loke) 'What Determines the Value and Volume of Non-Cash Transactions? Evidence from a Panel of European and North American Countries'. *Applied Economics*, Vol. 36, pp. 291-303.
- Guariglia, A.** (with B-Y Kim) 'Earnings Uncertainty, Precautionary Saving and Moonlighting in Russia', *Journal of Population Economics*, Vol. 17, pp. 289-310.
- Guariglia, A.** (with M. Rossi) 'Private Medical Insurance and Saving: Evidence from the British Household Panel Survey', *Journal of Health Economics*, Vol. 23, pp. 761-83.
- Haque, E.** 'The Composition of Public Expenditure and Economic Growth in Developing Countries', *Global Journal of Finance and Economics*.
- Kneller, R.** and **M. Pisu.** 'Export Oriented FDI in the UK', *Oxford Review of Economic Policy*, Vol. 20, pp. 358-371.
- Milner, C. R.** (with C. W. Morgan) 'EU's Agricultural Export Subsidies: Responding to Lamy's Challenge' *Commonwealth Trade Hot Topics* Issue No 32.
- Milner, C. R.** (with C. W. Morgan) 'Proposed Reform of the EU Sugar Regime: More Market, Consumer and Trade Friendly?' *Commonwealth Trade Hot Topics* Issue No34.

- Milner, C. R.** (with **G. Reed** and P. Talerngsri) 'Foreign Direct Investment and Vertical Integration of Production By Japanese Multinationals in Thailand', *Journal of Comparative Economics*, 32, 805-821.
- Milner, C. R.** 'Trade Policy in Burundi: Reform With Political Stability' *The World Economy*, Vol. 27, pp. 1363-76.
- Milner, C. R.** (C. W. Morgan and E. Zgovu) 'Would All Sugar Protocol Exporters Lose From Sugar Liberalisation?', *European Journal of Development Research*, Vol. 16, pp. 790-808.
- Mukherjee, A.** (with E. Pennings) 'Imitation, Patent Protection and Welfare' *Oxford Economic Papers*, Vol. 56, pp. 715-33
- Mukherjee, A.** (with S. Marjit and T. Kabiraj) 'Future Technology, Incomplete Information and International Joint Venture', *Research in Economics/ Recherche Economique* Vol. 58, pp. 219-34.
- Mukherjee, A.** (with S. Marjit) 'R & D Organization and Technology Transfer' *Group Decision and Negotiation*, Vol. 13, pp. 243-58
- Nelson, D.** (with N. Gaston) 'Structural Change and the Labour Market Effects of Globalization', *Review of International Economics*, Vol. 12, pp. 769-792.
- Wright, P. W.** (with M. Conyon, S. Girma, S. Thompson.) 'Do wages rise or fall following merger?' *Oxford Bulletin of Economics and Statistics*, Vol. 66, pp. 847-862.

### ***Books, Edited Volumes, Chapters in Books and Reports***

- Greenaway, D.** *Global Trade Policy* (Blackwell, Oxford).
- Greenaway, D.** (with M. Haynes) 'Financing Higher Education' in G. Johnes and J. Johnes (eds.) *Handbook of the Economics of Education* (Edward Elgar).
- Greenaway, D.** (with S. Girma and **R. Kneller**) 'Exporting and Business Performance', HMSO, UK Trade and Investment, 32pp. (2<sup>nd</sup> edition).
- Greenaway, D.** (with R. Kneller) 'Export Markets and Productivity in UK Manufacturing', HMSO, UK Trade and Investment, 47pp.
- Milner, C. R.** 'Constraints To Export Development in the Developing Countries' in H. Katrak and R. Strange (eds) *The WTO and Developing Countries*, (Palgrave Macmillan).

- Milner, C. R.** (with D. Greenaway, W.O. Morrissey and G. V. Reed) 'Capacity Building in Support of Preparation of Economic Partnership Agreement', *Report to the Government of Mauritius*.
- Milner, C. R.** (with C. W. Morgan) 'Agricultural Export Subsidies and Developing Country Interests', Report to the Commonwealth Secretariat.
- Nelson, D.** (with K. Hall) 'The Peculiar Political Economy of NAFTA: Complexity, Uncertainty and Footloose Policy Preferences' in A. Panagariya and D. Mitra (eds.) *Contributions in Honor of Edward Tower*. Amsterdam: Elsevier p.91-109.
- Upward, R.** (with M. Andrews and T. Schank) 'Practical Estimation Methods For Linked Employer-Employee Data' *Institut fur Arbeitsmarkt-und Berufsforschung Discussion Paper 3/2004*.

