



The University of  
**Nottingham**



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

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

## **University of Nottingham**

### **2007 ANNUAL REPORT TO THE LEVERHULME TRUST**

## ACKNOWLEDGEMENTS

This Report pertains to research and outreach activities conducted by the Centre in 2007. All of the activity reported is underpinned by core funding from the Leverhulme Trust under Programme Grants F114/BF and F/00 114/AM, with 2007 being the final year of the former and first year of the latter.

The Leverhulme Trustees have shown great vision in making a long term commitment to building GEP as a national asset and we are immensely grateful for their continued support. We would also like to draw attention to the wise advice proffered by Sir Richard Brook, The Trust's Director and his close interest in the Centre's progress and forward planning.

Finally, we are fortunate in being supported by a Strategic Advisory Board which offers us thoughtful challenge and encouraging support, not least through its Chair, Lord Nicholas Stern.

**LEVERHULME CENTRE FOR RESEARCH ON GLOBALISATION AND  
ECONOMIC POLICY (GEP):  
2007 ANNUAL REPORT TO THE LEVERHULME TRUST**

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## **A. DIRECTOR'S INTRODUCTION**

Preparing our Annual Report for the Leverhulme Trust is always a real pleasure, largely because it offers a splendid opportunity to reflect on a year's activities and achievements. 2007 is no exception. It has been a superb year for GEP and it is satisfying to be able to submit a report which demonstrates our commitment to achieving and sustaining the standards of excellence which the Trustees expect us to realise.

The credibility of any research centre depends first and foremost on the quality of its fundamental research and 2007 has enhanced rather than diminished our credibility, both through our collective published output and the initiation of new projects and strands of work. But of course one also wants to see evidence of impact and some significant progress has been made this year, both in terms of user engagement and broader public awareness. 2007 has also seen us move forward in globalising GEP, with the establishment of a branch of the Centre in Malaysia, at the University of Nottingham's campus near Kuala Lumpur.

All of the activities and achievements set out in this Report are a tribute to the energy and commitment of GEP's research community and the outstanding support provided to it by the Centre Manager, Sue Berry. I am grateful to my colleagues for their many contributions and their collegiality. I am also grateful to the advice and support I receive personally from Sir Richard Brook, Lord Nicholas Stern and the contributors to our Annual Research Retreat.



**Professor David Greenaway,  
Director**

## B. THE GEP RESEARCH PROGRAMMES

GEP's research activities in 2007 were co-ordinated through its four core Programmes of work: *Theory and Methods*; *Globalisation, Productivity and Technology*; *Globalisation and Labour Markets*; and *China and the World Economy*.

### ***Theory and Methods***

The Theory and Methods (TM) Programme's aim is two-fold: the development of theoretical frameworks for understanding and explaining globalisation and the fostering of intellectual links between theoretical and empirical work on globalisation. To ensure that our research is properly informed and underpinned by appropriate theory and methods, in 2007 the TM Programme organised two conferences based on these two aims.

In June 2007 we hosted a two day residential conference on **New Directions in International Trade Theory**. This brought together prominent scholars from across Europe, North America and Asia who presented and discussed their latest research on international trade theory. The papers focused on multilateral trade agreements, market access effects of tariff reforms, international trade and contract enforcement and predictions in static and dynamic trade models. Following a refereeing process, the papers are scheduled to appear in a special issue of *Economic Theory* with the conference organisers Daniel Bernhofen and External Research Fellow Ray Riezman serving as the Journal's Guest Editors.



**Professor Daniel  
Bernhofen  
TM Programme  
Co-ordinator**

In October 2007 the TM Programme organised a one day conference on the theme of **Globalisation and Migration** with the aim of studying migration from a variety of perspectives: empirical, theoretical and historical. Empirical studies focused on topics like the wage and employment effects of migration into Germany, the relationship between employment of immigrants and offshoring by Italian firms, attitudes towards immigrants in Latvia and Ukraine and the role of special interest groups in shaping US immigration policy. A historical paper illustrated the importance of the effects of past immigration on income differences between new immigrants and natives. The theoretical contributions investigated

frameworks to examine the micro and macro welfare effects of country-specific migration programmes and labour market institutions.

On the 'new research' front, theoretical research activities include the modelling of unemployment (Udo Kreickemeier and Hartmut Egger), education policies in open economies (Spiros Bougheas, Richard Kneller and Ray Riezman), environmental regulation (Bouwe Dijkstra, Arijit Mukherjee and Anuj Mathew) and heterogeneous firms in international trade (Rod Falvey, David Greenaway and Zhihong Yu). Empirical research tested various aspects of the neoclassical trade model (Daniel Bernhofen and John Brown).

### ***Globalisation, Productivity and Technology***

The purpose of the **Globalisation, Productivity and Technology** Programme is to help us understand enterprise adjustment to the globalisation process. In particular, research focuses on the role of exporting, foreign direct investment



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

and international outsourcing for firm performance. Research is mainly empirical, applying state-of-the-art econometric methods to large micro level data sets. Much of this work is on the United Kingdom, using official data from the Office for National Statistics or commercial databases. However, our research also looks at other countries to provide a comparative dimension.

2007 saw the formation of the *International Study Group on Exports and Productivity*, with GEP playing a leading role. This brings together experts from 14 countries to conduct comparative evaluations of links between exporting and firm level performance. The group was launched in Spring at a workshop organised by GEP in Nottingham. Since then group members have worked on the project which culminated in a major report using comparable micro level panel data for 14 countries and a set of identically specified empirical models to investigate the relationship between exports and productivity. The overall results are in line with the 'big picture' that is by now familiar from the literature: exporters are more productive than non-exporters when observed and unobserved heterogeneity are controlled for, and these exporter productivity premia tend to increase with the share of exports in total sales. The paper also documents how exporter premia differ across countries in identically specified empirical models. A meta-analysis of the results finds that countries that are more open and have more effective

government report higher productivity premia.

New work linked to this *international comparison project* by Girma, Görg and Hanley investigates the two way relationship between R&D and export activity, comparing Ireland and Great Britain. In particular, it addresses whether R&D stimulates exports and whether export activity leads to increasing innovation. The research finds that previous exporting experience enhances the innovative capability of Irish firms but no strong learning-by-exporting effects are found for British firms. Arguably the differences between Ireland and Britain are attributable to different, cross-country exporting patterns where Irish firms have a greater interface with OECD markets.

A second important initiative has been the analysis of *international outsourcing*, or offshoring, on firm performance. Hijzen, Inui and Todo explore the impact of offshoring on firm productivity, using Japanese firm-level data for the period 1994-2000. They find offshoring generally had a positive effect on productivity growth. The work suggests that a one percent increase in offshoring intensity raises productivity growth by 0.17 percent. For the average offshoring firm this implies a 1.8 percent increase in annual productivity growth. These results do not appear to depend much on either an industry's technological sophistication or a firm's international orientation.

In related work, Görg and Hanley provide an empirical analysis of the links between *international services outsourcing*, wages and innovation using plant level data for Ireland covering the period 2000 to 2004. Somewhat consistent with the predictions of recent theory, they observe a positive relationship between international outsourcing of services and innovative activity, measured in terms of R&D, at the plant level. However, they only find evidence for such positive effects for plants in manufacturing, not in services. Furthermore, this positive effect of international services outsourcing on innovation does not appear to be mediated through wages as suggested by theory.

Offshoring is of course also a highly topical issue in the UK. To address this, GEP researchers Görg, Greenaway and Kneller completed a comprehensive analysis of the *Impact of Offshoring on the UK Economy*. This study was commissioned by Norwich Union and will be published in early Spring 2008.

## ***Globalisation and Labour Markets***

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

Alexander Hijzen, Richard Upward and Peter Wright initiated new work on job creation and destruction for the UK using firm-level data from 1997–2005. They find that firms in services sectors exhibit much higher rates of job creation and slightly higher rates of job destruction than firms in manufacturing. One-third of new jobs are created by the entry of new firms, while half of lost jobs are destroyed by the exit of firms. 'Small' firms account for a disproportionately large fraction of job creation and destruction relative to their share of employment. These authors also provide the first firm-level evidence of the impact of offshoring on the labour market. Using a new dataset, they find no evidence that importing intermediate services is associated with job losses or greater worker turnover.



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

These results are corroborated in work by Hijzen and Swaim using industry data for 17 high income OECD countries. They find that offshoring has no effect or a slight positive effect on sectoral employment. Offshoring within the same industry reduces the labour-intensity of production but does not affect overall employment. Inter-industry offshoring does not affect labour-intensity but may have a positive effect on overall industry employment. These findings suggest that productivity gains from offshoring are sufficiently large that jobs created by higher sales offset jobs lost by relocating production overseas.

Job security is also examined by Upward, Andrews, Bellmann and Schank. They investigate whether workers in foreign-owned establishments face greater insecurity than those in domestic establishments, using linked employer-employee data from Germany. They find that foreign establishments are more likely to close and workers within them more likely to leave their jobs but the effect is quantitatively small. In contrast, foreign-owned establishments which do not export appear to have considerably higher exit and separation rates. They also examine the wage effect of foreign-affiliates in Germany. Using linked employer-employee data allows them to control both for worker- and plant-level unobserved components of earnings which are particularly important for East



Germany. Once they are controlled for the genuine effect of a foreign takeover is small. For West Germany the takeover effect is larger and amounts to 2.7%.

The impact of outsourcing on wages is examined by Görg, Geishecker and Munch. They deploy individual level data sets for the UK, Denmark and Germany and construct comparable measures of outsourcing at the industry level. They find little effect on wages in Denmark. In the UK wages for both high and low skilled workers are reduced by outsourcing to Central and Eastern European Countries (CEECs), while skilled workers benefit in terms of wages from outsourcing to non-CEECs. For Germany the picture is more complex, with high skilled workers being negatively affected from outsourcing to CEECs and low skilled workers adversely affected by outsourcing to non-CEECs.

Paulo Bastos, Udo Kreickemeier and Peter Wright examine how trade liberalisation impacts on collective bargaining outcomes when workers are represented by open shop unions. They find that, with intermediate levels of union density, trade liberalisation may lead to higher negotiated wages, even if no trade occurs. In addition, they show that union wages may be higher with free trade than with no trade. The model is therefore able to accommodate the mixed empirical findings on the impact of product market competition on union wages.

The interaction of unionisation and strategic foreign direct investment is examined by Mukherjee and Suetrong, who investigate how the incentive for a firm to engage in FDI alters under a variety of different union forms and examine the implications that the firm decision has for wages. A standard result in a closed economy is that workers are better off in a centralised union if the substitutability between workers is sufficiently high, since this prevents competition amongst unions. However in an open economy the incentive for outward FDI may be higher under a centralised union than a decentralised one and so workers may be better off in a decentralised union.

Finally, Tom Ivlevs has been examining the migration decision using data from Latvia, which has a large Russian-speaking minority. He finds that the probability of emigration of a Russian-speaker is higher than that of a majority individual, which he explains by linguistic discrimination in the labour market and the desire of the Russian-speaking minority to fulfil their earnings potential.

