Welcome

These are testing times for both the world economy and the world of academia. Since people in every walk of life face new and difficult financial realities, it is all too tempting to arrive at negative conclusions and pessimistic predictions. In such a climate, a research centre devoted to economic analysis rooted in sound theoretical frameworks, careful measurement and data analysis plays an important role in providing rational perspectives and assessments on the role of globalisation in the world economy.

Looking back upon 2011, I am happy to report that GEP’s core research activities, which focus on both fundamental and currently topical themes, are as relevant as ever, informing different user groups about the often subtle aspects of economic globalisation. In this year we were again successful in fulfilling GEP’s distinctive mission of reaching a broad range of audiences: academics in and beyond of economics, policy advisers and makers, corporate decision makers, high school teachers, sixth forum students and the general public.

Our strategy for the upcoming year and the years ahead is to build on and expand GEP’s biggest asset, its intellectual human capital, with continued support from the School of Economics and the University of Nottingham (UON). With its research centres in China and Malaysia, GEP plays a pivotal role in the University’s broader internationalisation strategy. Our annual conferences on our UON-GEP branches in Ningbo (China) and Kuala Lumpur (Malaysia) have established themselves as fixtures for intellectual exchanges between East and West. Our ever-deepening collaborations with a number of institutions in the Far East, as well as the likes of Munich’s CESifo Group and Tulane University’s Murphy Institution, demonstrate our enduring commitment to ensuring the study of globalisation is itself a globalised endeavour.

I would like to take this opportunity to record our thanks to the Leverhulme Trust and Trustees for all their support during the past 11 years and to register our gratitude to the members of our Strategic Advisory Board for their help and guidance.

Professor Daniel Bernhofen
Director, Leverhulme Centre for Research on Globalisation and Economic Policy
Globalising GEP

“China is right at the centre of the world market,” declared Guo Zhuqing, chairman of the China Construction Bank, during the World Economic Forum meeting in Dalian in September 2011. With business leaders from around the globe practically scrambling to prove as much at the event, few would argue with the assertion. The inexorable economic shift from West to East continues – and with it the growth in importance of GEP’s centres in China and Malaysia.

It is now six years since the launch of the China and the World Economy programme and three years since the opening of GEP in China, based at the University of Nottingham Ningbo China, and GEP in Malaysia, based at the University of Nottingham’s Semenyih campus, near Kuala Lumpur. Our commitment to being in the strongest possible position to enhance the wider understanding of the reasons for and the ramifications of an historic transfer of economic power is evidenced by the quantity, quality and variety of the research emerging from these centres, as well as its ever-increasing relevance to audiences in East and West alike.

As detailed elsewhere in this report, the ability to produce timely and well-informed studies “from the source” was again supported by a number of events that helped cement the two centres’ international standing. The year saw GEP in China and GEP in Malaysia host conferences that attracted delegates from around the globe to address issues of particular importance to the region’s ever-growing role at the heart of the world economy. These events, most notably each centre’s annual conference, have become acknowledged fixtures on the academic calendar and continue to enrich and underline our participation in key networks.

It is important to stress, however, that our work to globalise GEP does not begin and end with China and Malaysia. Through a range of events, including conferences and workshops, we have furthered our efforts to foster mutually beneficial links with, among others, Singapore’s Nanyang Technological University, City University Hong Kong, Korea University, Tulane University’s Murphy Institute and Munich’s CESifo Group. A research institution such as ours should not be in any way parochial, and we are constantly seeking to identify and make the most of new opportunities for cooperation and collaboration.
Globalisation, Productivity and Technology

Research within the Globalisation, Productivity and Technology (GPT) programme focuses on the determinants of firms' internationalisation decisions — for instance, exports, imports, foreign direct investment and offshoring — and those decisions' effects on the firm and others in the industry or region.

A prominent theme of the research conducted within GPT in 2011 was the relationship between international trade, firm performance and finance. This was investigated from a number of angles.

Chen and Guariglia examine the links between Chinese firms' productivity and the availability of internal finance. Using a large panel of Chinese manufacturing firms over the period 2001-2007, they find that, especially for financially constrained firms, productivity is strongly affected by the availability of cash flow. They also find higher sensitivities of productivity to cash flow for private exporters but lower sensitivities for foreign exporters. Ding, Guariglia and Knight consider a similar relationship for investment in fixed and working capital.

Guariglia and Mateut investigate the relationship between finance and trade in a paper that analyses the role of political affiliation in the extension of trade credit by Chinese firms. They show politically affiliated firms benefit from easier access to short-term external funding and so extend more trade credit to their business partners than their non-affiliated counterparts. In other words, politically affiliated firms redistribute bank funding via trade credit. Furthermore, the sensitivity of trade credit extension to short-term debt is largest for non-affiliated private firms producing differentiated goods, which are more constrained in their access to external funding.

A number of these themes were also explored at Finance and Trade, a conference hosted by GEP, the Murphy Institute and CESifo and held in February at the University of Nottingham. Among the visiting speakers were Pol Antras (Harvard University), Peter Egger (University of Zurich), Kalina Manova (University of Stanford), Christian Keuschnigg (University of St Gallen), Tomasz Michalski (HEC Paris), Anna Lo Prete (University of Torino) and Panicos Demetriades (University of Leicester). A joint workshop held in January at Nanyang Technological University, Singapore, also addressed some of these issues.

A second strand of research in 2011 was the use of micro data on imports and exports. These micro data are beginning to reveal types and determinants of trade that were simply unknown to trade economists a decade ago. An instructive oversight of the patterns that are typical in data of this kind can be found in Wang and Yu and Abel-Koch, while Defever, Heid and Larch explore the determinants of export flows. The novelty of the analysis by Wang and Yu is the ability to distinguish between ordinary trade and processing trade (the latter involves importing inputs and materials to be assembled and re-exported to the overseas market). Several patterns emerge.

Firstly, there is significant heterogeneity within importer-exporters — in terms of size, productivity and factor intensity — depending on their engagement in processing exports/imports. While the existing literature typically finds two-way traders are larger and more productive than one-way traders, the research shows pure processing two-way traders are actually the least productive and exhibit the lowest capital/skill intensity compared to one-way traders. By contrast, firms conducting both ordinary and processing trade are the largest, most productive and capital-intensive among all trading firms.

Secondly, larger and more productive firms trade with a greater number of partners with tougher market conditions characterised by longer distances and smaller market size. Remarkably, this pattern is highly symmetric between exports and imports, as well as ordinary and processing trade. Thirdly, firms with greater capital and skill intensities source their inputs from countries with higher income per capita, and this pattern holds only for ordinary imports but not processing imports. Fourthly, larger firms trade a larger number of products with greater average product complexity. Finally, controlling for firm size, more productive and capital-intensive firms export less complex products but import more complex ordinary inputs.

Abel-Koch sheds light on a type of trade that was also little examined until recently: firms that use intermediaries to export their products. The paper lends empirical support to recent theories that suggest these indirect exporters are mostly small firms that are not profitable enough to cover the high fixed costs of building their own distribution networks abroad. Manufacturers that introduce entirely new products to foreign markets are more likely to use trade intermediaries, as are firms that produce low-quality goods. Of interest in light of the first research theme discussed above, credit constraints are not found to be correlated with the choice of export mode.

Over time perhaps the most explored question by GPT researchers has been the quest for evidence of spillover effects. A good example of work in this area is that by Agarwal and Milner, who explore whether and how provincial economic developments affect the nature and extent of FDI spillovers.

Using a panel of Chinese manufacturing firms over the period 2001-2005, they find provincial economic development does not systematically influence FDI spillovers. There are positive spillovers from FDI in some provinces but not necessarily in all sectors in that province. This suggests FDI spillovers in China may be affected by a combination of both the characteristics of the sector within a province and the characteristics of the province itself.

A new angle on this question is offered by Eberhardt, Helmers
and Strauss, who show knowledge and other spillovers cannot be ignored when evaluating private returns to R&D. Using a panel of 12 manufacturing industries across 10 OECD economies, their findings confirm conventional estimates conflate own-R&D and spillover effects.

The study of R&D can also be found in the work of Eberhardt, Helmer and Yu. This paper questions the fear – often held by Western politicians and voters – that China is beginning to dominate both our present and, through its R&D behaviour, our future. According to the findings, some of this fear is misplaced: the current patent explosion in China is accounted for by a tiny, highly select group of Chinese companies in the ICT equipment industry.

Globalisation and Labour Markets

Work by the Globalisation and Labour Markets (GLM) programme covered two main themes in 2011. Firstly, a number of researchers examined the issue of migration – in particular whether migration has subsequent effects on other aspects of globalisation, such as the trade in goods. Secondly, continuing a long-running theme, GLM considered how so-called ‘imperfections’ in the labour market affect the pattern of globalisation.

In Do Migrants Really Foster Trade? Parsons re-examines the relationship between patterns of migration and trade. For some time it has been clear that trade between countries who share a migrant network is greater than trade between countries that have little migration between them, but such an association might not be causal. It seems possible that unobserved factors influence both migration and trade, leading to them being positively correlated.

Parsons has assembled a new database of migrants all around the world over a long period of time, enabling him to control for some of these unobserved factors in a more detailed way than previously possible. Dividing the world into the relatively affluent ‘North’ and poorer ‘South’, the results show the only effect of migration is on Northern exports to the South. The findings demonstrate the large biases inherent in cross-sectional studies investigating the trade-migration nexus and highlight the extent to which previous results have been overstated.