## APPENDIX 3

**Third Annual GEP Postgraduate Conference**  
**Hosted by the Leverhulme Centre for Research on Globalisation and**  
**Economic Policy (GEP), University of Nottingham**

**31<sup>st</sup> March, 2004, at Economics and Geography Building,**  
**University of Nottingham, University Park**

### **Session 1: FDI, Exports and Productivity**

9.20-10.00: *Export Behaviour and Firm Productivity in German Manufacturing: A Firm-Level Analysis*

Speaker: **Jens Matthias Arnold (University Bocconi, Milan)**

Discussant: **Holger Görg (GEP, University of Nottingham)**

10.00-10.40: *Unilateral Trade Liberalisation and the Spatial Distribution of Economic Activity within a Country*

Speaker: **Pedro Moncarz (University of Nottingham)**

Discussant: **Ben Ferrett (GEP, University of Nottingham)**

### **Session 2: Trade and MNEs activity**

#### **10.50-11.50: Poster Sessions**

- *Functional Fragmentation of the Production Process: A Study of Multinational Firms Location in the Enlarged European Union*  
Presenter: **Fabrice Defever (Team-CNRS University of Paris I Panthéon Sorbonne)**
- *Technology, MNEs Activity and Italian Skill Upgrading*, Presenter: **Mara Grasseni (University of Milan)**
- *The Geography of German Multinational Activities*, Presenter: **Farid Toubal (University of Kiel)**
- *Researching the Trade-Productivity Link: Evidence from Uruguay*  
Presenter: **Adriana Peluffo (University of Antwerp)**

### **Session 3: International Economic Openness and Market Integration**

11.50-12.30: *On Testing the Causal Relationship between Trade-Openness and Government Size: Evidence from 23 OECD Countries*

Speaker: **Mara Violato (University of Dundee)**

Discussant: **Richard Kneller (GEP, University of Nottingham)**

12.30-13.10: *Distance and Foreign Direct Investment Evidence from OECD Countries*  
Speaker : **Delphine Irac (Columbia University, New York)**  
Discussant: **Alessandra Guariglia (University of Nottingham)**

#### **Session 4: Globalisation and Labour Market**

14.10-14.50: *Has International Trade Affected Workers' Bargaining Power?*  
Speaker: **Sabien Dobbelaere (LICOS Centre for Transition Economics, K. U. Leuven and SHERPPA, Ghent University, Belgium)**  
Discussant: **Daniel Mirza (GEP, University of Nottingham)**

14.50-15.30: *Referendum-led Immigration Policy in the Welfare State – A Theoretical Investigation*  
Speaker: **Yuji Tamura (University of Warwick)**  
Discussant: **Udo Kreickemeier (GEP University of Nottingham)**

#### **Session 5: Topics in Trade Liberalisation and Economic Growth**

##### **15.40-16.40: Poster Sessions**

- *Trade Liberalisation and the Industry Wage Structure in India*, Presenter: **Puja Vasudeva-Dutta (University of Sussex)**
- *Complementarity between Heterogeneous Human Capital and R&D: can Job-Training Avoid Low Development Traps?*, Presenter: **Sergio Scicchitano (University La Sapienza, Rome)**
- *Impact of Productivity-Efficiency Gain under Competitive Pressure on Indian Households: An Applied General Equilibrium Approach*, Presenter: **Amarendra Sahoo (CenTER, University of Tilburg)**
- *A Static CGE Model for the UK with Health Care Provision*, Presenter: **Martine Rutten (University of Nottingham)**

#### **Session 6: Trade Flows, Poverty and the Environment**

16.40-17.20: *Environmental Regulations and Trade in Europe: The Role of Differentiation*  
Speaker: **Jerneja Jug (University of Nottingham)**  
Discussant: **Geoff Reed (GEP, University of Nottingham)**

17.20-18.00: *An Analysis of Household Behaviour to Price Shocks in Vietnam: Can Unit Values Substitute Prices?*  
Speaker: **Yoko Niimi (University of Sussex)**  
Discussant: **Simon Appleton (University of Nottingham)**

## **APPENDIX 4**

**Special Session for the 2004 Royal Economic Society Conference,  
held on 6<sup>th</sup> April at the University of Wales Swansea**

### **Internationalisation and Public Policy Transfer**

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#### **Speakers and Titles of Papers:**

**John Van Reenen** (Centre for Economic Performance and LSE)  
'The Diffusion of Unemployment Policies'.

**Alan Duncan** (University of Nottingham)  
'Is There an Emerging Consensus in Making Work Pay Policies?'.

**James Banks** (University College London and IFS)  
'Retirement Saving and Labour Market Participation: International Trends and the Need For Comparative Research'.