## ***China and the World Economy***

Two years after the **China and the World Economy** Programme was launched, the research team has expanded significantly. In 2007, two Post-Doctoral Research Fellows, Drs Xufei Zhang and Yundan Gong, and two PhD students were recruited to the programme. In addition, new work on enterprise adjustment to globalisation in China was initiated by Alessandra Guariglia, David Greenaway, Shujie Yao and Zhihong Yu.



**Professor Shujie Yao**  
**CWE Programme**  
**Co-ordinator**

In January 2007, the University of Nottingham established a new School of Contemporary Chinese Studies (SCCS), and Professor Shujie Yao, GEP Internal Research Fellow and Co-ordinator of this Programme, became the founding Head of the new School. This has created a unique opportunity for GEP to exploit synergy with SCCS to significantly strengthen its research capability and linkages with many Chinese academic institutions.

A rich array of current projects are now being supported. These include: export displacement effects of China on Asia's exports led by Greenaway, Milner and Mahabir; impact of environmental regulations on the pattern of China's trade and specialisation led by Milner and Xu; the role of 'lumpiness' in affecting China's pattern of trade led by Milner, Yu and Lu; firm-level analysis of the impact of production subsidies on export activity led by Holger Görg; impacts of privatisation and foreign acquisition on Chinese state-owned enterprises led by Holger Görg; nature and impact of financial constraints on firm behaviour in China led by Alessandra Guariglia; impacts of globalisation on poverty and inequality in China led by Lina Song; impact of FDI on China's regional growth led by Shujie Yao.

During the year there was a significant increase in completed research papers, addressing various aspects of the Chinese economy. For example, Girma, Gong and Görg focused on the linkage between foreign direct investment, access to finance, and innovation activity in Chinese enterprises. Jun Du and Sourafel Girma examined the relation between political connections and the development of start-up companies in China. Du and Girma also investigated whether the source of finance matters for firm growth. Kailei Wei, Shujie Yao and Aying Liu examined whether foreign direct investment caused regional inequality in China. Shujie Yao and Chunxia Jiang studied the effects of governance changes on bank

efficiency in China. Girma, Gong and Görg studied the interface among foreign direct investment, access to finance, and innovation activity in Chinese enterprises.

In April 2007, GEP and SCCS co-hosted the Chinese Economic Association (UK) 18<sup>th</sup> Annual Conference in Nottingham, attracting over 150 China scholars worldwide to Nottingham. Over 120 papers were presented, some of which will be published in two books by Taylor & Francis.

2007 also saw the establishment of academic linkages with Tsinghua University, Xi'an Jiao Tong University, Fudan University, Zhejiang University, Chongqing University, Beijing University and the Academy of Social Sciences in China; with WIDER (World Institute of Development Economic Research) in Helsinki, Nihon University in Japan and City University in Hong Kong. GEP's Internal Research Fellows presented papers at many conferences organised by the aforementioned institutions.

The rise of China over the last three decades has shaken the world. Researchers and policy makers need to have a thorough understanding of China's role in the world economy in order to benefit from the huge opportunities and to face up to the critical challenges created by China's rapid growth. GEP is geared up to this challenge and opportunity by further increasing its research to understand contemporary China and disseminate its outputs to the academic as well as policy communities. In 2008, China will have completed its 30 years of economic reforms, GEP will work with SCCS to organise a major conference to celebrate China's 30 years of reform and attract many China scholars to Nottingham to exchange research ideas and share research results.

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

With a core of 26 Internal Research Fellows, GEP remains one of the largest clusters of economists worldwide working on economic aspects of globalisation. Seven of these are full time Post Doctoral Research Fellows, the remainder are tenured Faculty at the University of Nottingham mainly from the School of Economics but also including researchers from the School of Contemporary Chinese Studies and School of Sociology and Social Policy.

As always, we have seen turnover among our Post Docs. Paulo Bastos joined the European Commission, Ben Ferrett took up a lectureship at Loughborough University and Joana Silva won a place on the World Bank's Young Professionals Programme. Four new Post Docs joined the Centre: Liza Jabbour (from the Sorbonne); Tom Ivlevs (from Aix en Marseille); Yundan Gong (from Nottingham University Business School); and Xufei Zhang (from the GEP PhD Programme).

Sourafel Girma, a former Post Doc in GEP and now a Professor of Industrial Economics at Nottingham University Business School rejoined the Centre as an Internal Research Fellow.

### ***GEP Internal Research Fellows***

Professor David Greenaway (Director)	Professor of Economics
Dr Marta Aloi	Lecturer in Economics
Dr Paulo Bastos	ESRC Research Fellow
Professor Daniel Bernhofen	Leverhulme Professor of International Economics
Dr Spiros Bougheas	Associate Professor in Economics
Professor Richard Cornes	Professor of Economic Theory
Dr Agelos Delis	Research Fellow
Dr Bouwe Dijkstra	Lecturer in Economics
Professor Rod Falvey	Professor of International Economics
Dr Ben Ferrett	Research Fellow
Dr Switgard Feuerstein	EU Marie Curie Research Fellow
Professor Sourafel Girma	Professor of Industrial Economics
Dr Holger Görg	Associate Professor and Reader in Economics
Dr Alessandra Guariglia	Associate Professor and Reader in Economics
Dr Yundan Gong	Research Fellow
Dr Tom Ivlevs	Research Fellow
Dr Liza Jabbour	Research Fellow
Dr Richard Kneller	Associate Professor in Economics
Dr Udo Kreickemeier	Associate Professor in Economics
Professor Chris Milner	Professor of International Economics
Dr Arijit Mukherjee	Associate Professor and Reader in Economics
Professor Doug Nelson	Professorial Research Fellow
Dr Joana Silva	ESRC Research Fellow
Professor Lina Song	Professor of China Studies
Dr Richard Upward	Associate Professor in Economics
Dr Peter Wright	Associate Professor and Reader in Economics
Professor Shujie Yao	Professor of Economics and Chinese Sustainable Development
Dr Zhihong Yu	RCUK Research Fellow
Dr Xufei Zhang	Research Fellow

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

From its inception, GEP has regarded development of research capacity in International Economics as a priority, not only in developing sustainability at Nottingham but also in increasing the supply of PhD graduates and Post Docs in this area. 2007 has again seen us make a significant contribution in respects:

- Five more GEP PhD students graduated successfully;
- Six GEP Post Docs and PhD students took up positions in both academia and in the policy making community;
- Having piloted a visiting PhD scholars scheme in 2006, we extended that this year and sponsored students from Lund, Nankai and Tübingen to spend a semester or year in GEP;
- Our annual Postgraduate Conference attracted 24 visiting participants from 12 countries;
- Most of our PhD students and Post Docs received support to participate in/speak at major national and international conferences;
- Finally, it is noteworthy that two of GEP's first cadre of Post Docs have this year been appointed to full Professorships: Sourafel Girma at the Nottingham University Business School and Holger Görg at the Institut für Weltwirtschaft, University of Kiel.

The potential establishment of GEP at both of the University of Nottingham's overseas campuses (in China and Malaysia) will offer further distinctive opportunities for capacity building.

## **E. GEP EXTERNAL FELLOWS AND VISITORS**

Part of GEP's vitality derives from its network of External Research Fellows and steady stream of high calibre visitors. There are a total of 32 in the former group, many of whom are also regular visitors. Our most longstanding ERFs have built enduring research collaborations with Internal Research Fellows; they help shape our strategic thinking and regularly participate in our conferences and seminars. They undoubtedly add significant value to what we do.

The full list of current GEP External Research Fellows is set out below and the complete list of our 2007 visitors is reported in Appendix 10.

### ***GEP External Research Fellows***

Professor Bruce Blonigen, University of Oregon  
Professor John Brown, Clark University  
Professor Marius Brühlhart, University of Lausanne  
Professor Paul Collier, University of Oxford  
Professor Carl Davidson, Michigan State University  
Professor Alan Deardorff, University of Michigan  
Dr Hartmut Egger, University of Zurich  
Professor Peter Egger, University of Munich  
Dr Robert Elliott, University of Birmingham  
Professor Simon Evenett, University of St Gallen  
Dr Ben Ferrett, Loughborough University  
Dr Joakim Gullstrand, Lund University  
Professor Jonathan Haskel, Queen Mary and Westfield College  
Dr Alex Hijzen, OECD Paris  
Dr Beata Javorcik, University of Oxford  
Professor Wolfgang Keller, University of Colorado at Boulder  
Professor Wilhelm Kohler, Eberhard Karls University, Tübingen  
Dr Maurice Kugler, University of Southampton  
Professor Steven Matusz, Michigan State University  
Dr Daniel Mirza, University of Rennes  
Dr Catia Montagna, University of Dundee  
Dr Mauro Pisu, National Bank of Belgium  
Professor Pascal Raimondos-Møller, Copenhagen Business School  
Professor Ray Riezman, University of Iowa  
Dr Fredrik Sjöholm, Research Institute of Industrial Economics, Stockholm  
Professor Constantinos Syropoulos, Drexel University  
Professor Mathew Tharakan, University of Antwerp  
Professor Vitor Trindade, University of Missouri  
Professor Jim Tybout, Penn State University  
Professor Rod Tyers, Australian National University  
Professor Hylke Vandenbussche, Catholic University of Leuven  
Professor Ian Wooton, University of Strathclyde  
Dr Zhihao Yu, Carleton University

## **F. GLOBALISING GEP**

Since its creation, GEP's activities have been globalised, in the sense that we have consistently brought researchers from overseas to Nottingham and supported our researchers to make overseas visits. The consequence of this has not only been greater visibility for GEP and its activities but also enduring

collaborative research and involvement in key global networks. Outputs from these linkages are evident in a number of this Report's appendices.

We will continue to invest in moving people to and from GEP internationally. In addition however, in 2007 we took the first steps on a further plank to globalising GEP, by creating a branch of the Centre at the University of Nottingham's Campus in Malaysia. This has been done on a pilot basis and with a modest investment by the University. Prospects already look sufficiently promising however to have changed the scale of our ambition, not only in relation to Malaysia, but also at the University of Nottingham Ningbo Campus in China. In 2008 we will be seeking further investment from the Trust to deliver this ambition.

## **G. PUBLISHED OUTPUT IN 2007**

As always, most of GEP's scientific output is published initially through the *GEP Research Papers Series*. In all, 45 new papers were put into the public domain on an open access basis. (The full list is set out in Appendix 1.) As in previous years, we have tracked downloads and the Series continues to generate heavy traffic and its papers are widely cited.

*GEP Research Papers* are a means to an end rather than an end in themselves and, following comment and feedback, are generally submitted to peer reviewed journals. This year's outputs from Internal Research Fellows are listed in Appendix 2. We encourage GEP researchers to aim high and many of this year's published papers are in leading general journals such as the *Economic Journal* and *European Economic Review* and the top field journals, *Journal of International Economics*, *Journal of Development Economics* and *Review of International Economics*.