In Ethnic Networks and Trade Coughlin and Wall consider how migration affects trade at both the extensive margin (i.e. whether trade occurs at all) and the intensive margin (i.e. given that it occurs, how much trade there is). They find ethnic networks are associated with increased exports when a trading relationship already exists but no association between ethnic networks and entry into an export market.

In Two-Way Migration Between Similar Countries Kreickemeier and Wrona consider the migration of highly-skilled workers. It turns out that skilled workers have a much higher migration rate, on average, than their low-skilled counterparts and that many of these high-skilled migrants are moving between similar countries: migrants move from the UK to Germany and from Germany to the UK, for example. The study suggests workers migrate in order to ‘signal’ their higher skill, since employers can distinguish migrants from natives but cannot easily distinguish high-skilled and low-skilled workers.

Finally on the theme of migration, Gaston and Nelson have contributed a chapter on international migration to the Palgrave Handbook of International Trade, edited by GEP Research Fellows.

A recognition that labour markets are not perfectly competitive has been an important contribution of research within GLM for several years. For a variety of reasons, workers cannot move costlessly from one job to another; wages do not always perfectly reflect workers’ productivity; workers may face extended periods of unemployment; and so on. Davidson and Matusz provide a summary of some of this research in their chapter in the aforementioned Palgrave Handbook of International Trade.

One particularly important type of ‘imperfection’ is that caused by the presence of trade unions. In International Trade, Union Wage Premia and Welfare in General Equilibrium Kreickemeier and Meland explore the implications of economic integration in countries where some sectors of the economy are shielded from international competition and the workforce is partially unionised.

As well as affecting workers’ wages, unions may also influence the decision of firms in terms of their production processes. For instance, firms may choose to “outsource” parts of their production to non-unionised labour in other countries. In Strategic Investment and International Outsourcing In Unionised Oligopoly Leahy and Montagna examine whether the presence of unions does in fact increase the incentives for firms to outsource.

One consequence of imperfect labour markets is that globalisation may cause unemployment rather than just changing wages for different groups of workers. Hence job security, as well as wages, matters for welfare. In Foreign-Owned Plants and Job Security, a study forthcoming in the Review of World Economics, Andrews, Bellmann, Schank and Upward investigate whether working for a foreign-owned firm increases or decreases job security.
RESEARCH PROGRAMMES

A particularly good example of this appears to be the German labour market, which responded to the recession with almost no increase in unemployment. Upward is currently working on an analysis of German firms as part of a wider cross-country OECD study in order to appreciate how they responded to the crisis. In many cases German firms adopted “labour hoarding” strategies instead of laying off workers. The OECD study aims to understand which labour market institutions and policies have been successful during the recent recession.

The increasingly relevant topic of labour market resilience has also been the subject of some GLM research during 2011. The financial crisis and the subsequent deep recession in almost all OECD countries have highlighted the role of this phenomenon, which represents the ability of countries to respond to recessions without causing massive losses in workers’ welfare.

China and the World Economy

GEP continues to expand its work on China. In 2011 the China and the World Economy (CWE) programme conducted significant research at the university’s campuses in Nottingham, China and Malaysia.

With new developments in the EU and elsewhere suggesting the road to recovery will be a long one, key studies examined how the world economy might respond to the ongoing financial crisis. China plays an important role in the recovery process but undoubtedly faces challenges of its own in light of external pressure on the appreciation of the renminbi and the debt crisis in Europe, which has been China’s largest export destination for many years.

Small and medium-sized enterprises (SMEs) in Wenzhou, once China’s exemplar of economic success, are facing their own locality-specific financial crisis. In addition, strict housing market policies imply China has to slow down its economic growth, which steadily declined from 9.7% in the first quarter of the year to 9.1% in the third.

These various difficulties mean China’s main priority now is to transform its economic structure from one with an overdependence on exports and investments to one that encourages a balanced mix of exports, investment, domestic consumption and technological upgrading. GEP’s research has been particularly focused on this shift in economic focus.

CWE’s work on China’s latest policy developments and the country’s relationship with the rest of the world was published widely in various major Chinese and English newspapers, as well as on key websites, throughout 2011. Opinion pieces, policy articles and blogs were published in China Daily, China Daily Europe, the Financial Times, the Daily Telegraph, the Independent, FT Investment Adviser, Caijing.com and sina.com. Our papers and blogs have been visited by millions of readers in and outside China.

GEP successfully held its fourth annual conference in China, entitled China’s External Economic Relations, on 3 and 4 November. The event attracted 36 papers by well-known experts and economists from China, the UK, the US and many other countries and was supported by some of China’s foremost universities, including Zhejiang, Fudan, Renmin, Nankai and Beijing. During the same month joint conferences were also held with Korea University and Hong Kong’s City University, attracting further high-quality contributions from Korea, Hong Kong, China and the UK.

Two prestigious lectures were delivered at China’s External Economic Relations. The World Economy Annual China Lecture was given by Professor Jun Zhang, of Fudan University, while the inaugural Youngor Annual Globalisation Lecture, sponsored by one of China’s leading private conglomerates, the Youngor Group, was delivered by Sunday Times Economics Editor David Smith. It is well worth noting that gaining the generous financial support of a large Chinese company should provide a sustainable future for special lectures in China and signifies a major step forward in securing sponsorship from the nation’s private business sector.

CWE's partnership with the rapidly growing School of Contemporary Chinese Studies (SCCS) continues to flourish and made a useful contribution to the Fourth Annual Conference of the International Forum for Contemporary Chinese Studies, held in Nottingham in September. GEP Internal Research Fellow Professor Shujie Yao, CWE’s coordinator, is also Head of the SCCS.

Among the studies conducted by CWE researchers in 2011 were: Do Imports Crowd Out Domestic Consumption? A Comparative Study of China, Japan and Korea, by Chen, Chen and Yao; On China’s Monetary Policy and Asset Prices, by Yao, Luo and Loh; Investment and Financing


Research within GEP’s Theory and Methods (TM) Programme has continued to flourish in pushing the boundaries of examining fundamental relationships in international economics from a microeconomic perspective. A highlight of 2011 was the publication of the Palgrave Handbook of International Trade, edited by GEP internal research fellows Daniel Bernhofen, Rod Falvey, David Greenaway and Udo Kreickemeier. The Handbook comprises of 20 authoritative surveys covering the whole spectrum of the field of international trade. The content of the Handbook has highlighted the Centre’s pivotal role in creating and dissemination world leading research in international trade during the last decade.

Current research activities within TM can be broadly categorized under the broad theme of ‘frictions and resilience in global economic interactions’. Research by Bougheas and Falvey focuses on financial frictions. Introducing financial frictions in models of international trade with heterogenous agents, they show that capital flows to countries with more developed financial institutions which allows those economies to develop sectors that are financially dependent. One of their key findings is that the variations in the distribution of wealth matters quite a bit.

Defever examines the welfare effects of offshoring in the presence of incomplete contracts between a Northern headquarter and Southern supplier. He shows that frictions in contract enforcement can lead to consumer welfare losses from trade liberalization.

Research by Coughlin and Wall focuses on information frictions and examines the role of information networks, proxied by ethnic networks, increasing international trade by overcoming these frictions.

Berti and Falvey investigate the interrelationships between international trade and minimum quality standards in the presence of frictions arising from asymmetric information.

Soegaard examines the relationship between trade policy cooperation and trade costs. Specifically he examines whether falling trade costs make trade agreements more sustainable.

McGowan and Milner develop an empirical methodology to measure economy-wide trade costs and use these measures to investigate the effects of trade costs on the pattern of international specialization.

Finally, Bernhofen, El-Sahli and Kneller have launched a new research project that aims to estimate the effects of containerization on the dramatic rise of world trade and the fragmentation of production during the second part of the 20th century.
## Internal Research Fellows

GEP benefits from a core of 20 Internal Research Fellows in Nottingham and another 25 at its centres in China and Malaysia. We thus maintain our position as one of the world’s largest clusters of academics studying the economic aspects of globalisation.

### GEP Internal Research Fellows

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<th>Name</th>
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<tr>
<td><strong>Professor Daniel Bernhofen</strong></td>
<td>GEP Director and Professor of International Economics</td>
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<tr>
<td>Dr Marta Aloi</td>
<td>Lecturer in Economics</td>
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<tr>
<td>Dr Spiros Bougheas</td>
<td>Associate Professor and Reader in Economics</td>
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<tr>
<td>Dr Fabrice Defever</td>
<td>Lecturer in Economics</td>
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<td>Dr Bouwe Dijkstra</td>
<td>Lecturer in Economics</td>
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<td>Dr Markus Eberhardt</td>
<td>Lecturer in Economics</td>
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<tr>
<td>Dr Maria Garcia Vega</td>
<td>Senior Research Fellow</td>
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<tr>
<td><strong>Professor Sourafel Girma</strong></td>
<td>Professor of International Economics</td>
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<tr>
<td><strong>Professor David Greenaway</strong></td>
<td>Vice-Chancellor and Professor of Economics</td>
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<tr>
<td><strong>Professor Richard Kneller</strong></td>
<td>Associate Professor in Economics</td>
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<td><strong>Professor Chris Milner</strong></td>
<td>Professor of International Economics</td>
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<tr>
<td>Dr Stephen Morgan</td>
<td>Associate Professor, School of Contemporary Chinese Studies</td>
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<tr>
<td>Dr Arijit Mukherjee</td>
<td>Associate Professor and Reader in Economics</td>
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<tr>
<td>Dr Alejandro Riaño</td>
<td>Lecturer</td>
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<tr>
<td><strong>Professor Lina Song</strong></td>
<td>Professor of China Studies</td>
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<tr>
<td>Dr Joel Stiebale</td>
<td>Lecturer in Industrial Economics</td>
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<tr>
<td>Dr Richard Upward</td>
<td>Associate Professor and Reader in Economics</td>
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<tr>
<td><strong>Professor Shujie Yao</strong></td>
<td>Professor of Economics and Chinese Sustainable Development</td>
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<tr>
<td>Dr Zhihong Yu</td>
<td>RCUK Research Fellow</td>
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<tr>
<td>Dr Jing Zhang</td>
<td>Lecturer in Contemporary Chinese Studies</td>
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### Internal Research Fellows in China