**Richard Disney** (University of Nottingham and IFS)  
'Policy Transfer in Welfare and the Labour Market: Discussion and Evaluation'.

## APPENDIX 5

**Leverhulme Centre for Research on Globalisation  
and Economic Policy (GEP), University of Nottingham  
and**

**Murphy Institute of Political Economy, Tulane University  
at  
Rutland Hall, University Park, University of Nottingham**

**Friday, 25<sup>th</sup> June**

8.40 a.m. – 8.45 a.m.      Welcome and Conference Opening

8.45 a.m. – 10.45 a.m.: **Session 1:**

***The Political Economy of Anti-Dumping: A Survey***

**Doug Nelson** (Tulane University and GEP, University of Nottingham)

*Discussant:* Chad Bown (Brandeis University)

***Anti-Dumping: A Problem in International Trade***

**Maurizio Zanardi** (Tilburg University)

*Discussant:* Jim Durling

11.15 a.m. – 1.15 p.m.: **Session 2:**

***Trade Diversion and the Spread of Anti-Dumping: the 1998-2000 Steel Crisis***

**Tom Prusa** (Rutgers University) and **Jim Durling** (Willkie Farr & Gallagher)

*Discussant:* Mike Moore (George Washington University)

***Can the US Dump Anti-Dumping?***

**Mike Moore** (George Washington University)

*Discussant:* Bruce Blonigen (University of Oregon)

2.15 p.m. – 4.15 p.m.: **Session 3:**

Disentangling the Incentives Created by Anti-Dumping Duties, Investigations and  
the Byrd Amendment

**Simon Evenett** (University of Oxford)

*Discussant:* Hylke Vandenbussche (Catholic University of Leuven)

Market Size and Anti-Dumping in Duopolistic Competition

**Rod Falvey** and **Sarut Wittayarungruang** (GEP, University of Nottingham)

*Discussant:* David Collie (Cardiff Business School)



4.30 p.m. – 5.30 p.m.: **Session 4:**

Anti-Dumping in the “New” User Countries: Empirical Evidence from Mexico

**Gunnar Niels** (OXERA Consulting)

*Discussant:* Maurizio Zanardi

## **Saturday, 26<sup>th</sup> June**

9.00 a.m. – 11.00 a.m.: **Session 5:**

The Impact of EU Anti-Dumping Measures on Trade

**Joe Francois** (Erasmus University) and **Dean Spinanger** (Kiel Institute for World Economics)

*Discussant:* Simon Evenett (University of Oxford)

*Policy Externalities: How US Anti-Dumping Affects Japanese Exports to the EU*

**Chad Bown** (Brandeis University) and **Meredith A. Crowley** (Federal Reserve Bank of Chicago)

*Discussant:* Geoff Reed (GEP, University of Nottingham)

11.15 a.m. – 1.15 p.m.: **Session 6:**

*Anti-Dumping Protection and Productivity Growth of Domestic Firms*

**Jozef Konings** and **Hylke Vandenbussche** (Catholic University of Leuven)

*Discussant:* Joseph Francois (Erasmus University)

*Working the System: Firm Learning and the Anti-Dumping Process*

**Bruce Blonigen** (University of Oregon)

*Discussant:* Doug Nelson (Tulane University and GEP, University of Nottingham)

2.15 p.m. – 4.15 p.m.: **Session 7:**

*Third Party Anti-Dumping: A Tentative Rationale*

**Martin Richardson** (Australian National University)

*Discussant:* Tom Prusa (Rutgers University)

*Anti-Dumping Duties and the Byrd Amendment*

**David Collie** (Cardiff Business School) and **Hylke Vandenbussche** (Catholic University of Leuven)

*Discussant:* Martin Richardson (Australian National University)

