

# The Nottingham Centre for Globalisation and Economic Policy (GEP)

## *Report on activities*

**2015**

### ***1. Overview and membership***

The Research Centre that is now the Nottingham Centre for Research on Globalisation and Economic Policy (GEP) was founded in 1999 as 'GLM', a large research project on globalisation and labour markets, funded by a £1m research grant from The Leverhulme Trust. Subsequent additional grants from The Leverhulme Trust totalling £3.5 allowed the launch of the GEP Research Centre. With this formation of GEP, research on globalisation and labour markets became a strand of GEP, and research projects on 'globalisation, productivity and technology', 'China and the world economy' and 'theory and methods' were added.

GEP became the major centre in Europe studying the impact of globalisation and economic policy and one of the biggest of its kind in the world. The Centre has an impressive international reputation; its academics have advised the Treasury, the World Bank, the WTO, the United Nations and the IMF.

Since its inception, GEP has run:

- a weekly seminar series, attracting speakers from the UK, Europe and worldwide;
- annual international conferences;
- an annual conference for PhD students working in international economics;
- a research paper series;
- a monthly internal workshop programme.

In 2008, GEP broadened its reach and established branches at the University of Nottingham's overseas campuses in China and Malaysia, to provide a base for GEP within growing economies in Asia.

## ***2. Highlights of GEP Activities during the Review Period***

- *Seminar Series.* During this reporting period, GEP organized a very active weekly field seminar. We hosted a total of 19 speakers, including colleagues from leading institutions like Keith Head (University of British Columbia), Giacomo Ponzetto (Universitat Pompeu Fabra), Julian di Giovanni (Universitat Pompeu Fabra), and Gabriel Felbermayr (Ifo Institute), to name a few.
- *Conferences.* During 2015 GEP organized/co-organized six conferences (see programs in the Appendix):
  - On January 13, 2015, GEP co-organised, together with Ifo Institute and CEPR a conference on “Firm Heterogeneity: Implications for Current Outcomes”, which was held in Paris.
  - On February 11-12, 2015, GEP organised the 8<sup>th</sup> Globalisation and Economic Policy Annual International Conference, on the theme “Current Issues in International Economics and Open-Economy Macroeconomics”. The conference was held at the University of Nottingham Malaysia Campus.
  - On April 23-24 2015, GEP organised, in co-operation with CEPR, its 14<sup>th</sup> Annual Postgraduate Conference. Presenters came from seven different European countries, and from top economics departments such as LSE, Oxford, Universitat Pompeu Fabra and the University of Stockholm.
  - On June 25, 2015, GEP organised and hosted a Festschrift Conference in honour of GEP founder Professor Sir David Greenaway. The conference, organised in conjunction with *Review of International Economics*, featured presentations by top international scholars such as Peter Egger, Beata Javorcik, Peter Neary and Ray Riezman.
  - On June 4 and 5 2015, GEP member Giammario Impullitti, together with Ufuk Akcigit (University of Pennsylvania) and Vasco Carvalho (University of Cambridge), organised the second conference on “Firm and Technology Dynamics: A Global Perspective”. The conference was held at the University of Nottingham, and featured top international scholars such as, among others, Philippe Aghion (Harvard University) and Jeremy Greenwood (University of Pennsylvania).
  - On November 6-7, 2015, GEP organised its China Conference on “China and the Global Economy”. The conference was held at the University of Nottingham’s Ningbo Campus. Speakers included Zheng (Michael) Song (University of Chicago and Chinese University of Hong Kong), Marcelo Olarreaga (University of Geneva), Thierry Verdier (Paris School of Economics) and Giorgio Barba Navaretti (University of Milan).
- *Nottingham Globalisation Lectures.* This is a series of lectures aimed mainly at our undergraduate students, featuring prominent speakers actively engaged in the public

debate on issues related to globalisation and economic policy in general. The series is currently generously sponsored by one of our former alumni, Mr. Martin Totty. During 2015, three events took place:

- Martin Wolf, Associate Editor and Chief Economics Commentator, The Financial Times, gave a lecture on February 23, 2015 on “The shifts and the shocks”
  - Sir Peter Kendall, Chairman, Agriculture and Horticulture Development Board, gave a talk on March 23 2015 on “British Agriculture: Sunrise Industry”
  - Michael Jacobs, Senior Adviser on International Climate Change Policy at l'Institut du Développement Durable et des Relations Internationales (IDDRI), Paris, gave a talk on October 1 2015 on “Crunchtime in Paris: the political economy of a new climate change agreement”.
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- *World Economy Lecture*. This year’s World Economy Lecture was given by Jeremy Greenwood (University of Pennsylvania). The topic was “Why doesn’t technology flow from poor to rich countries?”.

### ***3. Research Themes***

GEP research activities are organized around four broad themes: Political Economy of Globalisation; Globalisation and Labour Markets, Globalisation, Productivity and Technology; and China and the World Economy. All four programs have been very active in the past year. In the next pages, we present a summary of their activity.

#### **Theme 1: Political Economy of Globalization**

The Political Economy of Globalisation programme (PEG) is directed towards research on how political economy forces shape international trade in goods and factor movements. The programme combines theoretical and empirical methods to examine the processes through which trade and migration policies come into place, and their effect on outcomes.

##### **Grant capture**

GEP Fellow Roberto Bonfatti is, together with Steven Poelhekke at VU University Amsterdam, recipient of a grant from the International Growth Center's Cities Programme (£40,432). The grant sponsors research on "Roads to Trade: the Welfare Effect of Connecting Mines Versus Cities", a project seeking to establish whether African countries should build more transport infrastructure to export natural resources to overseas markets, or rather focus on improving internal and regional connectivity between cities. It covers one full year of research assistance, plus additional data purchases and research related travel expenditures. The project started on December 1 2015 and will be completed on February 1 2017.