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<th>Name</th>
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<tr>
<td><strong>Dr Agyenim Boateng</strong></td>
<td>Associate Professor in Finance</td>
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<tr>
<td><strong>Dr Daniel Borgia</strong></td>
<td>Associate Professor in Finance</td>
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<tr>
<td>Dr Xiaogang Bi</td>
<td>Lecturer in Finance</td>
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<tr>
<td>Dr Saileshsingh Gunessse</td>
<td>Lecturer in Economics</td>
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### Internal Research Fellows in Malaysia

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<th>Name</th>
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<tr>
<td><strong>Dr Wen Li Chan</strong></td>
<td>Associate Professor of Business Law</td>
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<tr>
<td><strong>Dr Camilla Jensen</strong></td>
<td>Associate Professor of Economics</td>
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<tr>
<td><strong>Dr Roy Khong</strong></td>
<td>Assistant Professor of Economics</td>
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<tr>
<td>Dr Pek Kim</td>
<td>University Teacher in Economics</td>
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<tr>
<td><strong>Mr Chew Ging Lee</strong></td>
<td>Associate Professor of Quantitative Methods</td>
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<tr>
<td><strong>Dr Jason Lee</strong></td>
<td>Assistant Professor of Business Economics</td>
</tr>
<tr>
<td><strong>Dr Rasyad Parinduri</strong></td>
<td>Assistant Professor of Business Economics and GEP Malaysia Co-ordinator</td>
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<tr>
<td><strong>Dr Subramaniam Pillay</strong></td>
<td>Associate Professor in International Finance</td>
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<tr>
<td><strong>Professor Hui-Boon Tan</strong></td>
<td>Professor of Business Economics and Finance</td>
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<tr>
<td><strong>Dr Kin Boon Tang</strong></td>
<td>Assistant Professor of Finance and Economics</td>
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<tr>
<td><strong>Dr Wing Leong Teo</strong></td>
<td>Associate Professor</td>
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INVESTMENT IN RESEARCH CAPACITY

Investment in research capacity remains as firm as ever, not least in light of the increasingly urgent need to investigate the workings of the global economy during one of the most challenging periods in the history of finance and economics. The overseas presence afforded by our centres in China and Malaysia continues to play a valuable role in supporting our capacity-building efforts.

Our commitment to maintaining the supply of PhD graduates and Post-Docs in the field of international economics also endures. We made the following contributions in this regard during 2011:

• Meng Lu, Robert Mullins, Smaranda Pantea and Agyapomma (Biibi) Gyeke-Dako all GEP-sponsored PhD students, were awarded their PhD degrees in 2011. Meng Lu is working in the business sector in Shanghai; Robert Mullins gained a Lectureship at Birmingham University, Smaranda a Teaching Fellowship at the University of Bristol and Biibi a Teaching Fellowship at Durham University

• Post Doctoral Research Fellows Andreas Hoefele and Alejandro Riaño have been appointed to Lectureships at Loughborough and Nottingham University respectively

• Richard Kneller, who joined GEP as a Postdoctoral Fellow in 2001, and remained in GEP from that time, was appointed to a Chair this year

• we once again supported a number of our PhD students and Post-Docs in taking part in major national and international conferences

• the 10th annual GEP Postgraduate Conference attracted 24 participants from around the world.
## External Research Fellows

GEP’s network of External Research Fellows stretches from America to Australia and plays a major role in shaping our agenda and output. The importance of being able to draw on this global resource and all the expertise and experience it offers cannot be overstated in an era when every academic institution faces unprecedented pressure to demonstrate the value of its research. It hardly need be said that we are once again grateful to our External Research Fellows for all their help, guidance and contributions.

The year also saw the Centre maintain its enviable record of attracting visitors of the highest calibre from the academic, policymaking and business communities. We continue to recognise the enormous worth of this ability in terms of providing an invigorating and thought-provoking environment for students and faculty members.

### GEP External Research Fellows

- **Professor Kym Anderson**, Adelaide University
- **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
- **Professor Carsten Eckel**, LMU, Munich
- **Professor Hartmut Egger**, University of Bayreuth
- **Professor Peter Egger**, ETH Zurich
- **Professor Robert Elliott**, University of Birmingham
- **Professor Simon Evenett**, University of St Gallen
- **Professor Rod Falvey**, Bond University
- **Professor Gabriel Felbermayr**, University of Munich
- **Dr Ben Ferrett**, Loughborough University
- **Dr Switgard Feuerstein**, University of Heidelberg
- **Professor Holger Görg**, Christian-Albrechts University
- **Professor Alessandra Guariglia**, University of Durham
- **Dr Joakim Gullstrand**, Lund University
- **Professor Jonathan Haskel**, Queen Mary, London University
- **Dr Beata Javorcik**, University of Oxford
- **Professor Udo Kreickemeier**, University of Tübingen
- **Professor Wilhelm Kohler**, University of Tübingen
- **Dr Maurice Kugler**, Wilfred Laurier University
- **Professor Mario Larch**, ifo and Institute for Economic Research
- **Professor Xiaoxuan Liu**, Chinese Academy of Social Sciences
- **Professor Sugata Marjit**, Centre for Studies in Social Sciences, Calcutta
- **Professor Steven Matusz**, Michigan State University
- **Professor Daniel Mirza**, University Francois Rabelais de Tours
- **Professor Catia Montagna**, University of Dundee
- **Professor Doug Nelson**, Tulane University
- **Professor Gianmarco Ottaviano**, University of Bologna
- **Professor Innwon Park**, Korea University
- **Professor Pascalis Raimondos-Møller**, Copenhagen Business School
- **Professor Ray Riezman**, University of Iowa
- **Professor Mark Roberts**, Penn State University
- **Dr Simone Silva**, Murray State University
- **Professor 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 Vandebussche**, Catholic University of Leuven
- **Dr Nikolaus Wolf**, Humboldt University, Berlin
- **Professor Ian Wooton**, University of Strathclyde
- **Professor Peter Wright**, University of Sheffield
- **Dr Zhihao Yu**, Carleton University

### GEP Associate External Research Fellows

- **Dr Jennifer Abel-Koch**, University of Mainz
- **Dr Toshihiro Atsumi**, Meiji Gakuin University
- **Dr Ageles Delis**, University of Cyprus
- **Dr Andreas Hoefele**, Loughborough University
- **Dr Tom Ilevs**, Bristol Business School
- **Dr Liza Jabbour**, University of Birmingham
- **Dr Xufei (Florence) Zhang**, Middlesex University

### External Research Fellows in China

- **Professor Lu Ming**, Fudan University
- **Dr Puyang Sun**, Nankai University

### External Research Fellows in Malaysia

- **Dr Cassey Lee**, Wollongong University
- **Professor Euston Quah**, Nanyang Technological University, Singapore
- **Professor Shandre Thangavelu**, National University of Singapore

Selected further details of visitors to GEP in 2011 can be found in the Public Lectures section, while full details are contained in Appendix 17.
GEP in the news

Appearances in the media are about far more than mere profile-raising. They are about appealing to the best academics, research fellows and students. They are about building a strong image that is attractive to research investors. They are about engendering positive engagement that ensures research is acknowledged by the people who can take it up, invest in developing it and implement it for the national economic good or improvements in the quality of life. They help communicate the benefit from investment received from public funds, charities and industry.

During 2011 research and comment by our academics featured in, among others, the Financial Times, the Wall Street Journal, FT Investment Adviser, Caixin Media, Century Weekly, China Daily, China Daily Europe, the South China Morning Post and Xinhua. Topics included how China is failing to maximise record levels of foreign direct investment; the strengthening of trade networks in the Far East in the face of the West’s mounting economic woes; the stifling of microfinance initiatives in China; and the dangers of de-globalisation.

With the work of our centres in the Far East in mind, there have also been further efforts to disseminate relevant research to Chinese-language media. Regular recipients now include the Shanghai Securities Journal, the Oriental Morning Post, Nanfang Weekend, Oriental Weekly, China Youth Daily, Beijing Youth Daily, Sina, Du Shi Kuai Bao, People’s Daily, the Global Times and the 21st-Century Business Herald.

In addition, the GEP Research Papers series published almost 30 studies in 2011. All were placed in the public domain on an open-access basis on the GEP website, which continues to enjoy substantial traffic and praise for its improved user-friendliness. A full list of papers published during the year is provided in Appendix 1.

GEP research again featured in an impressive range of leading peer-reviewed journals, including The World Economy, European Economic Review, Review of Industrial Economics, International Review of Economics and Finance and International Journal of Industrial Organisation. The Centre’s work was also widely cited and showcased in a number of books, reports and edited volumes, including the Palgrave Handbook of International Trade, published this year and edited by Bernhofen, Falvey, Greenaway and Kreickemeier. A full list can be found in Appendix 2.