The *GEP Newsletter* continues to be published on a quarterly basis, providing features on *Leverhulme Globalisation Lectures*, reviewing research underway, showcasing events and reporting 'news'. For most of 2007 this was edited by Joana Silva, with responsibility passing to Zhihong Yu in October.

## H. CONFERENCES AND SEMINARS

### *Conferences Hosted*

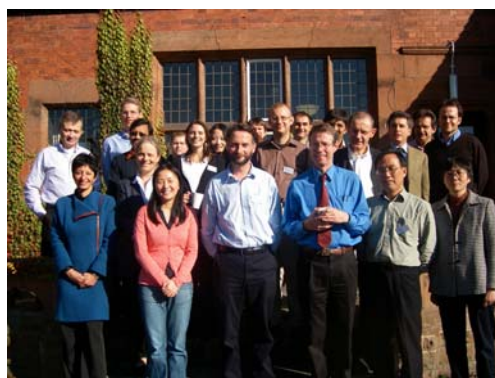
In 2007 we hosted eight conferences: six in Nottingham, one in Venice and one in New Orleans. Four of these were joint events with other Centres or networks. Details of these Conference programmes are set out in Appendices 3, 4, 5 and 6.

Four academic conferences were held in Nottingham. In March, we hosted the inaugural meeting of the 'International Productivity Comparisons Group'. This was initiated by Joachim Wagner of Lüneburg University, for the purpose of undertaking cross-country evaluations of exports and productivity linkages across fourteen countries on a consistent basis. The event has not only generated the first cross-country comparison of these links with a common experimental frame (published as *GEP Research Paper 07/41*); it has also stimulated further work and preparation for EU FP7 support.

In April we co-sponsored, with SCCS, the 18<sup>th</sup> Annual Conference of the Chinese Economic Association (UK) at Nottingham. This attracted a record number of delegates and included a number of papers by GEP researchers.

Each June we host a residential conference and the theme this year was 'New Directions in Trade Theory' convened by Daniel Bernhofen and Ray Riezman. As always, this attracted a high calibre line-up of speakers and discussants and, following refereeing, papers will be published as a Special Issue of *Economic Theory*.

In November, Daniel Bernhofen and Giovanni Facchini convened a conference on 'Globalisation and Migration', an area of growing public interest. Delegates from a number of countries participated and new work on both theoretical and empirical aspects of increasing international migration was presented.



**Globalisation and Migration  
Conference Participants**



Two GEP Conferences were held at venues other than Nottingham: in April we co-convened an interdisciplinary conference with the Murphy Institute of Political Economy at Tulane University on 'The New Political Economy of Globalisation'. This was held in New Orleans and is the fifth joint event we have convened with the Murphy Institute. In July we held our first joint conference with CESifo of Munich. This was convened by Peter Egger and David Greenaway, on the theme of 'Aggregate Shocks and Heterogeneous Firm Models', and was held as part of the CESifo Venice Summer Institute.



**Sebastian Krautheim receiving  
'Best Paper' award from  
Daniel Bernhofen**

Our sixth Annual GEP Postgraduate Conference was held in Nottingham in March, convened by Paulo Bastos and Zhihong Yu. This has matured to become one of the premier events available to research students and attracted a record number of submissions from a record number of countries. This is now a two-day residential event. The Best Paper Prize was won by Sebastian Krautheim of the European University Institute, Florence.

Last, but not least, we held our second 6<sup>th</sup> Form Schools Conference in June. Following the success of our inaugural event in 2006, we upscaled, but still had a reserve list! The event included presentations from leading GEP researchers as well as an international trade game which had students 'learning by doing'. This has proven to be a very welcome development for 6<sup>th</sup> Form students and their teachers and has quickly become embedded as a core GEP event.

## ***Seminars***

GEP hosts at least one seminar per week. In total, in 2007, there were 32 seminars. Most are given by visiting speakers from elsewhere in the UK and overseas (25 out of 32) but we do reserve a number of slots for Internal Research Fellows to receive feedback on work in progress or to expose new ideas/new proposals for initial debate and discussion.

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

GEP researchers are routinely invited to present their work at other leading centres, both in the UK and overseas. Moreover, they are also routinely placed on the profession's leading conferences. 2007 was another very good year in this respect, as Appendix 9 shows. Work was presented at *inter alia*, the Annual Conferences of the American Economic Association, European Economic Association, European Trade Study Group, Mid West International Economics Meetings and Royal Economic Society. It is pleasing to note that programmes featured our PhD Students as well as established researchers.

### **I. GEP PUBLIC LECTURES**

Public Lectures are a vital element of GEP's broader outreach strategy. We now have three series embedded as part of our annual cycle of activities: *Leverhulme Globalisation Lectures*; *The World Economy Annual Lecture*; and the *Nottingham Lectures in International Economics*.

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

Our *Leverhulme Globalisation Lectures* run on a quarterly basis and are generally presented by major analysts and commentators from the media and policy-making community. It is a consistently well attended series, drawing in participants not only from the broader University community but also from the region more widely. The 2007 series was launched by



**Paul Collier**



**Martin Wolf**

Martin Wolf, Economics Editor at *The Financial Times*, whose focus was 'The Rise of the Asian Giants: India and China Compared'. In October, Paul Collier of The World Bank and University of Oxford presented a lecture on his influential book '*The Bottom Billion*', which offers an authoritative analysis of the economic environment in the world's poorest and slowest growing countries, particularly those in Sub-Saharan Africa, and what can be done to change their lot. By

contrast, in the final Lecture of the Series, David Smith, Economics Editor of *The Sunday Times*, concentrated on the world's fastest growing countries, China and India. In his Lecture 'The Dragon and the Elephant: China, India and the New World Order', he evaluated the drivers behind the emergence of these two economic superpowers and the prospects for their sustainable development.



**David Smith**

### ***The World Economy Annual Lecture***



**Dani Rodrik**

This prestigious lecture has been hosted by GEP since 1998. It always attracts speakers with the highest international visibility and 2007 was no exception, with the Lecture being given by Professor Dani Rodrik of Harvard University. His theme was 'Saving Globalisation from its Cheerleaders', in which he emphasised the risks associated with 'too much' globalisation in constraining the policy space available to national governments, arguing that this could ultimately trigger an anti-globalisation backlash.

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

The audience for this series is more restricted, since it is intended as a 'masterclass' series for graduate students and faculty. Nonetheless, it is public in the sense that the Lectures are open to participants from other Universities. The 2007 series was given by Professor James Markusen of the University of Colorado at Boulder. His theme was Multinational Firms. Over the series, he covered 'Interacting Factor Endowments and Trade Costs', 'Teaching the Locals New Tricks: The Effects of Foreign Firms and Foreign Experts on Domestic Wages and Productivity' and 'Offshoring and Outsourcing of Business Services; Lessons from the Modern Theory of the Multinational Enterprise'. As in past years, the series added significant value and helped enrich the work of both faculty and research students.



**James Markusen**

## J. OUTREACH AND USER MANAGEMENT

In addition to a number of outreach initiatives (such as our public lectures) recorded elsewhere in this Report, we ensured that regular engagement with the policy-making and business communities took place. Our liaisons over the year are set out in Appendix 11.

These engagements are an important part of our annual cycle of activities: they help with our agenda setting and appraisal of outgoing activities and they assist informing debates and dialogues in policy and business fora. As can be seen from Appendix 11, in addition to a number of Government Departments, we also engaged with several Central Banks and major consumers of research in the private sector.

Our other 'window' to the policy making community is through our network of *GEP Policy Associates* who regularly contribute to our activities through participation in Conferences and Workshops, agenda-setting and features for the *GEP Newsletter*.

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

Mary Amiti, International Monetary Fund  
Kym Anderson, The World Bank  
Bob Anderton, European Central Bank  
Heather Booth di Giovanni, UK Trade and Investment  
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  
Andrew Gurney, HM Treasury  
Tim Harcourt, Australian Trade Commission  
Bernard Hoekman, The World Bank  
Sébastien Jean, French Institute for Agronomic Research  
Nannan Lundin, Organisation for Economic Co-operation and Development  
John Martin, Organisation for Economic Co-operation and Development  
Ken Warwick, Department for Business, Enterprise and Regulatory Reform

## **K. GEP IN THE NEWS**

GEP engages extensively with the policy making community and invests in broader public awareness activities through its Public Lectures and Schools Conferences. Much of this, and indeed our more fundamental research activity, is 'newsworthy'. But of course, preparing briefs, for wider circulation is not the comparative advantage of academics!

To address this, we engaged Martin Stott, a former BBC journalist, on a part-time basis. As well as providing general advice to GEP Research Fellows, Martin has prepared high quality media briefs on research of broader public interest, helped re-design the *GEP Newsletter* and improved communication with the print, broadcast and on-line media communities. As a consequence, GEP's research and outreach activities have featured more prominently in national and regional newspapers, national and international broadcasts and on a range of on-line news sites. Further details of this activity can be accessed at the Press Centre on the GEP web site.

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

Professor David Greenaway, as founding Director of GEP, has day-to-day responsibility for the Centre's resource base, Research Programmes and outreach activities. Operational support is provided by the Centre Manager, Ms Susan Berry and by Mrs Emma Batchford. Operational and strategic advice is provided by the GEP Management Board which meets monthly, is chaired by Professor Greenaway and includes: Professor Daniel Bernhofen, Ms Sue Berry, Professor Chris Milner, Dr Richard Upward, Professor Shujie Yao and Dr Zhihong Yu. Annual scrutiny of the Centre is provided by the School of Economics Research Committee and by External Advisers at the annual GEP Research Retreat. Financial support is provided both by the School of Economics Finance Advisor and the University's Research Innovation Services.

Finally, Professor Greenaway retains a direct reporting line to Sir Richard Brook at the Trust and Sir Richard is also a Member of the Centre's Strategic Advisory Board.

## M. FORWARD LOOK TO 2008

GEP has accelerated momentum moving into 2008, which promises to be an even fuller and more productive year than 2007. Upcoming highlights include the following:

- Commitment to our current *Research Programmes* will be sustained, with further investment in two new Post Docs in early 2008;
- Following lengthy appraisal, including review at the Research Retreat and consultation with the Strategic Advisory Board, we hope to initiate an innovative new Programme on *Globalisation and Development* which will take full advantage of the University's campuses in China and Malaysia;
- In January we will hold a launch conference in Kuala Lumpur on 'Asia and Globalisation' as part of the process of *Globalising GEP*;
- *GEP Conferences* at Nottingham will include a major international conference on 'Offshoring', our 7<sup>th</sup> Annual Postgraduate Conference and two Schools Conferences;
- *GEP Public Lectures* will include *Leverhulme Globalisation Lectures* by Hamid Mughal (Rolls-Royce), Danny Blanchflower (Bank of England Monetary Policy Committee) and Martin Wolf (*The Financial Times*). *The World Economy Annual Lecture* will be given by Elhanan Helpman (Harvard University) and *The Nottingham Lectures in International Economics* by Robert Feenstra (University of California, Davis).