##### **Policy-advising research**

GEP Fellows Fabrice Defever and Alejandro Riaño participated in a project entitled "Dominican Republic — Changing Export Performance in Strategic Sectors" commissioned by the Dominican Ministry of the Economy and the World Bank's Trade and Competitiveness Practice. The project's objective was to assess the impact that two reforms to the Free Trade Zone (FTZ) regulatory regime — intended to ensure its compliance with the rules of the World Trade Organisation (WTO) on subsidies — had on the export patterns of Dominican firms both inside and outside FTZs. The main findings of the project are that the importance of FTZs on exports — at a highly disaggregated level — increased following the regulatory changes, and that the establishment of the textiles and apparel industries as 'national priority sectors' had almost no impact in boosting the export performance of firms operating in these sectors outside the FTZ. These findings were presented by Defever and Riaño to stakeholders such as the Dominican

Ministry of the Economy, the Dominican Central Bank and the FTZ Trade Association in the context of a World Bank-led Mission to the Dominican Republic in December 2015.

### **Refereed Journal Articles**

BONFATTI, R (forthcoming). “An Economic Theory of Foreign Interventions and Regime Change”. *Canadian Journal of Economics*, forthcoming.

EBERHARDT, M., Wang, Z. and YU, Z (forthcoming). “From One to Many Central Plans: Drug Advertising Inspections and Intra-National Protectionism in China”. *Journal of Comparative Economics*, forthcoming.

DEFEVER, F. and RIANO, A. (2015). “Gone for Good? Subsidies with Export Share Requirements in China: 2002-2013”. *World Bank Economic Review* 29, 135-144.

FACCHINI, G., Mayda, A.M. and Mishra, P. (2015). “Lobbying expenditure on migration: A descriptive analysis”. *CES-Ifo Economic Studies* 61, 560-604.

Casarico, A., FACCHINI, G. and Frattini, T. (2015). “Illegal immigration: Policy perspectives and challenges”. *CES-Ifo Economic Studies* 61, 673-700.

FACCHINI, G. and Testa, C. (2015). “The political economy of migration enforcement: domestic versus border control” *CES-Ifo Economic Studies* 61, 701-721.

### **Working papers**

FACCHINI, G., Silva P. A. and Willmann, G. (2015). “The Political Economy of Preferential Trade Arrangements: An Empirical Investigation”. GEP working paper 15/16.

KETTERER, T.D. (2015). “Antidumping Use and Its Effect on Trade Liberalization. Evidence for the European Union”. GEP working paper 15/11.

EBERHARDT, M., Wang Z. and Yu, Z. (2015). “From One to Many Central Plans: Drug Advertising Inspections and Intra-National Protectionism in China”. GEP working paper 15/07.

KETTERER, T. D. (2015). “EU Regionalism and External Tariff Protection: The Role of Initial Tariffs and the Heterogeneity of Preferential Market Access”. GEP working paper 15/03.

## **Theme 2: Globalisation and Labour Markets**

The Globalisation and Labour Markets programme (GLM) is directed towards research on the effect of globalisation on patterns of employment and wages. The programme combines theoretical and empirical methods to examine the impact of globalisation on labour markets, and the effects of labour markets on globalisation, for example via human capital investment and migration.

### **Refereed Journal Articles**

Emami, J., FACCHINI, G. and Lopez, R. (2015). "Export growth and factor market competition". *Canadian Journal of Economics*, forthcoming.

FACCHINI, G., Mayda, A.M. and Mishra, P (2015). "Lobbying expenditure on migration: A descriptive analysis" *CES-Ifo Economic Studies* 61, 560-604.

Casarico, A., FACCHINI, G. and Frattini, T. (2015). "Illegal immigration: Policy perspectives and challenges". *CES-Ifo Economic Studies* 61, 673-700.

FACCHINI, G. and Testa, C. (2015). "The political economy of migration enforcement: domestic versus border control". *CES-Ifo Economic Studies* 61, 701-721.

FACCHINI, G., Patacchini, E. and Steinhardt, M (2015). "Migration, friendship ties and cultural assimilation". *Scandinavian Journal of Economics* 117, 619-649.

Cozzi, G. and IMPULLITTI, G. (2015). "Globalization and Wage Polarization". *Review of Economics and Statistics*, forthcoming.

IMPULLITTI, G. (2015). "Global Innovation Races, Offshoring and Wage Inequality". *Review of International Economics*, forthcoming.

Cappellari, L. and TATSIRAMOS, K. (2015). "With a little help from my friends? Quality of social networks, job finding and job match quality". *European Economic Review* 78, 55-75.

Andrews, M., Gerner, H.D., Schank, T. and UPWARD, R. (2015). "More hours, more jobs? The employment effects of longer working hours". *Oxford Economic Papers* 67, 245-268.

### **Working papers**

Dustmann, C., FACCHINI, G. and Signorotto, C. (2015). "Population, Migration, Ageing and Health: A Survey". GEP working paper 15/17.

Andrews, M., Schank, T. and UPWARD, R. (2015). "Do foreign workers reduce trade barriers? Microeconomic evidence". GEP working paper 15/14.

UPWARD, R. and Wright, P. (2015). "Don't Look Down: New Evidence on Job Loss in a Flexible Labour Market". GEP working paper 15/10.

Anderton, R. and Bonthius, B. (2015). "Downward Wage Rigidities in the Euro Area". GEP working paper 15/09.

Marjit, S. and Roychowdhury, P. (2015). "Inequality and Trade: A Behavioral-Economics Perspective". GEP working paper 15/08.

El-Sahli, Z. and UPWARD, R. (2015). "Off the waterfront: The long-run impact of technological change on dock workers". GEP working paper 15/06.

Bellmann, L., Gerner, H.D. and UPWARD, R. (2015). "Job and worker turnover in German establishments". GEP working paper 15/05.