## APPENDIX 6

### DIW Berlin/GEP workshop on "Foreign direct investment and international outsourcing"

#### Monday 6 September

- 9.30 – 9.45            Welcome
- 9.45 – 10.45            *FDI in Space*  
**Ronald B. Davies** (University of Oregon)  
Discussant: Eric Strobl (CORE Louvain)
- 11.00 – 12.00            *Does it matter where you come from? Vertical spillovers from FDI and investor nationality*  
**Beata Smarzynska Javorcik** (World Bank)  
Discussant: Björn Frank (DIW Berlin)
- 12.00 – 13.00            *Are there FDI-generated Externalities to State-owned Enterprises in China?*  
**Sourafel Girma** (University of Leicester)  
Discussant: Jürgen Bitzer
- 14.15 – 15.15            **Richard Upward** (GEP, University of Nottingham)  
Discussant: John Haisken-DeNew (RWI Essen)
- 15.30 – 16.30            *Intra-Industry Trade with Multinational Firms: Theory, Measurement and Determinants*  
**Peter Egger** (University of Innsbruck)  
Discussant: Ingo Geishecker (DIW Berlin)

#### Tuesday 7 September

- 10.00 – 11.00            *Outsourcing, foreign ownership, exporting and productivity: An empirical investigation with plant level data*  
**Aoife Hanley** (University of Nottingham)  
Discussant: Monika Kerekes (FU Berlin)
- 11.15 – 12.15            *International outsourcing and wages: Winners and losers*  
**Ingo Geishecker** (DIW Berlin)  
Discussant: Alexander Hijzen (GEP, University of Nottingham)
- 12.15 – 13.15            *Market structure, cost structure and outsourcing*  
**Andreas Stephan** (DIW Berlin)  
Discussant: Holger Görg (GEP, University of Nottingham)

## APPENDIX 7

### Leverhulme Centre for Research on Globalisation and Economic Policy (GEP), University of Nottingham

#### Conference on International Mergers and Acquisitions

Monday, 4<sup>th</sup> October, 2004

- 9.45 – 10.00 Welcome and Coffee
- 10.00 – 10.50 *Cross-border Mergers & Acquisitions: Transfer Pricing and Tax Revenues*  
**Lars Persson** (IUI Stockholm) [**with P.-J. Norbäck and J. Vlachos**]  
Discussant: Rod Falvey (GEP Nottingham)
- 10.50 – 11.40 *Greenfield Investment vs Acquisition: Alternative Modes of Foreign Expansion*  
**Ben Ferrett** (GEP Nottingham)  
Discussant: Peter Neary (University College Dublin)
- 11.40 – 12.00 Coffee
- 12.00 – 12.50 *Mergers as Reallocation*  
**Peter Rousseau** (Vanderbilt University) [**with B. Jovanovic**]  
Discussant: Spiros Bougheas (GEP Nottingham)
- 12.50 – 14.00 Lunch
- 14.00 – 14.50 The Determinants of Merger Waves  
**Burcin Yurtoglu** (University of Vienna) [with K Gugler and D C Mueller]  
Discussant: Holger Görg (GEP Nottingham)
- 14.50 – 15.40 The Determinants of Cross-Border Mergers and Acquisitions  
**Alexander Hijzen** (GEP Nottingham) [**with H. Görg and M. Manchin**]  
Discussant: Keith Head (University of British Columbia)
- 15.40 – 16.00 Coffee
- 16.00 – 16.50 Convergence in National Merger Review Regimes: Ends and Means  
**Simon Evenett** (University of Oxford)  
Discussant: Steve Thompson (University of Nottingham)

## APPENDIX 8

**GEP Research Retreat  
10<sup>th</sup> – 11<sup>th</sup> May 2004  
at the Izaak Walton Hotel, Dovedale, Ashbourne**

### PROGRAMME

#### Monday 10<sup>th</sup> May

17.00 – 18.30 **Review of GEP Research and Outreach Activities**

Speaker: David Greenaway  
Rapporteur: Ken Warwick, Deputy Chief Economic Adviser and  
Director of Economics, DTI

19.30 *Dinner*

#### Tuesday 11<sup>th</sup> May

09.00 – 10.30 **Globalisation and Factor Market Adjustment**

Chair: Peter Wright  
Speaker: Alan Deardorff, Michigan University  
Rapporteur: Rod Falvey