## APPENDIX 1

### *GEP Research Papers published in 2007*

- 2007/01 Alex Hijzen, Richard Upward and Peter Wright 'Job Creation, Job Destruction and the Role of Small Firms: Firm-Level Evidence for the UK'
- 2007/02 Daniel M. Bernhofen 'On the Magic Behind David Ricardo's Four Mystical Numbers'
- 2007/03 Holger Görg, Hassan Molana and Catia Montagna 'Foreign Direct Investment, Tax Competition and Social Expenditure'
- 2007/04 Richard Kneller and Mauro Pisu 'The Returns to Exporting: Evidence from UK Firms'
- 2007/05 Dermot Leahy and Catia Montagna 'Make-or-Buy' in International Oligopoly and the Role of Competitive Pressure'
- 2007/06 Paulo Bastos and Manuel Cabral 'The Dynamics of International Trade Patterns'
- 2007/07 Richard Kneller 'Exporters and International Knowledge Transfer: Evidence From UK Firms'
- 2007/08 Martyn Andrews, Lutz Bellmann, Thorsten Schank and Richard Upward 'The Takeover and Selection Effects of Foreign Ownership in Germany : An Analysis Using Linked Worker-Firm Data'
- 2007/09 Andrew Burke, Holger Görg and Aoife Hanley 'The Impact of Foreign Direct Investment On New Firm Survival in the UK : Evidence For Static v. Dynamic Industries'
- 2007/10 David Greenaway, Joakim Gullstrand and Richard Kneller 'Live or Let Die? Alternative Routes to Industry Exit'
- 2007/11 Daniel M. Bernhofen 'Predicting the Factor Content of Foreign Trade: Theory and Evidence'
- 2007/12 Richard Kneller and Mauro Pisu 'Export Barriers: What Are They and Who Do They Matter To?'
- 2007/13 David Greenaway, Richard Kneller and Xufei Zhang 'Exchange Rates and Exports: Evidence from Manufacturing Firms in the UK'

- 2007/14 Alexander Hijzen, Tomohiko Inui and Yasuyuki Todo 'Does Offshoring Pay? Firm-Level Evidence From Japan'
- 2007/15 Roberto Alvarez and Holger Görg 'Multinationals as Stabilizers?: Economic Crisis and Plant Employment Growth'
- 2007/16 Holger Görg, Oliver Morrissey and Manop Udomkerdmongkol 'Investment and Sources of Investment Finance in Developing Countries'
- 2007/17 Peter Egger and Douglas Nelson 'How Bad is Antidumping?: Evidence from Panel Data'
- 2007/18 Sourafel Girma, Holger Görg and Aoife Hanley 'R&D and Exporting: A Comparison of British and Irish Firms'
- 2007/19 Shujie Yao and Chunxia Jiang 'The Effects of Governance Changes on Bank Efficiency in China: A Stochastic Distance Function Approach'
- 2007/20 Marta Aloi, Manuel Leite-Monteiro and Teresa Lloyd-Braga 'Unions and Globalisation'
- 2007/21 Arijit Mukherjee and Kullapat Suetrong 'Privatisation, strategic foreign direct investment and the host country welfare'
- 2007/22 Arijit Mukherjee and Kullapat Suetrong 'Unionisation structure and strategic foreign direct investment'
- 2007/23 Pedro Moncarz and Michael Bleaney 'Trade Liberalization and the Spatial Distribution of Economic Activity Within A Country'
- 2007/24 Alexander Hijzen and Paul Swaim 'Does Offshoring Reduce Industry Employment?'
- 2007/25 Rod Falvey, David Greenaway and Zhihong Yu 'Market Size and the Survival of Foreign-Owned Firms'
- 2007/26 Jürgen Bitzer, Ingo Geishecker and Holger Görg 'Productivity spillovers through vertical linkages: Evidence from 17 OECD countries'
- 2007/27 Pedro E. Moncarz and Marcel Vaillant 'MERCOSUR's role on the regional patterns of imports of its country members: a dynamic panel data approach'
- 2007/28 Mirabelle Muûls and Mauro Pisu 'Imports and exports at the level of the firm: Evidence from Belgium'



- 2007/29 Rod Falvey and Udo Kreickemeier 'Tariff Reforms with Rigid Wages'
- 2007/30 Paulo Bastos, Udo Kreickemeier and Peter Wright 'Oligopoly, open shop unions and trade liberalisation'
- 2007/31 Roger Bandick 'Multinationals and plant survival in Swedish manufacturing'
- 2007/32 Kailei Wei, Shujie Yao and Aying Liu 'Foreign direct investment and regional inequality in China'.
- 2007/33 Maria Garcia-Vega and Alessandra Guariglia 'Volatility, financial constraints and trade'
- 2007/34 Rod Falvey, David Greenaway and Joana Silva 'Trade Liberalisation and Human Capital Adjustment'
- 2007/35 Roger Bandick and Patrik Karpaty 'Foreign Acquisition and Employment Effects in Swedish Manufacturing'
- 2007/36 Martyn Andrews, Lutz Bellmann, Thorsten Schank, and Richard Upward 'Foreign-owned Plants and Job Security'
- 2007/37 Alex Hjiizen, Mauro Pisu, Richard Upward, and Peter Wright 'Employment, Job Turnover and the Trade in Producer Services: Firm-level Evidence'
- 2007/38 Richard Upward and Peter Wright 'Snakes or Ladders? Skill Upgrading and Occupational Mobility in the US and the UK during the 1990s'
- 2007/39 Jun Du and Sourafel Girma 'Does the Source of Finance Matter for Firm Growth? Evidence from China'
- 2007/40 Jun Du and Sourafel Girma 'Red Capitalists: Political Connections and the Growth and Survival of Start-up Companies in China'
- 2007/41 The International Study Group on Exports and Productivity (led by Professor Joachim) 'Exports and Productivity – Comparable Evidence for 14 Countries'
- 2007/42 Ingo Geishecker, Holger Görg and Jakob Roland Munch 'Do Labour Market Institutions Matter? Micro-level Wage Effects of International Outsourcing in Three European Countries'
- 2007/43 Holger Görg and Aoife Hanley 'International Services Outsourcing and Innovation: An Empirical Investigation'

## APPENDIX 2

### *Published Output of Internal Fellows in 2007*

#### *Papers in Refereed Journals*

- Aloi, M.** (with L. Lasselle) 'Growth and welfare effects of stabilizing innovation cycles', *Journal of Macroeconomics*, Vol 29, 2007, pp. 806-823.
- Bastos, P.** (with M. Cabral) 'The Dynamics of International Trade Patterns', *Review of World Economics/ Weltwirtschaftliches Archiv*, Vol 143, 2007, pp. 391-415.
- Bougheas, S.** (with R. Riezman) 'Trade and distribution of human capital', *Journal of International Economics*, Vol. 73, 2007, pp. 421-433.
- Cornes, R.** (with R. Hartley) 'Aggregative Public Good Games', *Journal of Public Economic Theory*, Vol 9, 2007, pp. 201-219.
- Cornes, R.** (with R. Hartley) 'Weak links, good shots and other public good games: Building on BBV', *Journal of Public Economics*, Vol 91, 2007, pp. 1684-1707.
- Dijkstra, B.** 'An investment contest to influence environmental policy', *Resource and Energy Economics* Vol. 29, 2007, pp. 300-324.
- Dijkstra, B.** 'Samaritan vs rotten kid: Another look', *Journal of Economic Behavior and Organization* Vol. 64, 2007, pp. 91-110.
- Falvey, R. E., D. Greenaway and Z. Yu,** 'Market Size and the Survival of Foreign-owned Firms', *Economic Record*, Vol 83, pp. s23-s34
- Falvey, R.E., and D. Greenaway** (with N. Foster) 'Relative Backwardness, Absorptive Capacity and Knowledge Spillover' *Economic Letters*, Vol. 79, 2007, pp. 230-234
- Girma, S.** (with A. Kedir), 'Quadratic Engel Curves with Measurement Error: Evidence from a Budget Survey', *Oxford Bulletin of Economics and Statistics*, Vol 69, 2007, pp. 123-138
- Girma, S.** (with J. Du), 'Finance and Firm Export in China', *Kyklos*, Vol 60, (1), 2007, pp. 37-54.
- Girma, S.** (with K. Wakelin), 'Local Productivity Spillovers from Foreign Direct Investment in the U.K. electronics industry', *Regional Science and Urban Economics*, Vol 37, 2007, pp. 399-412.
- Girma, S. and Gong, Y.** 'Putting People First? Chinese State-owned Enterprises Adjustment to Globalisation', *International Journal of Industrial Organization* Online at: <http://dx.doi.org/10.1016/j.ijindorg.2007.04.003>
- Girma, S. and Görg, H.** 'Evaluating the foreign ownership wage premium using a difference-in-differences matching approach' *Journal of International Economics*, Vol. 72, 2007, pp. 97-112
- Girma, S. and Görg, H.** 'Multinationals' productivity advantage: Scale or

- technology?' *Economic Inquiry*, Vol. 45, 2007, pp. 350-362.
- Girma, S. and Görg, H.** 'The role of the efficiency gap for spillovers from FDI: Evidence from quantile regressions' *Open Economies Review*, Vol. 18, 2007, pp.215-232.
- Girma, S. and Görg, H.** (with E. Strobl), 'The effect of government grants on plant level productivity' *Economics Letters*, Vol. 94, 2007, pp. 439-444.
- Girma, s. and Görg, H.** (with E. Strobl), 'The effect of government grants on plant survival: A micro-econometric analysis' *International Journal of Industrial Organization*, Vol. 25, 2007, pp. 701-720.
- Girma, S. and Kneller, R.**, 'Productivity levels and dynamics: UK service sector firms 1988-98', *Scottish Journal of Political Economy*, Vol. 52, 2007, pp. 736-746.
- Girma, S. and Kneller, R.** (with M. Pisu), 'Do exporters have anything to learn from foreign multinationals?', *European Economic Review*, Vol. 51, 2007, pp. 993-1010
- Girma, S. and Wright, P.** (With S.Thompson.), 'Corporate Governance Reforms and Executive Compensation Determination: Evidence from the UK', *The Manchester School*, Vol. 75 2007, pp. 65-81.
- Girma, S. and Wright, P.** (With S.Thompson.), 'The Impact of Merger Activity on Executive Pay in the United Kingdom', *Economica*, Vol. 73, 2006, pp. 321-339.
- Gong, Y., H. Görg** (and S. Maioli), 'Employment effects of privatisation and foreign acquisition of Chinese state-owned enterprises', *International Journal of the Economics of Business*, Vol 14, 2007, pp. 197-214
- Görg, H.** (with E. Strobl), 'The effect of R&D subsidies on private R&D' *Economica*, Vol. 74, 2007, pp. 215-234.
- Görg, H.** (with E. Strobl and F. Walsh), 'Why do foreign firms pay more? The role of on-the-job training' *Review of World Economics / Weltwirtschaftliches Archiv*. Vol. 143, 2007, pp. 464-482.
- Greenaway, D.** (with **H. Egger** and **P. Egger**), 'Intra-Industry Trade with Multinational Firms', *European Economic Review*, Vol. 51, 2007, pp. 1959-1984.
- Greenaway, D., A Guariglia and R Kneller**, 'Financial Factors and Exporting', *Journal of International Economics*, Vol. 73, 2007, pp. 377-395.
- Greenaway, D. and R. Kneller**, 'Firm heterogeneity, exporting and foreign direct investment', *Economic Journal*. Vol. 117, pp. F134-161
- Greenaway, D. and R. Kneller**, 'Industry differences in the effect of export market entry: learning by exporting?', *Review of World Economics/Weltwirtschaftliches Archiv*. Vol. 143, 2007, pp. 416-432
- Greenaway, D.** (with D. Sapsford and S. Pfaffenzeller), 'Foreign Direct Investment, Export Performance and Trade Liberalisation', *The World Economy*, Vol 30, 2007, pp. 197-210.
- Greenaway, D.** (with N. Winchester), 'Rising Wage Inequality and Capital-Skill Complementarity', *Journal of Policy Modelling*, Vol. 29, 2007, pp. 41-54.