### **Theme 3: Globalization, Productivity, and Technology**

The Globalisation, Productivity and Technology programme (GPT) focuses on understanding the role of technology and technological progress in globalized economies. The programme combines theoretical and empirical methods to examine how globalization and technology interact in shaping productivity, innovation and labour market outcomes.

#### **Conferences**

In June 2015, the GPT programme has organized for the second year in a row an international conference titled "Firm and Technology Dynamics: A Global Perspective", focused on the micro determinants of macroeconomic growth and technological progress both in closed and open economies. It aimed to generate a platform from which researchers who work with micro-level data and structural macroeconomic models could interact. The conference, organized by Giammario Impullitti, Ufuk Akcigit (University of Chicago), and Vasco Carvalho (University of Cambridge) brought together some of the best junior and senior researchers in these fields from top American and European universities.



### **Refereed Journal Articles**

Bryce Campodonico, L., BONFATTI, R. and Pisano, L. (2015). "Tax policy and the financing of innovation". *Journal of Public Economics*, forthcoming.

BREINLICH, H. and Cunat, A. (2015). "Tariffs, Trade and Productivity: A Quantitative Evaluation of Heterogeneous Firm Models". *Economic Journal*, forthcoming.

EBERHARDT, M. and Presbitero, A. (2015). "Public debt and growth: heterogeneity and non-linearity". *Journal of International Economics*, forthcoming.

EBERHARDT, M. and Vollrath, D. (2015). "The Effect of Agricultural Technology on the Speed of Development." *World Development*, forthcoming (Special Issue on 'Poverty impacts of sectoral productivity growth').

Cozzi, G. and IMPULLITTI, G. (2015), "Globalization and Wage Polarization". *Review of Economics and Statistics*, forthcoming.

IMPULLITTI, G. (2015). "Global Innovation Races, Offshoring and Wage Inequality". *Review of International Economics*, forthcoming.

### **Working papers**

GARCIA-VEGA, M., Hoffman, P. and KNELLER, R. (2015). "Multinationals and the Globalization of R&D". GEP Working paper 15/18

IMBRUNO, M., Pittiglio, R. and Reganati, F. (2015). "FDI, Intermediate Inputs and Firm Performance: Theory and Evidence from Italy". GEP working paper 15/15.

IMBRUNO, M. (2015). "Firm Efficiency and Input Market Integration: Trade versus FDI". GEP working paper 15/04.

## **Theme 4: China and the World Economy**

The “China and the World Economy” (CWE) research theme is working on two main funded projects. The first is: “Local Government, Economic growth and human development: Chinese lessons for Kenya and Uganda?” (PI: Professor Lina Song). The project, which was awarded an ESRC/DfID research grant totalling £675,382 (fEC), started on 15<sup>th</sup> of April 2015 and will last for 4 years. The second is “Migration and the Reshaping of Consumption Patterns” (PI Professor Jackie Wahba University of Southampton, co-PI Professor Giovanni Facchini University of Nottingham), which has received an award of £488,000 (fEC), has started on February 1, 2015 and will last for 3 years.

### **Brief summary of “Local Government, Economic growth and human development: Chinese lessons for Kenya and Uganda?”**

Many African states are weak and unstable, prone to military coups or civil unrest. Poor governance and a lack of the civil society necessary to underpin reform are often cited as key reasons why investors are reluctant to engage with Africa and why livelihoods are diminished. The socio-political system in China is also woefully lacking by the standards of liberal democracy, but nonetheless has proved capable of sustained economic reform and remarkable success in development.

During the process of a nation's development, local governments can be important actors in adopting and implementing policies which would assist national economic growth and promote local benefits. For much of China's economic reform period, local governments played a key part in driving GDP growth although there are now doubts about whether this role is sustainable. In Africa, decentralization is a common element of reform but often the focus is on fostering political settlements and improved service delivery, rather than promoting economic reform. This project will consider whether China's experiences provide insights into how local government in Africa may successfully contribute to development, although differences in political structures mean that not all lessons may be transferable. The project will conduct rigorous analysis, based on evidence from original data collection using tailor-made surveys, to explore the impacts of local governance on the economic and human development of China and two selected African countries, Kenya and Uganda.

The research covers four interlinked topic areas. First, it starts with research on a stratified random sample of local governments in the three countries, identifying and comparing their policy environments, structures, inter-government relationships, and key officials' self-motivation for pro-poor growth, and evaluating their performance and policy outcomes. Second, it extends from the analysis of local governments to investigate their impacts on local economic growth and on production of tradable goods, whether in agriculture or manufacturing. Third, the project explores the effectiveness and efficiency of local government in providing health and education services. Fourth, it will consider the impact of local government on poverty reduction.

The project addresses questions which would have impact on policy-making in international development. Differences in the roles of local government between and within countries will be identified, with comparisons being made to explain the challenges facing local governments in the three selected countries. Any lessons, positive or negative, from China's development process will be identified and consideration given to how these might be adapted or avoided in order to enable local governments in Kenya, Uganda and other low income African states to be proactive in economic development.

<http://gtr.rcuk.ac.uk/project/CFCB1A3B-C332-4CFC-A8CF-BECCE09098D0>

### **Brief summary of “Migration and the Reshaping of Consumption Patterns”**

Rapid demographic and socio-economic changes have been taking place in China during the past thirty years. The economic reforms initiated at the end of the 1970s led to increased agricultural productivity and excess rural labour force; in parallel, the rise in foreign investment in urban areas generated high demand for low-priced labour. The household registration system – the *hukou* – through which the government controlled the internal transfer of labour and regulated prices across regions was progressively – albeit not entirely – relaxed. Demographic pressures were forcibly counteracted by the introduction of the one-child policy, a law restricting most couples to having only a child, which was enforced in urban areas as well as some rural regions. These vicissitudes set the background of the Great Migration, the mass migration from rural to urban areas, and the largest move of labour force in history. Recent estimates show that there are over 250 million migrant workers in China (NBS, 2012). The large majority of these come from rural areas, although migration between urban areas has also increased.