10.30 – 11.00 *Coffee*

11.00 – 12.30 **Globalisation and Productivity**

Chair: Richard Kneller  
Speaker: Beata Smarzynska Javorcik, The World Bank  
Rapporteur: Holger Görg

12.30 – 14.00 *Lunch*

14.00 – 15.30 **Globalisation and Adjustment in Developing Countries**

Chair: Doug Nelson  
Speaker: Tony Thirlwall, University of Kent  
Rapporteur: Chris Milner

15.30 – 16.00 *Coffee*

16.00 – 17.00 **Future Development of GEP**

Chair: Alan Duncan  
Panel: Alan Deardorff, Sébastien Jean, Steve Matusz,  
Doug Nelson, Beata Smarzynska Javorcik, Tony  
Thirlwall

## **APPENDIX 9**

### **Seminars hosted by GEP in 2004**

Steve Redding, London School of Economics  
'Comparative Advantage and Heterogeneous Firms'

Osiris Pancero, University of Bristol  
'Inter-region Subsidy Competition for a New Production Plant: What is the Central Government Optimal Policy?'

Axel Dreher, University of Exeter  
'The Influence of Globalisation on Taxes and Social Policy: An Empirical Analysis for OECD Countries'

Spiros Bougheas, GEP, University of Nottingham  
'Human Capital, Trade and Inequality'

Mauro Pisu, GEP, University of Nottingham  
'The role of exports and foreign linkages for FDI productivity spillovers'

Bettina Becker, National Institute of Economic and Social Research  
'Foreign Direct Investment in Industrial R&D and Exchange Rate Uncertainty in the UK'

Jim Anderson, Boston College  
'Trade Costs'

Pedro Martins, St Andrews and Warwick  
'Do Foreign Firms Really Pay Higher Wages? Evidence From Different Estimators'

David Collie, Cardiff University  
'Anti-dumping Duties and the Byrd amendment'

Carl Davidson, Michigan State University  
'Multidivisional Firms, Internal Competition and the Merger Paradox'

Ray Riezman, University of Iowa  
'Production, Trade and Exchange Rates in Large Experimental Economies'

Daniel Mirza, University of Rennes and GEP  
'What is So Special About Trade in Services?'

Mike Devereux, University of Warwick  
'Do Countries Compete Over Corporate Tax Rates?'

Emran Haque, GEP, University of Nottingham  
'A Model of Bureaucratic Corruption, Public Expenditure and Economic Growth'

Richard Freeman, London School of Economics and Harvard University  
'Can the US maintain its comparative advantage in high tech?'

Juan Carlos Cuestas, University Jaume I, Castellon  
'The Role of Commodities in Determining the Real Exchange Rates of Mediterranean Countries'

Helena Marques, Loughborough University  
'A Tale of Two Exchange Rate Regimes: Sectoral Pass-Through in India'

Keith Head, University of British Columbia  
'Market potential, wages and adjustment in the EU'

Jonathan Haskel, QMW, University of London  
'Why are Some Firms More Innovative? Knowledge Inputs, Knowledge Stocks and the Role of Global Engagement'

Susanna Thede, DELTA, Paris  
'Strategic Trade Policies, the Location of Production and Inter-Industry Input-Output Linkages'

Utku Teksoz, University of Munich and EBRD  
'Corruption and FDI: What Type of Corruption Matters Most?'

Rachel Griffith (UCL and IFS)  
'Vertical Integration and Technology: Theory and Evidence'

Seekkuwa Hirantha, University of Sri Jayewardenepura  
'South Asian Free Trade: A Gravity Model Analysis'

Dermot Leahy, University College Dublin  
'Short Run Policy Commitment When Investment Time is Endogenous: More Harm Than Good?'

Richard Harris, University of Glasgow  
'Plant level analysis using the ARD: Another Look at Gibrat's Law'

Thierry Mayer, University of Paris-Sud  
'Je t'aime, moi non plus: Bilateral opinions and international trade'

Maria Garcia-Vega, Complutense University, Madrid  
'Technological diversification and innovation'

## **APPENDIX 10**

### **GEP Work presented by Internal Fellows at Conferences in the UK and Overseas and at Seminars at other Universities**

Dijkstra, B.R., 'Good and Bad Equilibria With the Informal Sector', Tilburg University.