- Guariglia, A** (with P. Basu), 'Foreign Direct Investment, Inequality and Growth', *Journal of Macroeconomics*, Vol 29, 2007, pp. 824-839..
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- Kneller, R.**, 'No miracles here: trade policy, fiscal policy and economics growth' *Journal of Development Studies*, Vol. 43, 2007, pp. 1248.
- Kneller, R.** (with S. Freille and E. Haque), 'A contribution to the empirics of press freedom and corruption', *European Journal of Political Economy*. Vol. 23, 2007, pp. 838-862
- Kneller, R.** (with M. Pisu), 'Industrial linkages and export spillovers from FDI', *The World Economy*, Vol. 30, pp. 105-134.
- Milner, C.** (with V. Tandrayen), 'The impact of exporting and export destination on manufacturing wages: evidence from sub-Saharan Africa', *Review of Development Economics*, Vol 11, 2007, pp. 13-30.
- Mukherjee, A.** 'Note on a generalized wage rigidity result', *Economics Bulletin*, Vol 10, 2007, pp. 1-9.
- Mukherjee, A.** 'Optimal licensing contract in an open economy', *Economics Bulletin*, Vol 12, 2007, pp. 1-6.
- Mukherjee, A.** (with U. Broll), 'Welfare effects of foreign direct investment: cost saving vs. signaling', *Journal of Economics (Zeitschrift für Nationalökonomie)*, Vol 90, 2007, pp. 29-43.
- Mukherjee, A.** (with C. Davidson), 'Horizontal mergers with free entry', *International Journal of Industrial Organization*, Vol 25, 2007, pp. 157-172.
- Mukherjee, A.** (with A. Ray), 'Patents, imitation and welfare', *Economics of Innovation and New Technology*, Vol 16, 2007, pp. 227-36.
- Mukherjee, A.** (with A. Ray), 'Strategic outsourcing and R&D in a vertical structure', *The Manchester School*, Vol 75, 2007, pp. 297-310.
- Mukherjee, A.** (with U. B. Sinha), 'Welfare-reducing Domestic Cost Reduction', *Review of International Economics*, Vol 15, 2007, pp. 294-301.
- Mukherjee, A.** (with U. B. Sinha), 'Knowledge diffusion under patent with asymmetric firms', *Economics Bulletin*, Vol 12, 2007, pp. 1-6.
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- Song, L.** (with S. Appleton), 'China's Socio-political Instability: An Empirical Inquiry', *China Economics Quarterly*, Vol. 16, 2007, pp. 1339-1358.
- Song, L.** (with S. Appleton, J. Knight, Q. Xia), 'Determinants of urban unemployment duration: semi-parametric analysis', *China Labour Economics*, Vol. 3, 2007, pp. 3-23
- Upward, R.** (with M. Andrews and T. Schank), 'Practical Estimation Methods for Linked Employer-employee data', *The Stata Journal*, Vol 6, pp. 461-481.
- Wright, P.** (with D. Vencappa and C.R. Milner), 'Trade Policy and Productivity Growth in Indian Manufacturing', *The World Economy*, Vol. 30, pp. 249-266.

- Yao, S.** (with Z. Han and G. Feng), 'On technical efficiency of Chinese insurance industry, a DEA approach', *China Economic Review*. Vol. 18, pp. 66-86.
- Yao, S.** (with C. Jiang, G. Feng and D. Willenbockel), 'On the efficiency of Chinese banks and WTO challenges', *Applied Economics*. Vol. 39, pp. 629-643.
- Yao, S.** (with K. Wei), 'Economic growth in the presence of FDI from a newly industrialising economy's perspective', *Journal of Comparative Economics*, Vol. 35, Issue 1, 2007, pp. 211-234.

### ***Chapters in Books and Reports***

- Görg, H.** (with I. Geishecker and D. Taglioni) 'Going Global: Internationalisation of production and performance in euro area firms', in di Mauro, F, W. McKibbin and S. Dees (eds.) *Globalisation, Regionalism and Economic Interdependence*, Cambridge University Press.
- Görg, H** 'Productivity spillovers from multinational companies' in C. Aylward and R. O'Toole (eds.) *Perspectives on Irish Productivity*, Forfás, Dublin, pp. 240-252
- Milner, C.** (with M. O. Morrissey and A. D. McKay), 'A critical assessment of proposed EU-ACP Economic Partnership Agreements' in A. Mold (ed) *EU Development Policy in a Changing World*, Amsterdam University Press.
- Milner, C.** 'An assessment of the overall implementation and adjustment costs for ACP countries of Economic Partnership Agreements with the EU', in R. Grynberg and S. Bilal (eds) *Navigating New Waters: A Reader on ACP-EU Relations*, London, Commonwealth Secretariat.
- Milner, C.**, (with E. Zgovu), 'Implications of WTO Multilateral Liberalisation of Non-Agricultural Products and Economic Partnership Agreement with the EU for East African Community Countries', Report prepared for the International Lawyers and Economists Against Poverty (ILEAP), Canada.
- Milner, C.**, 'Review of the Structure of Commonwealth Trade and Scope for Developing Linkages and Trade in the Commonwealth', Report to the Commonwealth Secretariat.
- Song, L.** (with John Knight), 'China's Emerging Wage Structure, 1995-2002' in B. Gustafsson, L. Shi and T. Sicular (ed.) *Inequality and Public Policy in China*, Cambridge University Press.
- Song, L.** (with S. Appleton), 'The Myth of the New Urban Poverty in China: 1998-2002', in J. Logan (ed) *Urban China in Transition*, Blackwell.
- Yao, Shujie** (with Z. Han) 'A comparative study of Chinese and European Commercial Banks' in Sanders, R., & C. Yang, (eds) *Sustaining Chinese Economic Growth in the 21<sup>st</sup> Century*, Routledge Curzon.

## APPENDIX 3

### *Sixth Annual GEP Postgraduate Conference*

26th and 27th March 2007

Sir Clive Granger Building  
University of Nottingham, University Park

#### **Monday 26th March**

##### **Session 1: Introduction and Keynote Speaker**

- 09.00 – 09.10 Introduction and Welcome  
Professor Daniel Bernhofen, Leverhulme Professor of International Economics
- 09.10 – 09.50 On the Magic Behind David Ricardo's Four Mystical Numbers  
Keynote speaker: Professor Daniel Bernhofen, Leverhulme Professor of International Economics

##### **Session 2: Economics of MNEs**

- 09.50 – 10.25 A Knowledge-Capital Approach of Foreign Direct Investment in Transitional Countries  
Presenter: Brindusa Anghel, Universitat Autònoma de Barcelona  
Discussant: Tom Ivlevs, GEP, University of Nottingham
- 10.25– 11:00 Multinationals and Plant Survival in Swedish Manufacturing  
Presenter: Roger Bandick, Örebro University & Södertörn University College  
Discussant: Holger Görg, GEP, University of Nottingham.

##### **Session 3: Heterogeneous Firms and Globalisation**

- 11.20 – 11.55 Heterogeneous Firms and Comparative Advantage  
Presenter: Ines Buono, Universitat Pompeu Fabra  
Discussant: Zhihong Yu, GEP, University of Nottingham.
- 11.55 – 12.30 Explaining Export Varieties: The Unexplored Role of Comparative Advantage  
Presenter: Isao Kamata, University of Michigan  
Discussant: Daniel Bernhofen, GEP, University of Nottingham
- 12.30 – 13.05 Two-way Traders  
Presenter: Mirabelle Muûls, London School of Economics  
Discussant: Richard Kneller, GEP, University of Nottingham

##### **Session 4: Poster Session**

- 14.15 – 15.00 The Impact of Globalisation on Human Rights in Underdeveloped World  
Presenter: Ann Natsvlishvili, Central European University

Discussant: Manop Udomkerdmongkol, GEP, University of Nottingham

High-technology Foreign Firms and Labour Market Implications: An Analysis Using Heterogeneous Matching Models

Presenter: Bahar Sağlam, Bilkent University

Discussant: Olivier Godart, GEP, University of Nottingham

Gravity Analysis of the Determinants of Ukrainian Exports: The Role of Regional Trade Agreements

Presenter: Evghenia Sleptsova, University of Birmingham

Discussant: Priydarshini Mahabir, GEP, University of Nottingham

UK Evidence on the Effects of Firm-Specific Characteristics on the Capital-Labour Ratio Under Capital Market Imperfections

Presenter: Marina-Eliza Spaliara, University of Nottingham

Discussant: Jacinto Braga, University of Nottingham

Industrial Characteristics, Environmental Regulations and Air Pollution: An Analysis of the Chinese Manufacturing Sector

Presenter: Shanshan Wu, University of Birmingham

Discussant: Fangya Xu, GEP, University of Nottingham

Tax Sparing: Revealing the Mysteries

Presenter: Sirikaman Udampol, University of Exeter

Firm Heterogeneity and Export Participation: A New Asian Tiger Perspective

Presenter: Supreeya Virakul, University of Birmingham

Discussant: Xufei Zhang, GEP, University of Nottingham

#### **Session 5: Trade Costs and Economic Geography**

15.00 – 15.35 Preferential Trade, Sunk Costs and the Path-Dependent Expansion of Exports

Presenter: Ingo Borchert, University of St Gallen

Discussant: Peter Egger, University of Munich and GEP

15.35 – 16.10 Why Capital Does Not Migrate to the South: A New Economic Geography Perspective

Presenter: Jang Ping Thia, London School of Economics

Discussant: Spiros Bougheas, GEP, University of Nottingham

#### **Session 6: Trade and Information**

16.30 – 17.05 Gravity and Information: Heterogeneous Firms, Export Networks and the Distance Puzzle