The persistence of the *hukou* system means that most of migrants cannot permanently settle in cities, making most migrations temporary. Nonetheless, the frequency, circularity and volume of the flows are such that rural-to-urban migrants hold a constant presence in urban areas, while many villages face an increasing lack in the working-age population. As a consequence, besides affecting migrants themselves, migration also has socio-economic repercussions on family members left behind in rural villages, as well as urban residents.

There is a wealth of studies analysing the consequences of the Great Migration on the income and labour market outcomes of migrants. However, systematic evidence is missing on how consumption, consumption behaviour and consumption inequality are affected by migration. Understanding consumption patterns is crucial to measuring changes in standards of living and providing policy prescriptions in order to improve well-being. Furthermore, while there is evidence about the role of migration and remittances in improving the living standards in China, migration has also been associated with rising economic inequality between rural and urban areas, as well as within rural and urban areas. The precise mechanisms behind such growing inequality are still rather underexplored, especially in terms of disparities in the consumption of necessary goods such as food and housing, as well as durable and luxury goods.

Migration and consumption patterns in China also have reverberations for the global economy, including Europe. A great deal of the global demand over the past decades has been sustained through internal migration in China and the consequent shift of labour force out of the primary sector into manufacturing and tertiary sectors. More recently, however, the growing influence on the world trade, accompanied by the massive upsurge in domestic consumption, has led to China affecting the world prices of many commodities, including food and energy. Parallel to the urbanisation process taking place in China, Europe has started facing inexorable demographic challenges, with the population aging and birth rates often declining. Most of the population growth in European countries is currently attributed to net migration flows or the relatively higher fertility rates of migrants or individuals with a migration background.

International migration in Europe has been growing in the past twenty years, also triggered by increasing economic integration with developing countries. Among the numerous immigrant groups present in Europe, the Chinese diaspora has been sizably growing in the past decades, in countries such as France, the UK, Germany and the Netherlands. In particular, many young talented Chinese migrants move to Europe in order to further their education in disciplines in which Europe typically has a scarce supply, such as physical sciences. Although a small number of these migrants permanently settle in the EU, the majority of Chinese students typically return to China in the hope that education abroad pays relatively better in the home labour market. While there is some sparse evidence on how Chinese migrants and their children fare in the EU labour market (Dustmann and Faber 2005, Algan et al 2010), even less is known about their consumption behaviour and, more importantly, how consumption norms and values are transferred from Europe to China through diaspora and return migration.

In this context, the research project aims to assess how migration reshapes the consumption patterns of migrants and other individuals indirectly affected by migration, with particular attention to implications in terms of consumption inequality. Our focus will be on both the Great Migration in China and the Chinese diaspora in the EU.

For more information on the project, see <http://gtr.rcuk.ac.uk/projects?ref=ES/L015684/1>

## ***4. Appendices***

Below as appendices are the Seminar Series Speakers and Conference Programmes

## GEP Seminars 2015

**Mariya Teteryatnikova** (University of Vienna)

03 February 2015

R&D in the Network of International Trade: Multilateral versus Regional Trade Agreements

**Steven Poelhekke** (VU University Amsterdam)

10 February 2015)

Former Foreign Affiliates: Cast Out and Outperformed?

**Pierre-Louis Vezina** (University of Birmingham)

17 February 2015

There goes gravity: eBay and the death of distance

**Keith Head** (University of British Columbia)

24 February 2015

Geography, Ties, and Knowledge Flows

**Hale Utar** (Bielefeld University)

03 March 2015

Workers beneath the floodgates: The impact of removing trade quotas for China on Danish workers

**Holger Breinlich** (University of Essex)

10 March 2015

Merger Policy in a Quantitative Model of International Trade

**Simon Evenett** (University of St.Gallen)

13 March 2015

How Crisis-Era Trade Distortions Slowed Down the LDC Export Growth Machine

**Giacomo Ponzetto** (Universitat Pompeu Fabra, Barcelona)

24 March 2015

Should Different People Have Different Governments?

**Julian di Giovanni** (Universitat Pompeu Fabra, Barcelona)

28 April 2015

The Micro Origins of International Business Cycle Co-movement

**Radek Stefanski** (University of St Andrews)

05 May 2015

Spend, Baby, Spend: Windfalls, Specialization and Misallocation

**Maarten Bosker** (Erasmus University Rotterdam)

29 September 2015

A theory of trade in a global production network

**Tim Schmidt-Eisenlohr** (Federal Reserve Board)

06 October 2015

Learning and the Value of Relationships in International Trade

**Mathieu Parenti** (Université Libre de Bruxelles)

13 October 2015

Demand, technology, and the size distribution of firms

**Luca Opromolla** (Bank of Portugal)

20 October 2015

Productivity and Organization in Portuguese Firms

**Gabriel Felbermayr** (Ifo Institute)

27 October 2015

Trade and the Spatial Distribution of Transport Infrastructure

**Facundo Albornoz** (University of Nottingham)

10 November 2015

Importing after Exporting

**Gregory Corcos** (Ecole Polytechnique)

17 November 2015

Trade Liberalization and the Link Between Services and Goods Trade at the Firm Level

**Kerem Cosar** (Stockholm School of Economics)

26 November 2015

Economic analysis of ancient trade: the case of the old Assyrian merchants of the 19th Century BCE

**Natalie Chen** (University of Warwick)

01 December 2015

Quality and the Great Trade Collapse



# **Firm Heterogeneity: Implication for Aggregate Outcomes**

**January 13, 2015  
Paris, France**

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**8:45-9:00 Opening address**

**9:00-12:15: Session: Firm heterogeneity, aggregate productivity and trade gains**

9:00-10:00: From micro to macro: Demand and supply-side determinants of the trade elasticity.