Offering news, research summaries and features on various events, the GEP Newsletter, edited by Internal Research Fellow Alejandro Riaño, benefited from another comprehensive redesign – this time to bring it entirely in line with publications produced by other University of Nottingham research institutions. As per previously, this process was achieved without compromising content in any way.
Conferences and seminars

Conferences

As befits a research institution with a necessarily global view, GEP continues to organise conferences on a worldwide basis. In 2011 the Centre hosted or co-hosted four events in Nottingham, three in China and one each in Malaysia, Singapore, Hong Kong, the US and Germany.

The year's first event was Trade and Growth, a joint workshop staged at Nanyang Technological University, Singapore. Held on 10 January, it sought specifically to address some of the key concerns arising out of the global financial crisis, including the architecture of the financial system and its effect on international trade, the role of unions in globalisation and the dangers of protectionism.

One of the cornerstones of GEP's calendar, GEP in Malaysia's annual conference, followed just days later, on 12 and 13 January. Entitled Globalisation Trends and Cycles: The Asian Experience, it examined the challenges facing Asia as the region bids to cement its role as the world's undisputed economic powerhouse. Leading economists from around the world attended the event to consider the obstacles that still need to be negotiated if the torch is truly to be passed from West to East. The conference tackled issues such as international trade, business cycles, policy challenges, exports, foreign direct investment and openness and featured two keynote lectures: The World Economy Annual Asia Lecture, delivered by Professor Wing Thye Woo, of the University of California, Davis; and the Boustead Annual Globalisation Lecture, delivered by Sunday Times Economics Editor David Smith.

Finance and Trade, held at the University of Nottingham on 24 and 25 February, saw GEP reinforce its links with both Munich's CESifo Group and Tulane University's Murphy Institute. Attended by delegates from Europe and the US, the conference looked at topics including innovation, banking, exports, corporate governance and trade liberalisation.

It was the Murphy Institute's turn to play host when the same three co-organisers staged Global Migration: Economics, Politics and Policy at Tulane University on 11 and 12 March. The event was split into a number of panels, including Migration and Trade, Migration and Labour Markets, Migration and Data Challenges and Political Economy of Migration, and featured contributors from institutions such as the World Bank and Harvard University.

GEP's Annual Postgraduate Conference marked its 10th anniversary when it was held at the University of Nottingham on 14 and 15 April. The event traditionally attracts an impressive array of PhD students from Europe and the US, and the 2011 staging proved no exception. Some 24 empirical and theoretical papers, covering issues related to offshoring, foreign direct investment, trade policy, European integration and labour market adjustments, were presented. The prize for the conference's best paper went to Lisandra Flach, of the University of Mannheim, whose work on quality upgrading and price heterogeneity was praised for its ambition and its contribution to an important topic.

Co-organised with Zhejiang University's College of Economics, which hosted the event, Trade Costs, Economic Geography and Firm Heterogeneity was held on 18 May. Among the issues addressed at this joint workshop were trade costs and trade composition, comparative advantage and multi-product firms and containerisation and international trade.

GEP had the privilege of hosting ERWIT, the European Workshop in International Trade, at the University of Nottingham on 6, 7 and 8 June. Each year ERWIT brings together international economists and key researchers from across Europe and beyond. With presentations often involving exploratory rather than finished papers, the event aims to provide a uniquely relaxed atmosphere for disseminating the findings of recent studies on international trade. Held jointly with the third EIFGE Scientific Workshop and Policy Conference, the 2011 staging combined workshop sessions with periods of collaboration and consultation, as well as providing young researchers with valuable opportunities to discuss their work with senior economists.

GEP's Annual Sixth-Form Conference has become one of the Centre's most popular events, and 2011 again saw record numbers of would-be economists visit the University of Nottingham to enjoy some valuable insights into the discipline. The conference, which this year was held on 20 and 21 June, is designed to introduce students to key themes such as globalisation, recession, protectionism and China's growing role in the world economy. As in previous years, GEP's academics delivered a series of instructive lectures and practical exercises, on this occasion based around issues including technological change, exports and the financial crisis.

Hong Kong's City University played host to International Trade, a joint workshop held on 31 October. Delegates considered issues of particular relevance to Asia, including housing development and urbanisation in China, the performance of the region's importer-exporters and the boom in Chinese patenting.

The Centre further underlined its ever-strengthening research links with the Far East when it welcomed a delegation from Korea University to its China branch for a second event entitled International Trade. This one-day conference, which took place on 2 November and was co-hosted by GEP, Korea University and the Korea Institute for International Economic Policy, was attended by leading economists from the UK, South Korea and China and featured the inaugural Youngor Annual Globalisation Lecture, delivered by Sunday Times Economics Editor David Smith.
Following immediately, on 3 and 4 November, was China’s External Economic Relations, GEP in China’s fourth annual conference. The University of Nottingham Ningbo China, welcomed distinguished academics and economists from around the world for the event, which was dominated by China’s growing role at the centre of the global economy. Delegates addressed issues including exports, regional trade agreements, foreign direct investment, the reform of China’s banking sector, emerging markets and even climate-change policies. Professor Jun Zhang, Director of Fudan University’s China Centre for Economic Studies, delivered the World Economy Annual China Lecture.

Munich’s ifo Group hosted the year’s final event, International Trade, Productivity and Factor Movements, on 9 and 10 December. Delegates at the conference presented studies addressing topics including proximity and comparative advantage, China’s integration into the world economy, two-way migration between similar countries and the relationships between trade, wages and profits.

Full details of 2011’s conferences are contained in the Appendices.

Seminars

GEP hosted more than 20 seminars in 2011, maintaining a policy of welcoming visitors from elsewhere in the UK and overseas while at the same time reserving a number of slots for Internal Research Fellows seeking to present new work for discussion and feedback. Among the visiting presenters were representatives from universities in Belgium, Denmark, Germany, the Netherlands and Malaysia.

Full details of 2011’s seminars are set out in Appendix 15.

Other conference and seminar presentations

GEP researchers and their work were once again in demand around the world in 2011, with dozens of presentations at leading institutions and events. The Centre maintained its established policy of encouraging not only senior faculty members but PhD students to demonstrate their expertise at the highest levels. Among the prestigious gatherings to be addressed by GEP academics were the European Trade Study Group conference in Copenhagen; the European Association of Environmental and Resource Economists conference in Rome; Harvard University’s Centre for International Development; and a public debate at the London headquarters of the Financial Times.

Full details of 2011’s other conference and seminar presentations are contained in Appendix 16.
Public lectures

GEP's Centres in Nottingham, China and Malaysia continue to play host to a full range of public lectures, which we regard as an important element of our broader outreach strategy. The high quality of previous years was maintained in 2011, and we also managed to increase the quantity through the addition of the Youngor Annual Globalisation Lecture.

Leverhulme Globalisation Lectures

The philosophy behind the Leverhulme Globalisation Lectures is well established. A crucial aim of the series is to ensure students enjoy an experience beyond course work and research by engaging in genuine interaction with significant figures from the business, policymaking and media communities. The Leverhulme Globalisation Lectures appeal to consistently wide audiences, underlining GEP's ability to attract speakers of the highest calibre.

A familiar contributor, Financial Times Chief Economics Commentator Martin Wolf, began the 2011 series in February with a warning that China is almost certain to experience a financial crisis in the coming years. One of the most influential voices in economics, Wolf said he could not see the country achieving the unprecedented feat of a half-century of rapid economic growth and predicted it would survive any difficulties only if it first confronts a series of “significant vulnerabilities” that threaten its continued development. In a lecture entitled Challenges to Sustaining China's Growth, Wolf described China's growth model in the decade leading up to the global financial crisis as “fundamentally unsustainable” and told a packed audience: “My view is that, however remarkable the success China has had in the last three decades, the next two decades will be ineluctably more difficult. I don’t know any significant country that has gone through development and opened up its financial sector to the world which has not had at least one world-class financial crisis.”

Former Monetary Policy Committee member Kate Barker visited GEP in March, just days after the Budget, to deliver a lecture entitled What Problems Does Globalisation Pose for Inflation-Targeting in the UK?. Also formerly Chief European Economist at Ford Europe and Chief Economic Adviser at the CBI, Barker stood down from the MPC in May 2010, having spent nine years on the Committee. Now a Senior Adviser at Credit Suisse, she admitted the Bank of England’s approach to monetary policy changed during her three terms in the job, saying: “For most of those nine years there was a precise focus on getting inflation to target, whereas during the [financial] crisis we really had to think big. Previously we worked with central forecasts in setting interest rates, whereas the MPC’s task now is to manage inflation between a much larger spectrum of risks. Attention to tail-risk or low-probability high-impact risk is much more part of the discussion now.”

Lord Wolfson, Chief Executive of High Street giant Next, also visited GEP in March, again with some timely reflections on the Budget. He welcomed George Osborne’s efforts to help UK businesses but suggested the Chancellor had done little to encourage the nation’s struggling consumers, observing: “The consumer environment is highly likely to be dominated by the challenges of global inflation, public sector cuts and limited growth in consumer credit. These factors mean retailers cannot plan for never-ending growth in like-for-like sales, which many have enjoyed over the past 15 years.” Lord Wolfson, who delivered a lecture entitled Business, Government and the Growth Agenda, has been an outspoken critic of UK planning laws, claiming a hotbed of technological innovation such as the US’s Silicon Valley would never have gained permission to be developed in Britain. Accusing the planning system of hampering “every single business in the land at some stage”, he urged the government to reform existing rules and also to invest in the nation’s road network – “the life-blood of the economy”.