Disney, R., 'Policy Transfer in Welfare and the Labour Market: discussion and evaluation', Special Session at the 2004 Royal Economic Society Conference, University of Wales Swansea.

Duncan, A.S., 'Is There an Emerging Consensus in Making Work Pay Policies?', Special Session at the 2004 Royal Economic Society Conference, University of Wales Swansea.

Falvey, R.E., 'Quotas and Endogenous Mergers Among Heterogeneous Firms' at the 'New Dimension in International Trade' Conference at Kobe University, Japan.

Falvey, R.E., 'Technology and Factor Return Differences in Competitive Markets', European Trade Study Group Annual Conference, Nottingham.

Falvey, R.E., 'Quotas and Endogenous Mergers' seminar at the University of Kent.

Ferrett, B.E., 'Entry, Location and R&D Decisions in an International Oligopoly', ESEM, Madrid.

Ferrett, B.E., 'Greenfield Investment Versus Acquisition: Alternative Modes of Foreign Expansion', presented at International Mergers and Acquisitions conference, Nottingham and EUNIP 2004 in Birmingham.

Ferrett, B.E., 'Intra- and Inter-Firm Technology transfer in an International Oligopoly', presented at MWIEG in Indianapolis and European Association for Research in Industrial Economics (EARIE) in Berlin.

Ferrett, B.E., (with Ian Wooton) 'Inter-State Competition for Mobile Firms' European Trade Study Group Annual Conference, Nottingham.

Ferrett, B.E., 'Greenfield Investment Versus Acquisition: Alternative Modes of Foreign Expansion' presented at seminars at University College, Dublin, University of Birmingham and University of Strathclyde.

Görg, H., 'Foreign direct investment, spillovers and absorptive capacity: Evidence from quantile regressions' presented at Bundesbank/Kiel Institute Workshop on "Multinationals and international integration", Kiel.

Görg, H., 'An empirical analysis of Business Sector R&D activity', seminar at Forfás (Irish government agency for technology and industrial development), Dublin.

- Görg, H., 'Evaluating the causal effects of foreign acquisition on domestic skilled and unskilled wages', seminar at Office for National Statistics, London.
- Görg, H., 'Foreign direct investment and local economic development: Beyond productivity spillovers' presented at Institute for International Economics Workshop on "The impact of foreign direct investment on development: New measurements, new outcomes, new policy approaches", Washington DC.
- Görg, H., 'Spillovers from foreign firms through worker mobility: An empirical investigation' presented at Institute for International Integration Studies Conference on "Micro and macro perspectives on FDI", Dublin.
- Görg, H., 'Winners and Losers: Fragmentation, Trade and Wages Revisited', seminar at University of Birmingham.
- Guariglia, A., 'Credit Channel, Trade Credit Channel, and Inventory Investment: Evidence from a Panel of UK Firms' (with S Mateut), Money, Macro and Finance Research Group Annual Conference, London.
- Haque, E., 'Endogenous Corruption in Economics Development', University of Birmingham.
- Haque, E., 'Public Expenditures, Bureaucratic Corruption, and Development' University of Nottingham.
- Hijzen, A., 'The Determinants of Cross-Border Mergers and Acquisitions', (with Holger Görg and Miriam Manchin), Workshop on International Mergers and Acquisitions, Nottingham.
- Hijzen, A., 'Migration, Trade and Wages', (with Peter Wright), European Trade Study Group Annual Conference, Nottingham.
- Hijzen, A., 'Trade in Intermediates and the Rise in Wage Inequality in the UK: A GNP Function Approach', North American Econometric Society Summer Meeting, Providence Island, USA.
- Hijzen, A., 'Multinationals and Productivity Spillovers', (with Holger Görg), COMPPRESS workshop, Ljubljana, Slovenia.
- Hijzen, A., 'Trade in Intermediates and the Rise in Wage Inequality in the UK: A GNP Function Approach', Royal Economic Society Annual Conference, Swansea.
- Hine, R.C., 'Imports of Services and Economic Growth', University of Seville.
- Kneller, R., 'Industry differences in the effect of export market entry: Learning by exporting?' (with David Greenaway), ETSG Annual Conference, Nottingham.