Maria Bas, Thierry Mayer and Mathias Thoenig

10:00-11:00: Going Deep: Trade and Welfare Effects of TTIP

Rahel Aichele, Gabriel Felbermayr and Inga Heiland.

11:00-11:15 Break

11:15-12:15: Globalization and State Capitalism: Assessing Vietnam Accession to WTO

Leonardo Baccini, Giammario Impullitti, Edward Malesky

**12:15-13:30 Lunch**

**13:30-15:30: Session: Heterogeneity and aggregate volatility**

13:30-14:30: Relative Real Exchange-Rate Volatility, Multi-Destination Firms and Trade: Micro Evidence and Aggregate Implications

Jérôme Héricourt and Clément Nedoncelle

14:30-15:30: Export Decision under Risk

José De Sousa, Anne-Célia Disdier and Carl Gaigné

15:30-15:45 Break

**15:45-17:45: Session: Innovation and competitiveness**

15:45-16:45: Firm productivity distribution and aggregate exports

Giorgio Barba Navaretti, Matteo Bugamelli, Emanuele Forlanic, and Gianmarco Ottaviano

16:45-17:45: The Impact of Innovation on Trade Margins: Evidence from French Firms

Robert Elliott, Liza Jabbour and Enrico Vanino

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The workshop is a joint initiative of CESifo, GEP and CEPII. This workshop has benefited from the financial contribution of the Labex OSE, supported by Paris School of Economics.

8<sup>th</sup> Globalisation and Economic Policy International Conference:  
**Current Issues in International Economics and Open-Economy  
Macroeconomics**

**Nottingham Centre for Research on Globalisation and Economic Policy (GEP)  
and Centre for Finance, Credit and Macroeconomics (CFCM),  
University of Nottingham**

in collaboration with  
**Special Projects Cluster, Majlis Profesor Negara (MPN)**

**11<sup>th</sup> and 12<sup>th</sup> February, 2015**

at the Kuala Lumpur Teaching Centre, the University of Nottingham Malaysia Campus,  
2nd Floor, Chulan Tower, Jalan Conlay, Kuala Lumpur

**Wednesday, 11<sup>th</sup> February**

09.00 – 09.15 *Opening address*  
**Professor Chris Milner, University of Nottingham, UK**

**Dato' Hassan Said, Head, Special Projects Cluster, Majlis Profesor  
Negara and Vice Chancellor, Taylor's University**

***Session 1 (Chair: Kevin Lee)***

09.15 – 11.00 **Paul Mizen, CFCM, University of Nottingham**  
*An International Comparison of Bank Lending Rates and Funding Costs:  
Before and After the Financial Crisis*

**Kue-Peng Chuah, Bank Negara Malaysia**  
*The Roles of the Exchange Rate: How Have They Changed and Their  
Implications for Developing Countries*

**Hwee Kwan Chow, Singapore Management University**  
*Is the Reminbi Asia's Dominant Reference Currency? A Reconsideration*

11.00 – 11.30 Coffee/tea



***Session 2 (Chair: Chris Milner)***

11.30 – 12.40    **Jay Menon, Asian Development Bank**  
*From Spaghetti Bowl to Jigsaw Puzzle: Dealing with the Rise of the Mega-Regionals and Fragmentation of the World Trade System*

**Nao Ijiri, Nihon University**  
*Harmonisation of National Standards and Newly Traded Products: The Case of Japanese Imports*

12.40 – 14.15    Lunch

***Session 3 (Chair: Paul Mizen)***

14.15 – 16.00    **Kevin Lee, CFCM, University of Nottingham**  
*Economic Sentiment, International Interdependence and Output Dynamics in the G7 (with Tony Garratt and Kalvinder Shields)*

**Wai Mun Chia, Nanyang Technical University**  
*Housing Bubbles under Heterogeneous Expectations*

**Wong Chin Yoong, Universiti Tunku Abdul Rahman  
and Stockholm China Economic Research Institute, SSE**  
*Policy Uncertainty, the Ringgit Problem? Some Evidence and Theory*

16.00 – 16.30    Tea/coffee

***(Session 4: Chairs: Kevin Lee and Wing Leong Teo)***

16.30 – 17.30    *Dialogue and Networking Session with Majlis Professor Negara on Cross-Border Research Opportunities*

17.30 – 18.30    Break (refreshments provided)

***Session 5: Lecture and Reception in Chulan Tower, 2<sup>nd</sup> floor***

18.30 – 20.00    ***Boustead Annual Globalisation Lecture 2015:***  
**Christine Ennew, Provost and Pro-Vice-Chancellor,  
University of Nottingham Malaysia Campus**  
*'The Future of International Education'*

20.00 – 21.00    Reception, sponsored by Boustead Holdings Berhad

## Thursday, 12<sup>th</sup> February

### *Session 6 (Chair: Jay Menon)*

09.00 – 10.45    **Shandre Thangavelu, University of Adelaide**  
*Foreign Workers, Aging and Pensions in Small Open Economy:  
Case of Singapore*

**Nusrate Aziz, University of Nottingham Malaysia Campus**  
*Migrant Workers Remittance and Economic Growth: The Role of Financial  
Development (with Somnath Sen and Lichao Wu)*

**Arusha Cooray, University of Nottingham Malaysia Campus**  
*Corruption and Human Capital Accumulation: What Does the Panel Data  
Evidence Really Show?*

10.45 – 11.15    Coffee/tea

### *Session 7 (Chair: Wing Leong Teo)*

11.15 – 13.00    **Saumik Paul, University of Nottingham Malaysia Campus**  
*Emigration and Exchange Rates in a Globalised World*

**Paolo Epifani, GEP, University of Nottingham Ningbo China**  
*Trade Imbalances, Trade Policy and Welfare*

**Jiao Shi, University of Peking**  
*Vertical FDI and Exchange Rate in a Two-Country Model*

13.00 – 14.30    Lunch

14.30 – 15.20    Transfer to the University of Nottingham Malaysia Campus at Semenyih