Nottingham Lectures in International Economics

Boston College’s Professor James Anderson visited the Centre in March to deliver the 2011 version of GEP's International Economics specialist series for graduate students and faculty, which is public in so far as it remains open to participants from other universities. Anderson presented three lectures based on his “Gravity model”, a powerful instrument in helping determine the magnitude of trade costs – broadly defined to include factors such as physical distance and differences in language, regulatory environments and culture. The result was a fascinating three days that ensured the Nottingham Lectures in Economics once again lived up to their “masterclass” billing.

The World Economy Annual Lecture

Professor Robert Staiger, of Stanford University, visited GEP in June to deliver The World Economy Annual Lecture, which is sponsored by The World Economy publisher Wiley-Blackwell. Staiger argued that the sheer scale of “latecomers” involved in the Doha round of trade negotiations presents a challenge unprecedented in the history of the World Trade Organisation and that the issues surrounding the successful integration of developing nations must not be dismissed as a “trivial problem”. Describing some of the aims stated at the start of the Doha round in 2001 as “incoherent from the perspective of economic analysis”, Staiger, in a lecture entitled What Does Globalisation Mean for the WTO? A View From Economics, said: “The Doha round must move away from the non-reciprocal ‘special and differential treatment’ norm as the cornerstone approach to meeting developing country needs in the WTO. Instead developing countries must come to the bargaining table and negotiate reciprocally with each other and with developed countries.”
The World Economy Annual China Lecture

Professor Jun Zhang delivered The World Economy Annual China Lecture, sponsored by Wiley-Blackwell, at China’s External Economic Relations, GEP in China’s fourth annual conference, held at the University of Nottingham Ningbo China in November. Zhang, Director of Fudan University’s China Centre for Economic Studies, discussed the institutional changes that followed the 1994 intergovernmental fiscal reforms introduced under the leadership of Zhu Rongji and how these induced local governments to pursue growth-supporting development policies. The lecture, entitled Why Zhu Rongji Might Be Right: Understanding the Mechanism of Economic Development in China, particularly highlighted the role of land-based financing vehicles in public infrastructure spending by local governments and the crowding-in effect of public capital spending on private investments. Zhang concluded with an assessment of whether such development mechanisms might eventually bring convergence back to China’s provincial economies.

The World Economy Annual Asia Lecture

Professor Wing Thye Woo, of the University of California, Davis, delivered The World Economy Annual Lecture, sponsored by Wiley-Blackwell, at GEP in Malaysia’s Global Trends and Cycles: The Asian Experience conference in January. In an address entitled Understanding the Middle-Income Trap in Economic Development, Woo blamed Malaysia’s outmoded economic growth strategy for “enshrining mediocrity at best and rewarding incompetence in general” and warned that other developing economies in Asia, chief among them China, face a similar challenge in making the leap from labour-intensive to knowledge-based economy. “A knowledge-based economy stands on many pillars,” said Woo. “It requires a government to implement root-and-branch reforms in many areas. Most notably, these include the civil service, educational and research institutions, the fiscal system, the judiciary and government-linked companies.”

Boustead Annual Globalisation Lecture

Delivered by Sunday Times Economics Editor David Smith, the Boustead Annual Globalisation Lecture was the second keynote address at Global Trends and Cycles: The Asian Experience. Entitled Shifting Sands: The Global Financial Crisis and the Changing Balance of the World Economy, it argued that one the main effects of the continuing economic turmoil has been to speed up the rise of emerging economies such as China, India, Brazil and several African nations. Smith said: “These countries are much less affected by the aftermath of the crisis. Their banking systems are much less damaged and their public finances much less in trouble. Asian economies, having had their rehearsal with the Asian financial crisis of 1997-1998, made themselves more resilient, less vulnerable to the whims of the markets; Western economies, in contrast, are hobbled, in some cases very badly. The problems in America and the eurozone are reflections of the fundamental shift that is occurring.”

Youngor Annual Globalisation Lecture

The inaugural Youngor Annual Globalisation Lecture was the keynote address at International Trade, GEP’s joint conference with Korea University, held at the University of Nottingham Ningbo China, in November. Sunday Times Economics Editor David Smith, delivering his second GEP lecture of the year, underlined the growing strength of the East in the face of the West’s financial woes, arguing: “Long-term growth in emerging economies is becoming much less dependent on what is happening in the developed world. Trade dependency is declining as emerging economies increasingly trade with each other as opposed to the developed world. It is clear a large element of decoupling is taking place.” The lecture, entitled After the Great Recession: Can Emerging Economies Meet the Growth Challenge?, was sponsored by the Ningbo-based Youngor Group, one of China’s leading textiles and clothing companies.
User engagement and outreach

GEP continues to work with the business and policymaking communities, including government departments, Central Banks and significant consumers of research within the public sector. We recognise such involvement and interaction is of growing importance – particularly in light of the impact agenda and the 2014 REF – and that there is a very real commercial imperative in the successful engagement of target audiences.

Our lectures, seminars and workshops, as well as the GEP Newsletter, also help us to communicate beyond our immediate peers. We are yet again grateful to our GEP Policy Associates (see below) for providing us with a window to the policymaking community and for their many thoughtful and influential contributions to our various outreach efforts.

GEP Policy Associates

Mary Amiti, New York Federal Reserve Bank
Bob Anderton, European Central Bank
Paulo Bastos, Inter-American Development Bank
Heather Booth di Giovanni, UK Trade and Investment
Cletus Coughlin, Federal Reserve Bank of St Louis
Peter Dodd, Department for Business, Innovation and Skills
Andrew Gurney, HM Treasury
Tim Harcourt, Australian Trade Commission
Alex Hijzen, Organisation for Economic Co-operation and Development
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
Mauro Pisu, Organisation for Economic Co-operation and Development
Joana Silva, The World Bank
Ken Warwick, formerly Department for Business, Innovation and Skills

Many of these efforts have again been enhanced through investment in strategic communications. This has included, among other approaches, the preparation and circulation of dedicated research briefings (two-page summaries tailored to the needs of the policymaking and business communities); the authoring and placement of comment pieces and op-eds in mainstream and specialist media; and the fostering of relationships with national and international news organisations. Additional details of this aspect of our outreach activities can be found below and accessed via the GEP website’s Press Centre.
The year ahead...

We look forward to the following highlights in 2012:

- another productive and instructive conference season, beginning in January with GEP in Malaysia’s annual conference
- Leverhulme Globalisation Lectures appearances by speakers including Andrew McLaughlin, the RBS Group’s Head of Communications and Group Chief Economist; and Martin Wolf, the Financial Times’ Associate Editor and Chief Economics Commentator
- Professor Peter Neary, University of Oxford, delivering the Nottingham Lectures in International Economics
- Professor Hal Hill, Australian National University, presenting the Boustead Annual Globalisation Lecture.

As stated at the start of this report, perhaps our most important task during the year ahead is to recognise that the current climate presents opportunities as well as challenges. We are well aware that the higher education sector as a whole faces substantial changes that will redefine the competitive landscape, especially in the sphere of research, and it is at best fanciful and at worst dangerous to imagine we will not feel the effects in some way.

Many institutions will have to cut their cloth accordingly in the near future. This inescapable truth notwithstanding, it is vital, above and beyond anything else, that the quality of our research and our offering to students are in no way compromised by the exigent fiscal realities that confront academia and, indeed, the world beyond. As ever, to increase GEP’s strength and standing remains our overarching aim.
# Appendix 1