Presenter: Sebastian Krauthaim, European University Institute

Discussant: Benjamin Jung, University of Tübingen

17.05 – 17.40 Business News, Bayesian Updating and Bilateral Trade

Presenter: Benjamin Jung, University of Tübingen

Discussant: Joana Silva, GEP, University of Nottingham

17.40 Award of the 'Best Paper' Prize

- Presented by Professor Daniel Bernhofen

## Tuesday, 27th March

### Session 7: Globalisation and Labour Markets

- 09.00 – 09.35 Structural Unemployment in a Matching Model with Endogenous Skill-Acquisition and Technological Diffusion  
Presenter: Fabio Aricó, University of Warwick  
Discussant: Richard Upward, GEP, University of Nottingham
- 09.35 – 10.10 Market Potential and Worker Heterogeneity as Determinants of Brazilian Wages  
Presenter: Rodrigo Paillacar, University of Paris 1  
Discussant: Peter Wright, GEP, University of Nottingham
- 10.10 – 10.45 'Putting People First'? FDI and employment adjustment of state-owned enterprises in urban China, University of Nottingham  
Presenter: Yundan Gong, University of Nottingham  
Discussant: Alessandra Guariglia, GEP, University of Nottingham

### Session 8: Topics on Foreign Direct Investment

- 11.05 – 11.40 Privatisation, Strategic FDI and Welfare  
Presenter: Kullapat Suetrong, University of Nottingham  
Discussant: Hartmut Egger, University of Zurich and GEP
- 11.40 – 12.15 FDI and International Portfolio Investment – Complements or Substitutes?  
Presenter: Barbara Pfeffer, University of Siegen  
Discussant: Marta Aloj, GEP, University of Nottingham
- 12.15 – 12.50 FDI Location in China: The Role of Corruption, Government Efficiency and Environmental Regulation  
Presenter: Jing Zhang, University of Birmingham  
Discussant: Oliver Morrissey, University of Nottingham

### Session 9: International Trade Theory and Methods

- 13.50 – 14.25 Introducing Income distribution to the Linder Hypothesis  
Presenter: Helena Bohman, Jönköping University and Désirée Nilsson, Jönköping University  
Discussant: Paulo Bastos, GEP, University of Nottingham
- 14.25 – 15.00 Trade, Productivity and Factor Endowments: an Estimation of the Neoclassical Model for Greece  
Presenter: Ioannis Bournakis, University of Kent  
Discussant: Agelos Delis, GEP, University of Nottingham
- 15.00 – 15.35 Why Decolonization?  
Presenter: Roberto Bonfatti, London School of Economics  
Discussant: Udo Kreickemeier, GEP, University of Nottingham



## APPENDIX 4

Leverhulme Centre for Research on Globalisation and Economic Policy

School of Economics, University of Nottingham

### *Second Annual 6<sup>th</sup> Form Schools Conference*

26<sup>th</sup> June, 2007

- 09.45 – 09.55    **Introduction**  
*Professor Chris Milner, Head of the School of Economics*
- 09.55 – 10.35    **Globalisation: Opportunity or Threat?**  
*Professor David Greenaway*
- 10.35 – 11.15    **Trade and the Environment**  
*Dr Tim Lloyd*
- 11.30 – 12.10    **Globalisation and Growth**  
*Dr Richard Kneller*
- 12.10 – 12.50    **Transforming China and India: Challenges**  
*Professor Chris Milner*
- 13.30 – 15.30    **Practical exercise on International Trade**  
*Dr Wyn Morgan*

## APPENDIX 5

### *Conference on "New Directions in International Trade Theory"*

8<sup>th</sup> and 9<sup>th</sup> June 2007

Sir Clive Granger Building  
University of Nottingham, University Park

Friday, 8<sup>th</sup> June

**Session 1: 09.30 – 11.30**

**'Multilateral Subsidy Games'** by Dermot Leahy and Peter Neary

Speaker: Peter Neary (Oxford University)

Discussant: Arijit Mukherjee (University of Nottingham and GEP)

**'Paths of Efficient Self-enforcing Trade Agreements'** by Eric Bond

Speaker: Eric Bond (Vanderbilt University)

Discussant: Rod Falvey (University of Nottingham and GEP)

**Session 2: 12.00 – 13.00**

**'Does Trade Foster Contract Enforcement?'** by James Anderson

Speaker: James Anderson (Boston College)

Discussant: Daniel Seidmann (University of Nottingham)

**Session 3: 14.30 – 15.30**

**'Tariff Reforms and Rigid Wages'**, by Udo Kreickemeier and Rod Falvey

Speaker: Udo Kreickemeier (University of Nottingham and GEP)

Discussant: Peter Neary (Oxford University)

**Session 4: 16.00 – 17.00**

**'Exploring Policy Options in Joint Intertemporal-Spatial Trade Models Using an Incomplete Market Approach'** by Hui Huang,

John Whalley and Shunming Zhang

Speaker: John Whalley (University of Western Ontario)

Discussant: Spiros Bougheas (University of Nottingham and GEP)

**Saturday, 9<sup>th</sup> June**

**Session 5: 09.00 – 11.00**

**'A Multi-country Dynamic Heckscher-Ohlin Model with Physical and Human Capital Accumulation'** by Yunfang Hu, Murray Kemp and Koji Shimomura  
Speaker: Yunfang Hu (Kobe University)  
Discussant: Ronald Jones (University of Rochester)

**'International Trade Models and Real World Features'** by Ronald Jones  
Speaker: Ronald Jones (University of Rochester)  
Discussant: James Anderson (Boston College)

**Session 6: 11.15 – 12.15**

**'Free Trade: What Are the Terms-of-Trade Effects?'** by Carsten Kowalczyk and Raymond Riezman  
Speaker: Carsten Kowalczyk (Tufts University)  
Discussant: Eric Bond (Vanderbilt University)

**Session 7: 13.15 – 14.15**

**'Trade Liberalization, Growth and Productivity'** by Claustre Bajona, Mark Gibson, Timothy Kehoe and Kim Ruhl  
Speaker: Mark Gibson (Washington State University)  
Discussant: Doug Nelson (Tulane University and GEP)

**Session 8: 14.30 – 15.30**

**'Predicting the Pattern of International Specialization in the Neoclassical Trade Model: A Synthesis'** by Daniel Bernhofen  
Speaker: Daniel Bernhofen (University of Nottingham and GEP)  
Discussant: Catia Montagna (University of Dundee)

## APPENDIX 6

### *Conference on 'Globalisation and Migration'*

19<sup>th</sup> October, 2007

Lenton Hurst House, Lenton and Wortley Hall,  
University Park, University of Nottingham

Session 1: 09.00 – 10.30

Chair: Daniel Bernhofen (GEP, University of Nottingham)

Wilhelm Kohler (Eberhard Karls University, Tübingen)  
**Absorbing German Migration: Wages and Employment**  
Discussant: Richard Upward (GEP, University of Nottingham)

Giorgio Barba Navaretti (University of Milan)  
**Offshoring and Immigration Employment: Firm Level  
Theory and Evidence**  
Discussant: Holger Görg (GEP, University of Nottingham)

Session 2: 10.45 – 12.15

Chair: Richard Upward (GEP, University of Nottingham)

Giovanni Facchini (University of Essex)  
**Do Interest Groups affect Immigration?**  
Discussant: Peter Wright (GEP, University of Nottingham)

Timothy Hatton (University of Essex)  
**Immigrants Assimilate as Communities, not just as  
Individuals**  
Discussant: Daniel Bernhofen (GEP, University of Nottingham)

Session 3: 13.00 – 14.30

Chair: Giovanni Facchini (University of Essex)

Sharun Mukand (Tufts University)  
**Workers without Borders?**  
Discussant: Udo Kreickemeier (GEP, University of Nottingham)

Marta Aloi (GEP, University of Nottingham)  
**National Labor Markets, International Factor Mobility and  
Macroeconomic Stability**  
Discussant: Mark Roberts (University of Nottingham)

Session 4: 14.45 – 15.30

Chair: Peter Wright (GEP, University of Nottingham)

Artjoms Ivlevs (GEP, University of Nottingham)  
**Ageing, Births and Attitudes Towards Immigration:  
Evidence from Transition Economies**  
Discussant: Alex Hijzen (OECD)

## APPENDIX 7

### *GEP Research Retreat*

8<sup>th</sup> – 9<sup>th</sup> May, 2007

at the Izaak Walton Hotel, Dovedale, Ashbourne

#### Programme

##### Tuesday 8<sup>th</sup> May

17.00 – 18.30      **Research and Outreach Activities: Review of 2006 and Forward Look**

Chair:                Chris Milner  
Speaker:             David Greenaway

##### Wednesday 9<sup>th</sup> May

09.15 – 10.30      **Theory and Methods**

Chair:                Udo Kreickemeier  
Speakers:            Alan Deardorff, University of Michigan  
                             James Harrigan, Columbia University and  
                             New York Federal Reserve Bank  
Summariser:        Daniel Bernhofen

11.00 – 12.15      **Globalisation and Labour Market**

Chair:                Richard Upward  
Speakers:            Wilhelm Kohler, Eberhard Karls University,  
                             Tübingen  
                             Jonathan Portes, Chief Economist,  
                             Department for Work and Pensions  
Summariser:        Peter Wright

13.30 – 14.45      **China and the World Economy**

Chair:                Spiros Bougheas  
Speakers:            Xiaming Liu, Birkbeck College  
                             Ken Warwick, Deputy Chief Economic  
                             Adviser, Department of Trade and  
                             Industry  
Summariser:        Chris Milner

15.00 – 16.15      **Globalisation, Productivity and Technology**

Chair:                Richard Kneller  
Speakers:            Jonathan Eaton, New York University  
                             Heather Booth di Giovanni, Director, UK  
                             Trade and Investment  
Summariser:        Holger Görg

## APPENDIX 8

### *Seminars hosted by GEP in 2007*

- Abramovsky, L., Institute of Fiscal Studies  
'ICT, Corporate Restructuring and Productivity'
- Arkolakis, C., Yale University  
'Market Access Costs and Trade Dynamics'
- Bernhofen, D., University of Nottingham  
'Predicting the Factor Content of Trade: Theory and Evidence'
- Chau, N., Cornell University  
'Shadow Pricing Market Access: A Trade Benefit Function Approach'
- Cunat, A., University of Essex  
'Volatility, Labour Market Flexibility, and the Pattern of Comparative Advantage'
- Davies, R., University of Oregon  
'Tax Competition for Heterogeneous Firms with Endogenous Entry'
- Debaere, P., University of Virginia  
'Agglomeration, Backward and Forward Linkages and the Boundaries of the Firm: Evidence from South Korean Investment in China'
- Delis, A., University of Nottingham  
'A Dual Definition for the Factor Content of Trade and its Effect on Factor Rewards in US Manufacturing Sector'
- Elliott, R., University of Birmingham  
'Multinationals, Foreign Ownership and the Environment: Firm Level Evidence for Argentina'
- Felbermayr, G., University of Tübingen  
'Positive and Normative Implications of Trade Intermediation in General Equilibrium'
- Fu, X., University of Oxford  
'Management Characteristics, Managerial Ownership and Innovative Efficiency: Evidence from UK Survey Data'
- Görg, H., University of Nottingham  
'Can Production Subsidies Foster Export Activity? Evidence From Chinese Firm Level Data'
- Janeba, E., University of Mannheim  
'Exports, Unemployment, and the Welfare State'