15.20 – 15.45    Tour of campus

15.45 – 16.00    Refreshments

### *Session 8 (Chair: Sir David Greenaway, Vice-Chancellor, University of Nottingham)*

16.00 – 17.00    ***The World Economy Annual Asia Lecture*** (sponsored by Wiley Publishers):  
**Hans Genberg, Advisor, South East Asian Central Banks (SEACEN)  
Research and Training Centre**

*Implementing Macro-prudential Policies: Challenges, Pitfalls and Way Forward*

In lecture theatre F3A04, University of Nottingham Malaysia Campus

17.00            Return to Kuala Lumpur, by coach

19.15            Leave Prince Hotel (meet in Reception) for:

19.45            Conference dinner for conference speakers and invited guests



The University of  
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Centre for  
**Economic  
Policy  
Research**



## **14th Annual GEP Postgraduate Conference**

hosted by the Nottingham Centre for Research on Globalisation and Economic Policy  
(GEP),

University of Nottingham  
**23<sup>rd</sup> and 24<sup>th</sup> April, 2015**

**Rooms A44 and A45 Sir Clive Granger Building  
University of Nottingham, University Park**

### **P R O G R A M M E**

**Thursday 23<sup>rd</sup> April**

**In A44:**

**Session 1: Introduction and Keynote Speech**

09.00 – 09.10 **Introduction and Welcome**

Professor Giovanni Facchini, Professor of International Economics, Director of GEP, University of Nottingham

09.10 – 09.50 **Keynote Speech**

**“Too Small to Protect? The Role of Firm Size in Trade Agreements”**

Dr Ben Zissimos, University of Exeter

**Session 2 (chair: Alejandro Riaño)**

09.50 – 10.30 **Mis-location of Firms and Aggregate Loss**

Presenter: Hanwei Huang (LSE)

Discussant: Fabrice Defever (University of Nottingham)

10.30 – 11:10 **Gains from Trade in a Distorted Economy**

Presenter: Matej Bajgar (Oxford/Stanford)

Discussant: Alejandro Riaño (University of Nottingham)

11.10 – 11.30 *Coffee/Tea break in A43/A45*



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### Session 3 (chair: Zhihong Yu)

#### 11.30 – 12.10 **Bridging Trade Barriers: Evaluating Models of Multi-Product Exporters**

Presenter: Björn Thor Arnarson (University of Lund)

Discussant: Maria Garcia-Vega (University of Nottingham)

#### 12.10 – 12.50 **Knowledge complementarities in a globalized world**

Presenter: Esther Ann Bøler (University of Oslo/LSE)

Discussant: Zhihong Yu (University of Nottingham)

#### 12.50 – 14:20 *Lunch in A43* + **Poster sessions in A45**

#### **The effects of imports from China on local labour markets in the UK**

Presenter: Özgül Bilici (University of Essex)

Discussant: Nihar Shembavnekar (University of Sussex)

#### **Political connections and exporting decisions: evidence from the perspective of *lishu* relationship in Chinese unlisted firms**

Presenter: Jing Du (University of Birmingham)

Discussant: Anja Grujovic (University of Geneva)

#### **Brain Drain and Firm Productivity: Evidence from the Sequential Opening of EU Labour Markets**

Presenter: Nadzeya Laurentsyeva (University of Munich)

Discussant: Rachel Slaymaker (University of Nottingham)

#### **Do immigrants attract FDI? District-level evidence from Germany**

Presenter: Chen Li (University of Munich)

Discussant: Alessandro Sforza (LSE)

#### **Special economic zones and agriculture – an alternative theorisation**

Presenter: Soumyatanu Mukherjee (University of Nottingham)

Discussant: Sabrina Eisenbarth (University of Nottingham)

#### **The long-term impact of trade with firm heterogeneity**

Presenter: Guzmán Ourens (Université Catholique de Louvain)

Discussant: Hanwei Huang (LSE)

#### **When do devaluations pay?**

Presenter: Evangelia Pateli (Stokholm University and LSE)

Discussant: Maria V. Sokolova (University of Geneva)

#### **Processing trade, firm heterogeneity and export behaviour of Chinese firms**

Presenter: Min Zhu (University of Helsinki)

Discussant: Christian Fischer (University of Dusseldorf)



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**In A44**

**Session 4 (chair: Roberto Bonfatti)**

14.20 – 15.00 **Relational contracts and supplier turnover in the global economy**

Presenter: Christian Fischer (University of Dusseldorf)

Discussant: Andrei Potlogea (Universitat Pompeu Fabra)

15.00 – 15.40 **Globalization and the skilled city**

Presenter: Andrei Potlogea (Universitat Pompeu Fabra)

Discussant: Roberto Bonfatti (University of Nottingham)

15.40 – 16.00 *Coffee/Tea break in A43/A45*

**Session 5 (chair: Sourafel Girma)**

16.00 – 16.40 **The impact of immigration on UK trade flows: a comparison before and after the 2004 EU enlargement**

Presenter: Rachel Slaymaker (University of Nottingham)

Discussant: Esther Ann Bøler (University of Oslo/LSE)

16.40 – 17.20 **Trade liberalisation, labour market flexibility and employment: evidence from India**

Presenter: Nihar Shembavnekar (University of Sussex)

Discussant: Sourafel Girma (University of Nottingham)

17.20 Break. Opportunity for drinks at "The Hemsley" bar

18.30 Transport to Antalya restaurant will leave from The Hemsley

19.00 Conference Dinner at Antalya Restaurant, Nottingham City Centre  
**For Conference Speakers and Discussants Only**

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**Friday 24<sup>th</sup> April**