## GEP Research Paper Series, 2011

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<tr>
<th>Year</th>
<th>Authors</th>
<th>Title</th>
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<tr>
<td>2011/01</td>
<td>Spiros Bougheas and Rod Falvey</td>
<td>The Impact of Financial Market Frictions on Trade Flows, Capital Flows and Economic Development</td>
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<td>2011/02</td>
<td>Cletus C. Coughlin and Howard J. Wall</td>
<td>Ethnic Networks and Trade: Intensive vs. Extensive Margins</td>
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<td>2011/03</td>
<td>Chuanglian Chen, Guojin Chen and Shujie Yao</td>
<td>Do Imports Crowd Out Domestic Consumption? A Comparative Study of China, Japan and Korea</td>
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<td>2011/04</td>
<td>Shujie Yao, Dan Luo and Lixia Loh</td>
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<td>2011/05</td>
<td>Udo Kreickemeier and Frode Meland</td>
<td>International Trade, Union Wage Premia and Welfare in General Equilibrium</td>
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<td>2011/06</td>
<td>Sai Ding, Alessandra Guariglia and John Knight</td>
<td>Investment and Financing Constraints in China: Does Working Capital Management Make a Difference?</td>
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<td>2011/07</td>
<td>Udo Kreickemeier and Jens Wrona</td>
<td>Two-way Migration Between Similar Countries</td>
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<td>2011/08</td>
<td>Fabrice Defever</td>
<td>Incomplete Contracts and the Impact of Globalisation on Consumer Welfare</td>
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<td>2011/09</td>
<td>Minjia Chen and Alessandra Guariglia</td>
<td>Financial Constraints and Firm Productivity in China: Do Liquidity and Export Behaviour Make a Difference?</td>
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<td>2011/10</td>
<td>Christopher Parsons</td>
<td>Do Migrants Really Foster Trade? The Trade-Migration Nexus, a Panel Approach 1960-2000</td>
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<td>2011/11</td>
<td>Danny McGowan and Chris Milner</td>
<td>Trade Costs and Trade Composition</td>
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<td>2011/12</td>
<td>Alessandra Guariglia and Simona Mateut</td>
<td>Political Affiliation and Trade Credit Extension by Chinese Firms</td>
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<td>2011/14</td>
<td>Camilla Jensen</td>
<td>Does Foreign Direct Investment Promote Economic Stability in Developing Countries?</td>
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<td>2011/15</td>
<td>Daniel M. Bernhofen and John C.Brown</td>
<td>Testing the General Validity of the Heckscher-Ohlin Theorem: The Natural Experiment of Japan</td>
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<td>2011/17</td>
<td>Dermot Leahy and Catia Montagna</td>
<td>‘Economising, Strategising and the Decision to Outsource’</td>
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<td>2011/18</td>
<td>Dermot Leahy and Catia Montagna</td>
<td>‘Strategic Investment and International Outsourcing In Unionised Oligopoly’</td>
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<td>2011/19</td>
<td>Toshihiro Atsumi and Daniel M. Bernhofen</td>
<td>The Effects of the Unequal Treaties on Normative, Economic and Institutional Changes in 19th Century Japan</td>
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<tr>
<td>2011/20</td>
<td>Natasha Agarwal and Chris Milner</td>
<td>FDI Spillovers in China – Connecting the Missing Link between Micro and Macro</td>
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<td>2011/21</td>
<td>Natasha Agarwal, Chris Milner and Alejandro Riaño</td>
<td>Credit Constraints and FDI Spillovers in China</td>
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<td>2011/23</td>
<td>Sugata Marjit and Saibal Kar</td>
<td>‘Firm Heterogeneity, Informal Wage and Good Governance’</td>
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<td>2011/24</td>
<td>Katia Berti and Rod Falvey</td>
<td>‘Does Trade Weaken Product Quality Standards?’</td>
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<td>2011/26</td>
<td>Christian Soegaard</td>
<td>‘The Self-enforceability of Trade Agreements in the Presence of Trade Costs</td>
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<td>2011/27</td>
<td>Spiros Bougheas, Paul Mizen and Simone Silva</td>
<td>‘The Open Economy Balance Sheet Channel and the Exporting Decisions of Firms: Evidence from the Brazilian Crisis of 1999</td>
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<td>2011/28</td>
<td>Fabrice Defever, Benedikt Heid and Mario Larch</td>
<td>‘Spatial Exporters’</td>
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<td>2011/29</td>
<td>Benedikt Heid, Mario Larch and Alejandro Riaño</td>
<td>‘Maquiladoras and Informality: A Mixed Blessing’</td>
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Appendix 2

Published Output of GEP Fellows in 2011

Papers in Refereed Journals

Aloi, Marta (with F. Touremaine) ‘Growth Effects of Environmental Policy When Pollution Affects Health’, Economic Modelling, Vol 29 (4), pp. 1683-95

Bougheas, Spiros (with E. Amissah and R. Falvey) ‘Financial Constraints, the Distribution of Wealth and International Trade, The World Economy (Special Issue: China and the Global Financial Crisis) Vol. 34, pp 707-24


Kneller, Richard (with M. Pisu) ‘Barriers to Exporting: What are they and who do they matter to?’ The World Economy, 2011 Vol 34, pp.893-930


Milner, Chris (with Y. Decreux and N. Peridy) ‘Some New Insights into the Effects of the EU-South Korea FTA: the Role of Non-tariff Barriers’ Journal of Economic Integration, Vol 26 (4), pp. 783-817


Teo, Wing Leong ‘Inventories and Optimal Monetary Policy in a Small Open Economy’, Journal of International Money and Finance, 30 (8), December 2011, 1719-1748


Yap, Michael M.C (and Kwek, Kian Teng) ‘Monetary Policy and Financial Sector Development’ in Hill, H., Tham, S.Y and Ragayah, M.Z., Malaysia’s Development Challenges: Graduating From the Middle, Routledge

Chapters in Books and Reports


Garcia Vega, Maria (with E. Huergo) ‘Technology Transfers by Multinationals’ (2011) ICONO. Anuario sobre Ciencia, Tecnología e Innovación. Chapter 17


Parsons, Chris ‘International Migration and Demographic Divergence between South Asia and the West’ in Reshaping Tomorrow: Is South Asia Ready for the Big Leap?, E. Ghani (ed.), Oxford University Press


Yap, Michael M.C (and Kwek, Kian Teng) ‘Monetary Policy and Financial Sector Development’ in Hill, H., Tham, S.Y and Ragayah, M.Z., Malaysia’s Development Challenges: Graduating From the Middle, Routledge

Books and Edited Volumes

Bernhofen, Daniel (co-edited with Rod Falvey, David Greenaway and Udo Kreickemeier) Palgrave Handbook of International Trade. Palgrave Macmillan 697 pp


Stephen Morgan (with Hailan Yang) Business Strategy and Corporate Governance in the Chinese Consumer Electronics Sector

Reports

Milner, Chris SACU’s Trade Policy and Revenue-Sharing Arrangements: Review and Analysis, Co-author of a Report by Maxwell Stamp to the Government of Namibia
Appendix 3

NTU-Nottingham Joint Workshop on Global Financial Crisis: Trade and Growth
Division of Economics School of Humanities and Social Sciences, Nanyang Technological University
10 January 2011

9.30am-9.40am
Welcome Remarks by Professor Euston Quah
Acting Chair School of Humanities and Social Sciences, Nanyang Technological University
Address by Professor David Greenaway
Vice Chancellor University of Nottingham

9.40am-10:20am
How Asia Can Shape the World: From the Era of Plenty to the era of Scarcities
Joergen Oestroem Moeller Institute of Southeast Asian Studies (ISEAS)

10.20am-11am
The Global Financial Crisis and the Globalization of Higher Education
David Greenaway University of Nottingham

11:20am-12pm
Evolving Global Economic Architecture: Will We Have a New Bretton Woods
Pradumna Beckram Rana Rajaratnam School of International Studies, Nanyang Technological University

12pm-12.40pm
The Financial Crisis and the Value of Global Firms
Sourafel Girma GEP, University of Nottingham

2pm-2.40pm
Truncated Globalization Hurts and Hurts All
Bhanoji Rao LKY School of Public Policy, National University of Singapore

2.40pm-3.20pm
Financial System Architecture and the Patterns of International Trade
Spiros Bougheas GEP, University of Nottingham

3.20pm-4pm
Role of Unions in Globalisation
Chew Soon Beng School of Humanities and Social Sciences, Nanyang Technological University

4.20pm-5pm
FDI's Location Choices in Chinese Cities: A Firm Level Analysis
Chang Liu GEP, University of Nottingham

5pm-5.40pm
FDI, Financial Constraints and Productivity: Firm Level Study in Vietnam
Aekapol Chongvilaivan Institute of Southeast Asian Studies (ISEAS)

5.40pm-5.45pm
Wrap-up
Low Chan Kee Acting Head, Division of Economics.
School of Humanities and Social Sciences, Nanyang Technological University
Appendix 4

Globalisation Trends and Cycles: The Asian Experience
Kuala Lumpur Teaching Centre, the University of Nottingham Malaysia Campus, 12-13 January 2011

9.15am-9.25am
Opening addresses

9.25am-10:45am: Session 1
Chair: Chris Milner
East Asia in World Trade: The Decoupling Fallacy, Crisis, and Policy Challenges
Premachandra Athukorala, Australian National University (with Archanun Kohpaiboon). Discussant: Jay Menon
Malaysia-China Trade and Macroeconomic Linkages in the Globalization Era: A VECX* Modeling
Hooy Chee Wooi, University Sains Malaysia with Chan Tze Haw. Discussant: Sourafel Girma

11am-1pm: Session 2
Chair: Camilla Jensen
Financial System Architecture and the Patterns of International Trade
Spiros Bougheas, GEP, University of Nottingham
Discussant: Subramaniam Pillay

Catalyst of business cycle synchronization in East Asia
Chia Wai Mun, Nanyang Technological University, Singapore
Discussant: Fan Zhai

Intraday Dynamics of Uncovered Interest Parity: Evidence from ASEAN-5 Countries
Tang Kin Boon, GEP, University of Nottingham, Malaysia
Discussant: Chang Liu

2pm-3.20pm: Session 3
Chair: Subramanian Pillay
Globalisation of the Transitional Economies of the Greater Mekong Subregion: Trade and Investment Linkages
Jay Menon, Asian Development Bank
Discussant: Camilla Jensen

The Implications of Trans-Pacific Partnership: a Preliminary CGE Assessment
Fan Zhai, China Investment Corporation
Discussant: Chris Milner

3.35pm-4.55pm: Session 4
Chair: Chang Liu
Exports, FDI and Technology Adoption: Firm Level Evidence from India
Sourafel Girma, GEP, University of Nottingham
Discussant: Rasyad Parinduri

Impact of Remittances on the Human Capital Development of Children in Indonesian Households
Shandre Thangavelu, National University of Singapore
Discussant: Premachandra Athukorala

6.30pm-7.30pm: Session 5
Chair: David Greenaway
David Smith, Economics Editor, The Sunday Times

7.30pm-8.30pm
Reception, sponsored by Boustead Holdings Berhad
Lecture and reception also in Chulan Tower, 2nd floor