- Javorcik, B. S., University of Oxford  
'Getting Ready: Preparation for Exporting'
- Keuschnigg, C., University of St Gallen  
Outsourcing, Unemployment and Welfare Policy
- Kneller, R., University of Nottingham  
'Sorting by Quality or Efficiency? Theories of Heterogeneous Firm Trade and Chinese Exports'
- Kohler, W., Eberhard Karls University, Tübingen  
'Does WTO Membership Make a Difference at the Extensive Margin of World Trade?'
- Meckl, J., University of Giessen  
'Aggregate Productivity, Human-Capital Investments, and Trade'
- Nelson, D., University of Nottingham and Tulane University  
'How Bad is Antidumping: Evidence from a Gravity Model'
- Nielson, J. U. M, Aarhus Business School  
'Economies of Scale and Scope, Firm Heterogeneity and Exports'
- Nocke, V., University of Oxford  
'Globalisation and Endogenous Firm Scope'
- O'Rourke, K., Trinity College Dublin  
'Trade, Knowledge and the Industrial Revolution'
- Simpson, H., Institute of Fiscal Studies  
'Investment Abroad and Adjustment at Home: Evidence from UK Multinational Firms'
- Soo, K. T., Lancaster University  
'Integrated Equilibrium in a Four-Good Heckscher-Ohlin-Ricardo Model'
- Straume, O. R., University of Minho  
'Technology resistance and globalisation with trade unions: the choice between employment protection and flexicurity'
- Upward, R., University of Nottingham  
'Employment, Job Turnover and Trade in Producer Services: Firm-Level Evidence'
- Weigert, B., University of Giessen-Educational Systems and Globalisation
- Winchester, N., University of Otago  
'Is There A Dirty Little Secret? Non-tariff Barriers and Additional Gains from Trade'
- Zweimüller, J., University of Zurich  
'Income Effects in the Theory of Monopolistic Competition and International Trade'

## APPENDIX 9

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

- Aloi, M., 'National labour markets, international factor mobility and macroeconomic instability', Society for the Advancement of Economic Theory Conference, Kos, Greece.
- Bernhofen, D., 'Predicting the Factor Content of Foreign Trade: Theory and Evidence', University of Paris I.
- Bernhofen, D., 'Predicting the Factor Content of Trade: Theory and Evidence', PhD Student Conference at the University of Rennes.
- Bernhofen, D., 'Predicting the factor content of foreign trade: theory and evidence', Newcastle University and Dundee University.
- Bernhofen, D., 'On the magic behind David Ricardo's four mystical numbers' Keynote Lecture at the 6<sup>th</sup> GEP Postgraduate Conference, University of Nottingham.
- Bernhofen, D., 'Combining trade theory and economic history to study Japan's 19<sup>th</sup> century opening up to the western world', Interdisciplinary 'twilight talk', the University of Nottingham.
- Bernhofen, D., 'Predicting the factor content of foreign trade: theory and evidence', European Workshop in International Trade, Kiel Institute for the World Economy.
- Bernhofen, D., 'On predictability in the neoclassical trade model: a synthesis', Kiel Institute for the World Economy.
- Bernhofen, D., 'On the magic behind David Ricardo's four mystical numbers' Clark University, USA.
- Bernhofen, D., 'Predicting the factor content of foreign trade: theory and evidence', Erasmus University, Rotterdam.
- Bernhofen, D., 'Predicting the factor content of foreign trade: theory and evidence' at the Mid West International Economics Meetings, University of Minnesota.
- Bernhofen, D., 'Predicting the Factor Content of Foreign Trade: Theory and Evidence', Tinbergen Institute, Amsterdam.
- Bernhofen, D., 'Multiple cones, factor price differences and the factor content of exports', Oxford University.



- Bernhofen, D., 'Predicting the Factor Content of Foreign Trade: Theory and Evidence' at the European Research Workshop in International Trade (ERWIT), Kiel Institute for the World Economy, Germany.
- Bernhofen D., 'Predicting the factor content of foreign trade : Theory and evidence, European Trade Study Group Meetings, Athens.
- Bougheas, S., (co-authored with Ray Riezman and Richard Kneller) 'Education Policies and Comparative Advantage', Society for the Advancement of Economic Theory Conference, Kos, Greece.
- Bougheas, S. (co-authored with Ray Riezman and Richard Kneller) 'Optimal education policies and comparative advantages' at the 'All China Economics International Conference' at the City University, Hong Kong.
- Delis, A., 'A Decomposition of US Net Exports Changes 1964-1991", the Mid West Meetings, University of Minnesota.
- Dijkstra, B., 'Group rewards and individual sanctions in environmental policy', First World Meeting of the Public Choice Society, Amsterdam.
- Dijkstra, B., 'Group rewards and individual sanctions in environmental policy' , University of Maryland.
- Dijkstra, B., 'Environmental regulation: an incentive for FDI' at the GEP and Murphy Institute Conference on 'New Political Economy of Globalisation', New Orleans.
- Dijkstra, B., 'Environmental Regulation: An Incentive for FDI', Conference of the European Association of Environmental and Resource Economists, Thessaloniki, Greece.
- Falvey, R., 'Trade Liberalisation and Human Capital Adjustment', Oxford University.
- Falvey, R., 'Trade liberalisation and human capital adjustment', Otago Trade Workshop, Dunedin, New Zealand.
- Falvey, R., 'Trade, Human Capital and Labour Market Adjustment', Bond University, Australia.
- Falvey, R., (with Sarut Wittayarungruangsrri) 'Antidumping Regulation and the Byrd Amendment: Does Revenue Redistribution Reduce Dumping?' APJAE Symposium on Strategic Trade Theory and Economic Development, City University of Hong Kong.
- Falvey, R., 'Globalisation, Trade Liberalisation and Growth' key note lecture, Conference on 'Economic, Social and Environmental Consequences of the Liberalisation of Trade in North Africa and the Middle East', Rabat, Morocco.
- Feuerstein, S., 'Price Discrimination in Oligopolies with Best-Response Asymmetry', University of Manchester.

- Feuerstein, S., 'Registration taxes for cars inducing international price discrimination: an optimal tariff approach', conference on 'International Mobility: Causes, Consequences and Constraints', Warsaw School of Economics, Poland.
- Gong, Y., 'Government-firm relationships and enterprise reform in China', 7<sup>th</sup> Annual Transatlantic Doctoral Conference 2007, London Business School.
- Gong, Y., 'Putting people first: FDI and employment adjustment of state-owned enterprises in Urban China', Annual Conference of the Royal Economic Society, Warwick.
- Gong, Y., 'Government-firm relationships and enterprise reform in China', 18th CEA (UK) Annual Conference: Integrating China into the World Economy, Nottingham
- Görg, H., 'Services Outsourcing and Innovation: Evidence from Plant Level Data', University of Göttingen, Germany.
- Görg, H., 'International services outsourcing and innovation: an empirical investigation' Workshop on Regional and micro-level effects of globalisation, University of Tübingen, Germany.
- Görg, H., discussant, ECB Conference on Globalisation and the Macro Economy at the European Central Bank in Frankfurt.
- Görg, H., 'International Services Outsourcing and Innovation: An Empirical Investigation', Economic and Social Research Institute, Dublin.
- Greenaway, D., 'Increasing Globalisation: Threat or Opportunity?' Public Lecture at the University of Nottingham Malaysia.
- Greenaway, D., 'Increasing Globalisation: Opportunity or Threat?' Liverpool John Moores University.
- Greenaway, D., Inter-disciplinary Globalisation Seminar, lead presentation, University of Nottingham Humanities Research Centre.
- Greenaway, D., 'Globalisation: Threat or Opportunity?', Keynote Lecture, Chinese Economics Association (UK) Annual Conference, University of Nottingham.
- Greenaway, D., 'New Perspectives on Exporting', keynote presentation, International Network for Economic Research (INFER) Annual Conference on 'Integration and Globalisation: Challenges for Developed and Developing Countries', University of Coimbra, Portugal.
- Greenaway, D., (with Joakim Gullstrand and Richard Kneller) 'Surviving Globalisation', Singapore Economic Review Conference, Singapore.
- Greenaway, D., (with Joakim Gullstrand and Richard Kneller) 'Surviving Globalisation', All China Economics Conference, City University, Hong Kong.

- Greenaway, D., 'Trade, Trade Liberalisation and Growth', keynote lecture, Vienna Institute for International Economic Studies/National Bank of Austria Conference on 'Trade and Growth', Vienna.
- Guariglia, A., (with S. Poncet) 'Could Financial Distortions be no Impediment to Economic Growth After All? Evidence from China' at the 18<sup>th</sup> Chinese Economic Association (UK) Annual Conference.
- Guariglia, A., 'The Transmission Mechanism of Monetary Policy', University of Tor Vergata, Rome.
- Guariglia, A., (with Sandra Poncet) 'Could Financial Distortions be no Impediment to Economic Growth After All? Evidence from China', 'China and the World Economy' Conference, University of Bradford.
- Guariglia, A., (with S. Poncet) 'Could Financial Distortions be no Impediment to Economic Growth After All? Evidence from China', 22<sup>nd</sup> meeting of the European Economic Association, Budapest.
- Guariglia, A., (with S. Poncet) 'Could Financial Distortions be no Impediment to Economic Growth After All? Evidence from China', UK Chinese Economic Association and China Centre for Economic Studies (CCES) joint International Conference on Transition and Development: Governance, Markets and Growth, Fudan University, Shanghai.
- Guariglia, A., (with S. Poncet) 'Could Financial Distortions be no Impediment to Economic Growth After All? Evidence from China', seminar at the Institute of Economics, Chinese Academy of Social Sciences in Beijing.
- Guariglia, A., (with R. Carpenter) 'Cash Flow, Investment and Investment Opportunities: New Tests using UK Panel Data', Seminar, Fudan University.
- Guariglia, A. (with Xiaoxuan Liu and Lina Song), 'Is the Growth of Chinese firms constrained by internal finance?', at the 'Workshop on the use of Panel Data in Macroeconomics and Finance', organised by the Money, Macro and Finance Research Group.
- Guariglia, A. (with Xiaoxuan Liu and Lina Song), 'Is the Growth of Chinese firms constrained by internal finance?', seminars at the University of Leicester, Durham University and Newcastle University.
- Ivlevs, T., 'Linguistic Discrimination and Emigration Intentions of Ethnic Minorities: Evidence from Latvia' Conference on Migration and Development, Moscow State University.
- Kneller, R., 'Surviving Globalisation', Universidad Complutense, Madrid.
- Kneller, R., 'The Role of Experience in Export Market Entry: Evidence for UK Firms', the Mid West International Meetings, University of Minnesota.
- Kneller, R., 'Do Exporters Have Anything to Learn from Foreign Multinationals?', Workshop on 'A Comparison of the Productivity of Japanese, Chinese, Korean and European Firms' at Nihon University, Japan.