**In A44**

**Session 6 (chair: Richard Upward)**

09.00 – 09.40 **Managers' mobility and knowledge transfer**

Presenter: Alessandro Sforza (LSE)

Discussant: Markus Eberhardt (University of Nottingham)

09.40 – 10.20 **Trade and long term unemployment: a quantitative assessment**

Presenter: Anja Grujovic (University of Geneva)

Discussant: Richard Upward (University of Nottingham)

*10.20 – 10.40 Coffee/Tea in A45*

**Session 7 (chair: Wanyu Chung)**

10.40 – 11:20 **The effect of international trade on fisheries management**

Presenter: Sabrina Eisenbarth (University of Nottingham)

Discussant: Björn Thor Arnarson (University of Lund)

11.20 – 12.00 **Strategic currency choice in international trade**

Presenter: Maria V. Sokolova (University of Geneva)

Discussant: Wanyu Chung (University of Nottingham)

12:00 – 12:15 **Award of the 'Best Paper' Prize and Concluding Comments**

*12.15 – 13.30 Lunch in A45*

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## **Festschrift Conference in Honour of Professor Sir David Greenaway**

Organised in conjunction with the *Review of International Economics*  
Hosted by the School of Economics and GEP, University of Nottingham  
Sponsored by University of Nottingham Research Committee  
and School of Economics Research Committee

A01, Highfield House, University Park Campus, University of Nottingham

### **P R O G R A M M E**

#### **9.20 - 9.30am: Welcome and Introduction**

Giovanni Facchini, Director of GEP

#### **9.30 – 9.50am** (Chair: Giovanni Facchini)

Peter Egger (ETH Zurich) & Chris Milner (University of Nottingham)

“On David Greenaway’s Contribution to International Economics”

#### **Session 1 (9.50 – 11am)** (Chair: Peter Egger)

Holger Görg (Christian-Albrechts University and Kiel Institute of World Economics)

"Availability of Business Services and Outward Investment: Evidence from French Firms"

Beata Javorcik (University of Oxford)

“Testing the Core Competence Model of Multi-Product Firms”

#### **Coffee break in The Cloisters (11am – 11.30)**

**Session 2 (11.30 – 12.40pm)** (Chair: Chris Milner)

Peter Neary (University of Oxford)

"International Trade in General Oligopolistic Equilibrium"

Carl Davidson & Steve Matusz (Michigan State University)

"Global Engagement and the Occupational Structure of Firms."

**Lunch in The Cloisters (12.40 – 2pm)**

**Session 3 (2 – 3.45pm)** (Chair: Peter Egger)

Joana Silva (World Bank)

"Exports and Worker Training" (provisional title)

Richard Kneller (University of Nottingham)

"New Technology and Exports: The Effects of Broadband on UK Service Exports"

Zhihong Yu (University of Nottingham)

"Do Exports Improve Firm Finance? Evidence from Chinese Exporters under Exchange Rate Fluctuations"

**Tea/coffee break in The Cloisters (3.45 – 4.05pm)**

**Session 4 (4.05 – 5.15pm)** (Chair: Chris Milner)

Ray Riezman (University of Iowa)

"Urbanization and Economic Development: A Tale of Two Barriers"

Douglas Nelson (Tulane University)

"Intra-Industry Trade in Wine"



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**Conference on  
"Firm & Technology Dynamics: a Global Perspective"**

**Thursday 4<sup>th</sup> and Friday 5<sup>th</sup> June 2015**

A41, Sir Clive Granger Building  
University of Nottingham, University Park

Conference Organisers:  
Giammario Impullitti, University of Nottingham  
Ufuk Akcigit, University of Pennsylvania  
Vasco Carvalho, University of Cambridge

Sponsored by:  
Nottingham School of Economics Research Committee

**P R O G R A M M E**

**Thursday 4<sup>th</sup> June 2015**

- |               |   |
|---------------|---|
| 08.45         | Transport to pick up speakers from National College   |
| 09.20 – 09.30 | Welcome and Conference Opening  |
| 09.30 - 10.15 | Session 1<br><b><u>Innovation and Top Income Inequality</u></b><br><i>Presenter: Philippe Aghion (Harvard)</i>                  |
| 10.15 - 11.00 | Session 2<br><b><u>Input Diffusion and the Evolution of Production Networks</u></b><br><i>Vasco M Carvalho (Cambridge/CREI)</i> |
| 11.00 - 11.30 | Tea/Coffee in Foyer Area  |



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- 11.30 - 12.15      Session 3  
**Globalization and Wage Polarization**  
*Presenter: Giammario Impullitti (Nottingham)*
- 12.15 - 14.00      Lunch at Grove Balcony, Lakeside Pavilion Café
- 14.00 - 14.45      Session 4  
**Does the Cream Always Rise to the Top? The Misallocation of Talent in Innovation**  
*Presenter: Murat Celik (Pennsylvania)*
- 14.45 - 15.30      Session 5  
**The Growth Dynamics of Innovation, Diffusion, and the Technology Frontier**  
*Presenter: Jesse Perla (UBC)*
- 15.30 - 16.00      Tea/Coffee in Foyer Area
- 16.00 - 16.45      Session 6  
**Patent Collateral, Investor Commitment and the Market for Venture Lending**  
*Presenter: Carlos Serrano (UPF)*
- 17.00 - 18.00      **The World Economy Annual Lecture 2015**  
**Why Doesn't Technology Flow from Rich to Poor Countries?**  
*Jeremy Greenwood, (Pennsylvania)*  
**Chair:** *Professor Sir David Greenaway (Nottingham)*
- 18.00                  Post Lecture Drinks Reception, Sir Clive Granger Building
- 19.00                  Speakers to leave by mini-bus for Conference Dinner



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**Friday 5<sup>th</sup> June 2015**