Thursday 13 January

9am-10.20am: Session 6
Chair: Spiros Bougheas
A Portrait of Bilateral and National Trade Costs in Asia and Beyond
Chris Milner, GEP, University of Nottingham
Discussant: Hongshik Lee

Trade Openness and Growth Volatility
Rasyad Parinduri, GEP, University of Nottingham, Malaysia
Discussant: Chia Wai Mun
Session 7 (Chair: Rasyad Parinduri)

10.40am-12.40pm: Session 7
Chair: Rasyad Parinduri
Foreign Direct Investment, Stability and Growth - An Empirical Analysis of the Relationship between Ownership, Investment and Growth Combining Firm and Country Level Data
Camilla Jensen, GEP, University of Nottingham, Malaysia
Discussant: Premachandra Athukorala

FDI’s Location Choices in Chinese Cities: a Firm Level Analysis
Chang Liu, GEP, University of Nottingham, Ningbo, China
Discussant: Chew-Ging Lee
How and Where to Offshore: a Productivity Comparison at the Firm Level
Hongshik Lee, Korea University
Discussant: Spiros Bougheas

4pm-5pm: Session 8
Chair: David Greenaway
The World Economy Asia Lecture sponsored by Wiley-Blackwell: Understanding the Middle Income Trap in Economic Development
Professor Wing Thye Woo, University of California, Davis
Appendix 5

GEP, ifo, Murphy Institute Conference on ‘Finance and Trade’
Machicado Suite, Willoughby Hall, University of Nottingham, 24-25 February 2011

Thursday 24 February
9.30am-11.10am: Session 1
Innovation, Trade and Finance
Christian Keuschnigg, University of St Gallen

Anna Lo Prete, University of Torino

11.30am-12:45pm: Session 2
(Inter-state) Banking and (Inter-state) Trade: Does Real Integration Follow Financial Integration?
Tomasz Michalski, HEC Paris

1.30pm-3.10pm: Session 3
Firm Exports and Multinational Activity under Credit Constraints
Kalina Manova, University of Stanford

Market Imperfections, Wealth Inequality, and the Distribution of Trade Gains
Reto Foellmi, University of Bern

3.30pm-5.10pm: Session 4
Corporate Governance and International Trade
Doug Nelson, Tulane University and GEP, University of Nottingham

Financial Market Architecture and the Patterns of International Trade
Spiros Bougheas, GEP, University of Nottingham

Friday 25 February
9.30am-11.10am: Session 5
Brainard’s Proximity-Concentration Trade-Off in a Dynamic Framework
Erdal Yalcin, ifo

Why Do African Banks Lend So Little?
Panicos Demetriades, University of Leicester

11.30am-1.10pm: Session 6
Profit Taxation, Innovation and the Financing of Heterogeneous Firms
Peter Egger, University of Zurich

Exports and financial leverage: evidence from Chinese exporters under unexpected exchange rate shocks
Zhihong Yu, GEP, University of Nottingham

2.10pm-3.25pm: Keynote Speech
Poultry in Motion: A Study of International Trade Finance Practices
Pol Antràs, Harvard University

3.40pm-5.10pm: Session 7
Are trade liberalisation a source of global current account imbalances?
Doug Nelson, Tulane University and GEP, University of Nottingham

Exports, Investment and Firm-level Volatility
Alejandro Riaño, GEP, University of Nottingham
Appendix 6

The Murphy Institute, CESifo and Leverhulme Centre for Research on Globalisation and Economic Policy (GEP) Conference on Global Migration: Economics, Politics, Policy
Tulane University, New Orleans 11-12 March 2011

Friday 11 March

9am
Welcome
Steven Sheffrin (Murphy Institute, Tulane University)
Doug Nelson (Murphy Institute, Tulane University)

9.15am-12:30pm: Panel I. Migration and Trade
Do foreign workers reduce trade barriers: microeconomic evidence
Richard Upward (Nottingham)
Trade and Migration: Comparing Mexico-US and Turkey EU
Philip Martin (UC Davis)
Trade and Migration
Peter Egger (ETH-Zürich)

1.30pm-3.30pm: Panel II. Migration and Labor Markets
South-South Migration and the Labor Market: Evidence from South Africa
Anna Maria Mayda (Georgetown)
Chinese Immigrants in the U.S. Labor Market: Effects of Post-Tiananmen Immigration Policy
Anna Maria Mayda (Georgetown)

3.45pm-4.45pm: Panel III. Migration Data Challenges
Migration data challenges
 Çağlar Özden (World Bank)

1.30pm-4.45pm: Panel VI. Political Economy, II
Jens Hainmueller (MIT): TBA
Yotam Margalit (Columbia): TBA
Skilled Worker Migration and Trade: Inequality and Welfare
Zhizhong Yu, GEP, University of Nottingham

Saturday 12 March

9.30am-10am: Panel IV. Taxing Remittances
The Optimal Tax Treatment of Remittances
Jay Wilson (Michigan State University)

10.15am-12.15am: Panel V. Political Economy of Migration
The rhetoric of closed borders: quotas, lax enforcement and illegal migration
Giovanni Facchini (Erasmus)
Appendix 7

Tenth Annual GEP Postgraduate Conference hosted by the Leverhulme Centre for
Research on Globalisation and Economic Policy (GEP), University of Nottingham
University of Nottingham, University Park, 14-15 April 2011

Thursday 14 April

9am-9.50am: Session 1

Introduction and Welcome
Professor Daniel Bernhofen
Professor of International Economics and GEP Centre
Director

A Resource Augmentation Characterization of the Gains from Trade
Professor Daniel Bernhofen, GEP

9.50am-11.10am: Session 2

Does Fleet Street Shape Politics? How Newspaper Reporting on Globalization changes the Support for Unemployment Insurance
Benjamin Protte, University of Mannheim
Discussant: Dr Richard Upward

The Rise of the Maquiladoras: Labor Market Consequences of Offshoring in Developing Countries
Benedikt Heid, University of Bayreuth and ifo Munich
Discussant: Dr Zhihong Yu

11.30am-12.50pm: Session 3

Trade, Liberalization and Firm Exit
Ina Jäkel, Aarhus University
Discussant: Professor Sourafel Girma

Bond Finance, Margins of FDI and Aggregate Industry Productivity
Lei Hou, University of Munich
Discussant: Dr Spiros Bougheas

12.50pm-2pm: Session 4 Posters

Flip side of the pollution haven: do export destinations matter?
Svetlana Batrakova, UC Dublin
Discussant: Alief Rezza

Knowledge Spillovers in Germany: A Spatial Estimation Strategy
Sebastian Benz, ifo Munich
Discussant: Amelie Guillin

Are real wages per worker converging for production workers among Indian Industries? Time series evidence with two structural breaks
Tobias Ketterer, GEP. University of Nottingham
Discussant: Florian Molders

Multilateral and Preferential Trade Liberalization
Sebastian Benz, ifo Munich
Discussant: Amelie Guillin

Globalization, Endogenous Growth and Unemployment: How to Remove Scale Effects?
Finn Martensen, University of Konstanz
Discussant: Jens Wrona

2pm-4.30pm: Session 5

Estimating the Effect of Kyoto on the Carbon Content of Trade using Matching Econometrics
Rahel Aichele, ifo Munich
Discussant: Dr Olli Kauppi

Distance Measurement and FDI Motivations in Services
Amélie Guillin, University Paris 1
Discussant: Dr Fabrice Defever

Determinants of Sunk Costs in International Trade: Evidence from a Small Open Economy
Philipp Meinen, Aarhus University
Discussant: Dr Alejandro Riano

Award of the ‘Best Paper’ Prize

Friday 15 April

9am-11am: Session 6

Quality Upgrading and Price Heterogeneity: Evidence from Brazilian Manufacturing Exporters
Lisandra Flach, University of Mannheim
Discussant: Dr Richard Kneeler

Indian Antidumping Policy and its Impact on the Markups of Domestic Firms
Christian Viegelahn, UC Louvain
Discussant: Dr Maria Garcia-Vega

Chinese Networks and Tariff Evasion
Lorenzo Rotunno, HEI
Discussant: Zheng Wang
11.15am-1.45pm: Session 7

The Impacts of Technology and Offshoring on Labor Demand: An Analysis Using Microlevel Data
Deniz Civril, Brandeis University
Discussant: Smaranda Pantea

Two-way Migration between Similar Countries
Jens Wrona, University of Tuebingen
Discussant: Dr Andreas Hoefele

12.35pm-1.45pm: Session 9 Posters

Trade Creation and the Status of FTAs – Empirical Evidence from East Asia
Florian Mölders, DIW Berlin
Discussant: Tobias Ketterer

International Integration of Firms and Demand for Skill
Smaranda Pantea, GEP, University of Nottingham
Discussant: Deniz Civril

The Determinants of the Organisational Structure of UK Firms
Robert Riegler, GEP, University of Nottingham
Discussant: Ina Jäkel

The impact of trade restrictions on exporters’ markups: Evidence from AD against South Korea
Laura Rovegno, UC Louvain
Discussant: Lisandra Flach

Financial Structure, Productivity and FDI
Jiarui Zhang, University of Munich
Discussant: Emmanuel Amissah

1.45pm-4pm: Session 10

Natural Disasters and the Effect of Trade on Income: An IV Approach
Jasmin Gröschl, IFO Munich
Discussant: Professor Daniel Bernhofen

Quota as a Sorting Machine: Quantity Restrictions and Price Adjustments of Chinese Textile Exports to the U.S.
Zheng Wang, GEP, University of Nottingham
Discussant: Michele Imbruno