- Kneller, R. (with Zhihong Yu), 'Sorting by Quality or Efficiency? Theories of Heterogeneous Firm Trade and Chinese Exports', Conference on Southern Engines of Growth, at WIDER (World Institute of Development Economics Research), Helsinki, Finland.
- Kreickemeier, U. (with Hartmut Egger), 'Firm Heterogeneity and the Labour Market Effects of Trade Liberalisation', Vienna University of Economics and Business Administration.
- Kreickemeier, U. (with Hartmut Egger), 'Firm Heterogeneity and the Labour Market Effects of Trade Liberalisation', RWTH Aachen University, Germany.
- Kreickemeier, U., 'Firm Heterogeneity and the Labour Market Effects of Trade Liberalisation', the RES Annual Conference, the University of Warwick, and at the Zeuthen Workshop on International Trade and Investment, Copenhagen.
- Kreickemeier, U., 'Concertina Reforms with International Capital Mobility', seminar, Copenhagen Business School.
- Kreickemeier, U., 'Tariff Reforms and Rigid Wages', GEP Conference on New Directions in International Trade Theory, Nottingham.
- Kreickemeier, U., 'Firm Heterogeneity and the Labour Market Effects of Trade Liberalisation', CESifo Venice Summer Institute.
- Kreickemeier, U. (joint paper with Ingrid Kubin), 'Taxing and subsidising employment in open economies', International Institute of Public Finance (IIPF) Annual Congress, University of Warwick.
- Kreickemeier, U. (with Pascalis Raimondos-Møller), 'Concertina Reforms with International Capital Mobility', Annual Congress of the German Economic Association, Munich.
- Milner, C. (with D. Greenaway and P. Mahabir), 'Has China Displaced Other Asian Countries' Exports?' Seminar, Department of Economics, University of Hamburg, Germany.
- Milner, C., Keynote Address: 'The WTO and Developing Countries' Policy Space' at the 'All China Economics Conference', at City University of Hong Kong.
- Mukherjee, A. (with Bouwe Dijkstra and Anuj Mathew), 'Environmental regulation: an incentive for foreign direct investment at the International Conference on Economics of Environment, Natural Resource and Energy', Jadavpur University, India.
- Mukherjee, A. (with M. Emranul Haque), 'Free Entry and Government Revenue Under Trade Liberalisation', the Royal Economic Society Annual Conference, University of Warwick.
- Mukherjee, A. (with Kullapat Suetrong), 'Privatisation, Strategic Foreign Direct Investment and the Host Country Welfare', 17<sup>th</sup> Annual Conference of the

Department of Economics, Jadavpur University, Kolkata, India :  
Contemporary Issues of Development Economics.

- Nelson, D. (joint with Carl Davidson and Steve Matusz), 'Employment Risk, Fairness and the Political Economy of Trade Policy', Society for the Advancement of Economic Theory Conference, Kos, Greece.
- Nelson, D. (joint with Carl Davidson and Steve Matusz), 'Employment Risk, Fairness and the Political Economy of Trade Policy', the All China Economics Conference at City University of Hong Kong.
- Nelson, D. (with Carl Davidson and Steven Matusz), 'Employment Risk, Fairness and the Political Economy of Trade', European Research Workshop in International Trade (ERWIT), Kiel Institute for the World Economy, Germany.
- Silva, J., 'Trade Liberalisation and Human Capital Adjustment' at the International Network for Economic Research (INFER) Conference on 'Integration and Globalisation: Challenges for Developed and Developing Countries', University of Coimbra, Portugal.
- Song, L., 'Inequality and Instability', Conference China 2020 – Key Policy Perspectives and Challenges at the 17<sup>th</sup> Party Congress and the Future Impact', China Policy Institute.
- Song, L., 'Subjective Wellbeing and its Determinants in Rural China', International Symposium on The Wellbeing of Nations: East versus West, National Central University, Taiwan.
- Song, L., 'In Pursuit of Wealth, Health and Happiness in China', International Conference on Migration and Social Protection, Beijing, China.
- Song, L., 'Welfare, Well Being and Social Protection in China', public lecture at Nanjing University of Finance and Economics, China.
- Song, L., 'Migration and Public Health', Centre for Public Policy and Sustainable Development, Beijing Normal University, China.
- Song, L., 'Constrained Choice: Migrants' Health in China', International Conference on Health Care in Rural China: Progresses and Prognoses', Beijing, China.
- Song, L., 'Research Strategy in China', Co-reach Conference, The Royal Society and British Academy, London.
- Wright, P., 'The wage and earnings losses of displaced workers', Dublin Economics Workshop seminar series, Dublin, Ireland.
- Yao, S., 'China and Its Economy', a presentation to Parliament.
- Yao, S., 'FDI and Regional Inequality in China', Conference on Southern Engines of Growth, at WIDER (World Institute of Development Economics Research) in Helsinki, Finland.

- Yao, S., 'Bank Efficiency and the Stock Market in China' at the UK Chinese Economic Association and China Centre for Economic Studies (CCES) joint International Conference on Transition and Development: Governance, Markets and Growth, Fudan University, Shanghai.
- Yao, S., 'Bank Reforms and the Stock Markets in China', Department of Economics, University of Dundee.
- Yao, S., 'Economic Development Strategies after the 17<sup>th</sup> Party Congress of the Chinese Community Party', Chatham House, London.
- Yao, S., 'FDI and Regional Inequality in China', University of Leeds
- Yao, S., 'Chinese Studies and the Confucius Institute in Nottingham', 2<sup>nd</sup> Confucius Institute Directors Conference, the People's Great Hall, China.
- Yu, Z. (with Richard Kneller), 'Sorting by quality or efficiency: new trade theory and Chinese exports', University of Nottingham Ningbo Campus, Shanghai China.
- Yu, Z. (with Richard Kneller), 'Sorting by quality or efficiency: new trade theory and Chinese exports', the 'All China Economics Conference' City University of Hong Kong.
- Yu, Z. (with Sourafel Girma, Yundan Gong and Holger Görg), 'Can Production Subsidies Foster Export Activity? Evidence from Chinese Firm Level Data', at the 7<sup>th</sup> Annual China Economics Conference at the Shenzhen Business School, Beijing University, Shenzhen, China.
- Zhang, X., 'Exchange Rates and Exports: Evidence from Manufacturing Firms in the UK', Royal Economic Society Conference, University of Warwick.

## APPENDIX 10

### *Visitors to GEP in 2007*

January:	Professor Nicolas Péridy, University of Nantes
February:	Professor James Markusen, University of Colorado at Boulder
March:	Dr Hartmut Egger, University of Zurich Professor Peter Egger, University of Munich Professor Martin Wolf, <i>The Financial Times</i>
April:	Professor Ron Davies, University of Oregon Professor Peter Debaere, University of Texas
May:	Heather Booth di Giovanni, UK Trade and Investment Professor Alan Deardorff, University of Michigan Professor Jonathan Eaton, New York University Professor James Harrigan, NY Federal Reserve Bank Professor Wilhelm Kohler, Eberhard Karls University Tübingen Professor Xiaming Liu, Birkbeck College Professor Jørgen Ullf-Møller Nielsen, Aarhus Business School Jonathan Portes, Department of Work and Pensions Ken Warwick, Department of Trade and Industry Dr Niven Winchester, University of Otago
June:	Professor Ray Riezman, University of Iowa
July:	Dr Naohiko Ijiri, Nihon University Professor Tomohiko Inui, Nihon University Dr Katsumi Matsuura, Hitotsubashi University
October:	Professor Dani Rodrik, Harvard University Professor Odd Rune Straume, University of Minho Dr Nancy Chau, Cornell University
November:	Professor Paul Collier, Oxford University Professor Gabriel Felbermayr, Eberhard Karls University Tübingen Professor Dr Josef Zweimüller, University of Zurich Dr Roswitha King, University of Halden, Norway
December:	David Smith, Economics Editor, <i>The Sunday Times</i>

## **APPENDIX 11**

### *Liaison with the Policy-Making and Business Community in 2007*

#### **British Council**

- David Greenaway participated in a Symposium on Transnational Education in Kuala Lumpur.

#### **Commonwealth Secretariat**

- Chris Milner was commissioned by the Economic Affairs Division of the Commonwealth Secretariat for the prestigious biennial Commonwealth Heads of Government Meeting in Uganda in November, for which he wrote the report 'Trading on Commonwealth Ties'.

#### **Department for Business, Enterprise and Regulatory Reform**

- Ken Warwick, Deputy Chief Economic Adviser, participated in agenda setting at the GEP Research Retreat.

#### **Department for Work and Pensions**

- Jonathan Portes, Chief Economist, participated in agenda setting at the GEP Research Retreat.
- Richard Upward presented 'The wage and earnings losses of Displacement' at Work and Pensions Economics Group meeting.

#### **Experian**

- David Greenaway initiated, with Neil Blake and colleagues at Experian, discussions on potential collaboration.

#### **Monitise**

- David Greenaway has had meetings with Scott Housley, Director, Corporate Relations, Monitise mobile banking company, to discuss potential collaboration.

#### **National Bank of Austria**

- David Greenaway presented the keynote lecture on 'New Perspectives on Exporting' at a National Bank of Austria Conference in Vienna.

#### **New York Federal Reserve Bank**

- James Harrigan participated in agenda setting at the GEP Research Retreat.



## **Norwich Union**

- Holger Görg, David Greenaway and Richard Kneller prepared a Report on 'The Economic Impact of Offshoring on the UK Economy' for the Norwich Union. Follow-up discussions are on-going.

## **Office for National Statistics**

- Richard Upward presented 'The wage and earnings losses of Displacement' at a presentation at the Office for National Statistics.

## **UK Parliament**

- Shujie Yao briefed Parliamentarians on challenges from China

## **UKTI**

- Heather Booth di Giovanni participated in agenda setting at the GEP Research Retreat.
- David Greenaway had discussions with Bal Dhoot, UKTI, re. UKTI's emerging economies strategy.
- Richard Kneller is an External Academic Adviser on the Performance and Impact Monitoring System Advisory Group for UKTI.
- Richard Kneller is currently advising on the UKTI Tradeshow Access Programme - Impact Evaluation

## **United Nations**

- Lina Song was invited by the International Labour Office (United Nations) to present a keynote lecture in Chengdu, China, on 'European Policies for the Integrations of Immigrants in the Labour Market: What Can China Learn?' for the Major Forum of 'Promoting Pilot Work on Rural-urban Labour Market' commissioned by International Labour Office (UN) and the Ministry of Labour and Social Security, PR China.

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