- 08.45                      Transport to pick up speakers from National College
- 09.30 - 10.15          Session 7  
**[The Gains From Input Trade in Firm-Based Models of Importing](#)**  
Presenter: *Michael Peters (Yale)*
- 10.15 - 11.00          Session 8  
**[Optimal Growth Through Product Innovation](#)**  
Presenter: *Rasmus Lentz (Wisconsin)*
- 11.00 - 11.30          Tea/Coffee in A42
- 11.30 - 12.15          Session 9  
**Lack of Selection and Limits to Delegation: Firm Dynamics in Developing Countries**  
Presenter: *Harun Alp (Pennsylvania)*
- 12.15 - 13.15          Lunch in A42
- 13.15 - 14.00          Session 10  
**[Networks and the Macroeconomy: An Empirical Exploration](#)**  
Presenter: *Ufuk Akcigit (Pennsylvania)*
- 14.00 - 14.45          Session 11  
**[Fluctuations in R&D Investment and Long-run Growth: The Role of the Size Distribution of Innovating Firms](#)**  
Presenter: *Tom Schmitz (UPF)*
- 15.00                      Close



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## University of Nottingham Ningbo China (UNNC)

### *The 8<sup>th</sup> Annual GEP China Conference*

*on 6<sup>th</sup> and 7<sup>th</sup> November, 2015*

### **China and the Global Economy**

*at the Conference Centre, University of Nottingham Ningbo China*

## PROGRAMME

### **Friday, 6<sup>th</sup> November**

08.50 Transport from Sofitel Hotel to the UNNC Conference Centre

09.20 *Welcome and Introduction*

**Sir David Greenaway**, Vice-Chancellor, University of Nottingham

**Chris Rudd**, Provost, University of Nottingham Ningbo China

**Session 1** Chair: **Giovanni Facchini**, GEP, University of Nottingham

09.30-10.15 **Davin Chor**, National University of Singapore (with L. Alfaro, P. Antras and P. Conconi)

*Internalizing Global Value Chains: A Firm-Level Analysis*

10.15-11.00 **Holger Breinlich**, GEP, University of Nottingham

*The Effect of Trade Liberalization on Firm-Level Profits: An Event-Study Approach*

11.00-11.30 *Conference Photo and tea/coffee*

*Please gather outside Conference Centre before taking tea/coffee.*

11.30-12.15 **Hong Ma**, Tsinghua University

*Trade Liberalization, Market Structure, and Firm Markup: Evidence from China*

12.15-13.45 *Lunch in the Robin Hood restaurant, on campus*

- Session 2** Chair: **Wen Xiao**, Zhejiang University
- 13.45-14.30 **Udo Kreickemeier**, University of Dresden (with H. Egger, P. Egger and C. Moser)  
*The Exporter Wage Premium when Firms and Workers are Heterogeneous*
- 14.30-15.15 **Marcelo Olarreaga**, University of Geneva (with C. Carrère, M. Fugazza and F. Robert-Nicoud)  
*Trade in Unemployment*

15.15-15.45 *Tea/coffee*

- Session 3** Chair: **Shujie Yao**, University of Nottingham Ningbo China
- 15.45-16.30 **Huasheng Song**, Zhejiang University (with M. Crowley),  
*Firms' Heterogeneous Response to Antidumping: Evidence from China*
- 16.30-17.15 **Giammario Impullitti**, GEP, University of Nottingham (with L. Baccini and E. J. Malesky),  
*Globalization and State Capitalism: Assessing Vietnam's Accession to the WTO*

**Session 4** *In the Auditorium*

Chair: **Sir David Greenaway**, Vice-Chancellor and Professor of Economics,  
University of Nottingham

- 18:15-19.15 *The World Economy Annual China Lecture 2015*  
**Michael Song**, Chinese University of Hong Kong,  
*Institutional Foundation of China's Growth*
- 19.30 Post-lecture reception at the Sofitel Hotel, Ningbo (by coach from the Auditorium)  
*For invited guests and conference speakers*

**Saturday, 7<sup>th</sup> November**

08.30 Transport from Sofitel Hotel to the Conference Centre

- Session 5** Chair: **Kevin Lee**, University of Nottingham
- 09.00-09.45 **Cristina Terra**, ESSEC Business School (with Sainan Huang),  
*Exchange Rate Populism*
- 09.45-10.30 **Jiao Shi**, Peking University HSBC Business School,  
*Welfare Effects of FDI over the Business Cycle*

10.30-11.00 *Tea/coffee*

**Session 6** Chair: **Stephen Morgan**, University of Nottingham Ningbo China

11:00-12:00 Distinguished GEP China Lecture

**Thierry Verdier**, Paris School of Economics (with Sebastian Krautheim),  
*Offshoring with Endogenous NGO Activism*

12.00-13.00 *Lunch, Robin Hood restaurant*

**Session 7** Chair: **Eden Siu-hung Yu**, Chu Hai College of Higher Education

13.00-13.45 **Giorgio Barba Navaretti**, University of Milan (with M. Bugamelli,  
E. Forlani and G. Ottaviano),

*It Takes (More Than) a Moment: Revisiting the Link between Firm  
Productivity and Aggregate Exports*

13.45-14.30 **Tuan Anh Luong**, Shanghai University of Finance and Economics (with Qing Liu, Ruosi Lu  
and Yi Lu)

*Is Free-Trade Good or Bad for Innovation?*

14.30-14.45 *Tea/coffee*

**Session 8** Chair: **Xianhai Huang**, Zhejiang University

14.45-15.30 **Yiqing Xie**, Fudan University (with Xiao Wang),

*Productivity spillover effects of FDI: the Gravity of Intermediate Inputs*

15.30-16.15 **Zhihong Yu**, GEP, University of Nottingham (with Nicholas Bloom, John van Reenan and  
Kalina Manova),

*Managing Trade: First Firm Level Evidence From China*

16.15 Concluding remarks – **Paolo Epifani**, GEP, University of Nottingham Ningbo China