- Kneller, R., 'Do exporters have anything to learn from foreign multinationals?', (with Sourafel Girma & Mauro Pisu), European Meetings of the Econometric Society, Madrid.
- Kneller, R., 'Industry differences in the effect of export market entry: Learning by exporting?' (with David Greenaway), European Economic Association Annual Conference, Madrid.
- Kneller, R., 'Corruption clubs: endogenous thresholds in corruption and development' (with Emran Haque), Centre for Business Cycle and Growth Research, Manchester University.
- Kneller, R., 'Exporting may not always boost firm productivity' (with David Greenaway & Joakim Gullstrand), Empirical Investigations in International Economics, Ljubljana, Slovenia.
- Kneller, R., 'Do exporters have anything to learn from foreign multinationals?', (with Sourafel Girma & Mauro Pisu), Conference on international mergers and acquisitions, Sorbonne, Paris.
- Kneller, R., 'Industry differences in the effect of export market entry: Learning by exporting?' (with David Greenaway), FIEF, Sweden.
- Kneller, R., 'Exporting and Learning'(with David Greenaway) at University of Birmingham.
- Kneller, R., 'Exporting, Productivity and Agglomeration: A difference in difference analysis of matched firms' (with David Greenaway), Presentation to Department of Trade and Industry, London.
- Kreickemeier, U., 'Fair Wages and Human Capital Accumulation in a Global Economy', CESifo Area Conference on Global Economy, Munich.
- Kreickemeier, U., 'Revenue Neutral Reforms of Trade and Labour Taxes, Second Conference of the RTN 'Trade, Industrialization and Development', Brussels.
- Kreickemeier, U., 'Fair Wages and Human Capital Accumulation in a Global Economy', Midwest International Economics Meetings, Indianapolis.
- Kreickemeier, U., 'Fair Wages, Unemployment and Technological Change in a Global Economy', Goettingen Workshop on International Economics, Goettingen.
- Kreickemeier, U., 'Fair Wages, Unemployment and Technological Change in a Global Economy', Econometric Society North American Summer Meeting, Providence.
- Kreickemeier, U., 'Fair Wages and Human Capital Accumulation in a Global Economy', European Trade Study Group Annual Conference, Nottingham.

- Kreickemeier, U., 'Fair Wages, Unemployment and Technological Change in a Global Economy', European Economic Association Annual Congress, Madrid.
- Kreickemeier, U., 'Fair Wages and Human Capital Accumulation in a Global Economy', German Economic Association Annual Conference, Dresden.
- Maioli, S., 'A Joint Estimation of Markups and Returns to Scale in 30 French Industries: A Structural Approach' presented at European Trade Study Group Annual Conference, Nottingham.
- Maioli, S., 'A Joint Estimation of Markups and Returns to Scale in 30 French Industries: A Structural Approach', EARIE 2004, Berlin.
- Maioli, S., 'A Joint Estimation of Markups and Returns to Scale in 30 French Industries: A Structural Approach', Industrial Organisation, Law and Economics Conference, Greece.
- Maioli, S., 'A Joint Estimation of Markups and Returns to Scale in 30 French Industries: A Structural Approach', Augustin Cournot Doctoral Days, Strasbourg.
- Mukherjee, A., 'Foreign Direct Investment and Export Under Imperfectly Competitive Host-Country Input Market', The Royal Economic Society, Swansea.
- Mukherjee, A., 'Foreign Direct Investment and Export Under Imperfectly Competitive Host-Country Input Market', Scottish Economic Society, Perth, Scotland.
- Mukherjee, A., 'Footloose Multinational and Domestic Cost Efficiency', ETSG, Nottingham.
- Mukherjee, A., 'Foreign Direct Investment Under R & D Competition', Contemporary Issues in Development Economics, Jadavpur University, India.
- Nelson, D., (with C. Davidson and S. Matusz), 'Can Compensation Save Free Trade', Workshop at Catholic University of Leuven.
- Nelson, D., (with D. Greenaway), 'The Distinct Political Economies of Trade and Migration Policy', Kiel Week Conference, Institute fur Weltwirtschaft, Kiel.
- Nelson, D., 'The Political Economy of Antidumping', Murphy Institute/GEP Workshop on 100 Years of Antidumping, Nottingham.
- Nelson, D., (with D. Greenaway), 'Migration in a Globalising World', GES conference on migration, HM Treasury, London.
- Nelson, D., (with Udo Kreickemeier), 'Fair Wages, Unemployment and Technological Change in a Global Economy', Oklahoma University, Norman, Oklahoma.

Upward, R., 'High wage workers and low wage firms: negative assortative matching or statistical artefact?' at European Association of Labour Economists, Universidade Nova de Lisboa.

Upward, R., 'Foreign ownership, wages and worker mobility: what can we learn from linked employer-employee data' at workshop on FDI and International Outsourcing, DIW, Berlin.

Upward, R., 'High wage workers and low wage firms: negative assortative matching or statistical artefact?' at Symposium on multisource databases, Institut für Arbeitsmarkt- und Berufsforschung, Nürnberg.

Wright, P.W., 'Technological Change and Occupational Mobility in the UK and US' University of Sheffield.

Wright, P.W., 'Snakes and Ladders? Skill Upgrading and Occupational Mobility in the US and UK During the 1990's, Royal Economic Society Annual Conference, University of Swansea.

## **APPENDIX 11**

### **Visitors to GEP in 2004**

- March: Professor Carl Davidson, Michigan State University  
Professor Ray Riezman, University of Iowa
- April: Professor Marius Brühlhart, University of Lausanne
- May: Professor Alan Deardorff, University of Michigan  
Dr Sébastien Jean, CEPII (Paris)  
Professor Steve Matusz, Michigan State University  
Professor Beata Smarzynska, The World Bank  
Professor Tony Thirlwall, University of Kent  
Mr Ken Warwick, Department of Trade and Industry
- June: Professor Rod Tyers, Australian National University  
Professor Martin Richardson, Australian National University
- August: Professor Pascalis Raimondos-Møller, University of Copenhagen
- September: Dr Hartmut Egger, University of Zurich  
Professor Peter Egger, University of Munich
- October: Professor Keith Head, University of British Columbia
- December: Professor Jonathan Eaton, New York University

## **APPENDIX 12**

### **Meetings with Policy Making Community**

#### ***Meetings with Department of Trade and Industry***

- 2<sup>nd</sup> February: Holger Görg participated in Offshoring Round Table discussion at DTI.
- 19<sup>th</sup> April: Meeting between GEP Research Fellows and Chris Alexander, Andrew Gibbons, Rosie Jaffer, Stephen Johnston and John Marshall, Department of Trade and Industry to discuss the DTI White Paper on Trade and Investment.
- 21<sup>st</sup> May: David Greenaway involved in DTI Peer Review Panel meeting to review DTI Analytical Paper on Trade and Investment to support the Government's Trade and Investment White Paper.
- 18<sup>th</sup> November: Meeting between Holger Görg and DTI representatives to discuss project on evaluation of DTI business support policies.

#### ***Meetings with UK Trade and Investment***

- 5th November: Richard Kneller participated in a meeting on the UKTI Relative Economic Benefits Project to set the parameters of a study on the relative benefits of FDI versus export promotion policies. Presentations by Ken Warwick, Catherine Connolly, Andrew Gibbons, Heather Booth Di Giovanni, Helen Simpson (IFS) and Mark Casson (University of Reading).

#### ***Meetings with HM Treasury***

- 30<sup>th</sup> March: HM Treasury visit to GEP involving:  
Andrew Gurney, Senior Economic Adviser, Macroeconomic Policy and International Finance Directorate  
Malindi Myers, Asia Branch, Country and Economic Policy Team
- 4<sup>th</sup> and 5<sup>th</sup> August: GEP course on 'Economics of Globalisation' for HM Treasury.

Sessions on:

- Globalisation Patterns and Drivers of Globalisation (David Greenaway)
- Globalisation and Labour Market Adjustment (Alex Hijzen)
- Cross Border Investment and Multinational Enterprises (Holger Görg)
- Trade, Trade Liberalisation and Growth (Chris Milner)

### ***Government Economic Service Conference***

- David Greenaway and Doug Nelson paper on 'International Migration in a Globalising World' presentation at a GES Conference on Migration.

### ***Meeting with Royal Bank of Scotland***

- 21<sup>st</sup> October: Meeting between David Greenaway and Jeremy Peat, Group Chief Economist and Mark Smyth, Economist to discuss GEP's Research Programmes.

### ***Meeting with Forfás and IDA Ireland, Dublin***

- 8<sup>th</sup> July: Holger Görg visited to discuss work on R&D, government support and productivity.

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