FDI and the Pollution Haven: Evidence from Norwegian Manufacturing
Rezza Alief, Norwegian School of Economics and Business Administration
Discussant: Robert Riegler

Concluding Comments
Appendix 8

Zhejiang University, College of Economics and Leverhulme Centre for Globalisation and Economic Policy (GEP) Joint Workshop ‘Trade Costs, Economic Geography and Firm Heterogeneity’

College of Economics, Zhejiang University, Hangzhou, China, 18 May 2011

9am-9.20am:
Welcoming address
Professor Xiangrong Jin, Head of College of Economics, Zhejiang University;
Few words by Head of Nottingham School of Economics, Professor Chris Milner

9.20am-10.20am: Session 1
Chair: Professor Shiyuan Pan
Trade Costs and Trade Composition’
Professor Chris Milner, GEP, University of Nottingham
Market Size, Negative Demand Shock, and International Vertical Mergers
Dr Jie Li, College of Economics, Zhejiang University

10.40am-11.40am: Session 2
Chair: Professor Daniel Bernhofen
The role of economic geographic factors with spatial elements in the location decision of multinationals in Chinese Cities
Dr Saileshsingh Gunessee (with Dr Chang Liu), GEP, University of Nottingham, Ningbo
Comparative Advantage and Multi-product Firms
Dr Huasheng Song, College of Economics, Zhejiang University

1.30pm-2.40pm: Session 3
Chair – Professor Chris Milner
Patent Protection in a Model with Heterogeneous Firms
Professor Shiyuan Pan, College of Economics, Zhejiang University
Containerization and international trade
Professor Daniel Bernhofen, Director of GEP, University of Nottingham
Concluding remarks
Professor Xianhai Huang and Professor Daniel Bernhofen
Appendix 9

European Research Workshop in International Trade held jointly with the third EFIGE Scientific Workshop and Policy Conference
Nottingham, 6-8 June 2011

This conference is funded in part by the University of Nottingham “Integrating Global Society” Research Priority Group, the Nottingham School of Economics, the European Community’s Seventh Framework Programme under grant agreement n° 225551 (EFIGE), and The British Academy.

Monday 6 June

9.15am-9.30am
Welcome

9.30am-10.30pm
Heterogeneous information and trade policy
Giacomo A. M. Ponzetto, CREI

11am-12pm
Is new economic geography right? Evidence from price data
David E. Weinstein, Columbia University
(with Jessie Handbury)

12pm-1pm
Heterogeneous firms or heterogeneous workers? Implications for exporter premia and the gains from trade
Karen Helene Ulltveit-Moe, University of Oslo and CEPR
(with Alfonso Irrazabal and Andreas Moxnes)

2pm-3pm
North-South trade and the environment
Paula Bustos, CREI and CEPR
(with Fernando Broner and Vasco Carvalho)

3.30pm-4.30pm
Trade policy and firm boundaries
Paola Conconi, ECARES and CEPR
(with Laura Altaro, Harald Fadinger, and Andrew Newman)

4.30pm-5.30pm
Institutions and export dynamics
Emanuel Ornelas, London School of Economics and CEPR
(with Luis Araujo and Giordano Mion)

Tuesday 7 June

9.30am-10.30am
Roads and trade: Evidence from the US
Peter Morrow, University of Toronto
(with Gilles Duranton and Matthew A. Tumer)

11am-12pm
Why foreign ownership may be good for you
Udo Kreickemeier, University of Tübingen
(with Hartmut Egger)

12pm-1pm
Machines and machinists: The effect of imported machines on the wages of Hungarian machine operators
Miklós Koren, Central European University, Hungarian Academy of Sciences, and CEPR (with Marton Csillag)

2pm-3pm
The resort to protectionism during the Great Recession: What factors mattered?
Simon J. Evenett, University of St. Gallen and CEPR
(with Johannes Fritz, Darya Gerasimenko, Martin Wermelinger, and Malwina Nowkowska)

3.30pm-4.30pm
Gravity and extended gravity: Estimating a structural model of export entry
Eduardo Morales, Columbia University
(with Gloria Sheu and Andrés Zahler)

4.30pm-5.30pm
Spatial exporter dynamics
Fabrice Dehever, University of Nottingham
(with Benedikt Heid and Mario Larch)

Wednesday 8 June

9.30am-10.30pm
Export growth and factor market competition: Theory and evidence
Giovanni Facchini, Università degli Studi di Milano, Centro Studi Luca d’Agliano, Erasmus, University Rotterdam, and CEPR (with Julian Emani Namini and Ricardo López)

11am-12pm
Selection Effects with Heterogeneous Firms
J. Peter Neary, Oxford University and CEPR
(with Monika Mrázová)
12pm-1pm
Temporary trade and heterogeneous firms
Balázs Muraközy, Hungarian Academy of Sciences
(with Gábor Békés)

2pm-2.15pm
The EFIGE project
Gianmarco I. P. Ottaviano, Università Bocconi and CEPR

2.15pm-2.45pm
The EFIGE policy report: The impact of crisis on European firms
László Halpern, Institute of Economics, Hungarian Academy of Sciences and CEPR

2.45pm-4.30pm
Policy roundtable
Chair: David Greenaway, University of Nottingham

5.30pm-6.30pm
Robert Staiger, Stanford University
Appendix 10

Leverhulme Centre for Research on Globalisation and Economic Policy Nottingham
School of Economics sixth Form Conference
The University of Nottingham, 20-21 June 2011

Monday 20 June

9.45am-9.55am
Introduction
Professor Chris Milner

9.55am-10.35pm
Import Protection and Export Promotion?
Professor Chris Milner

10.35am-11.15am
Can China become the next Economic Superpower?
Dr Zhihong Yu

11.30am-12.10pm
Firms in International Trade
Dr Fabrice Defever

12.10pm-12.50pm
Globalisation and Technological Change: an Historical Perspective
Professor Daniel Bernhofen

1.30pm-3.30pm
The International Trade Game
Professor Wyn Morgan

3.30pm
Close

Tuesday 21 June

9.45am-9.55am
Introduction
Dr Richard Kneller

9.55am-10.35am
Entrepreneurship and the Global Financial Crisis
Dr Richard Kneller

10.35am-11.15am
The Crisis of 2008: a Story of Big Numbers
Dr Spiros Bougheas

11.30am-12.10pm
Trade and the Environment
Dr Tim Lloyd

12.10pm-12.50pm
Winners and Losers of Globalisation
Dr Alejandro Riaño

1.30pm-3.30pm
The International Trade Game
Professor Wyn Morgan

3.30pm
Close
Appendix 11

City University — Nottingham University joint Workshop on International Trade Program
Chan Hok Yan Multimedia Studio, College of Business and Run Run Shaw Library
31 October 2011

Session 1
Chair: David Greenaway

1pm-1.10pm
Welcoming Remarks
Professor Paul Lam, Acting President, City University of Hong Kong

1.10pm-1.20pm
Opening Remarks
Professor David Greenaway, Vice-Chancellor, University of Nottingham

1.20pm-1.50pm
Estimating the effects of Containerization on International trade
Daniel Bernhofen, GEP University of Nottingham with Zouheir El-Sahli and Richard Kneller

1.50pm-2.20pm
Mark-up Dynamics of Chinese Manufacturing firms: an Empirical Assessment
Mi Lin, City University of Hong Kong with eden S.H. Yu and Lihong Yun

2.20pm-2.50pm
Housing Development and Urbanisation in China
Shujie Yao, GEP, University of Nottingham with Dan Luo

Session 2
Chair: Eden S.H. Yu

3.30pm-4pm
Social Welfare and Input Price Discrimination with an Endogenous market Boundary
Hong Hwang, National Taiwan University with Chin-Sheng Chen

4pm-4.30pm
Trading Partners, Traded Products and Firm Performances: Evidence from China's Exporter-Importers
Zhihong Yu, GEP University of Nottingham with Zheng Wang

4.30pm-5pm
Capital and Consumption Tax Reforms in a small Open Economy
Chi-Chur Chao, The Chinese University of Hong Kong with Eden S.H. Yu

5pm-5.30pm
Is the Dragon Learning to Fly? An Analysis of the Chinese Patent
Markus Eberhardt, GEP University of Nottingham with Christian Helmers and Zhihong Yu
Appendix 12

GEP/Korea University/KIEP Joint Conference on International Trade
International Conference Centre, The University of Nottingham Ningbo China, 2 November 2011
Jointly organised by: Graduate Program for Area Studies (GPAS), Graduate School of International Studies (GSIS), Korea University, Leverhulme Centre for Research on Globalisation and Economic Policy (GEP), University of Nottingham, Korea Institute for International Economic Policy (KIEP)

8.30am
Welcome and introduction
Professor David Greenaway, Vice-Chancellor, University of Nottingham
Professor Innwon Park, Professor of International Economics, Korea University
Moderator: Innwon Park, Korea University

8.40am
Is a Threat of Countervailing Duties Effective in Reducing Illegal Export Subsidies?
Moonsung Kang, Korea University
Discussant: Markus Eberhardt, GEP, University of Nottingham

9.25am
Estimating the Effects of Containerization on International Trade
Daniel Bernhofen, GEP, University of Nottingham with Zouheir El-Sahli and Richard Kneller
Discussant: Hongshik Lee, Korea University

10.10am
Trade Liberalization, Intra-Industry Reallocation of Labor and Trade Adjustment Assistance
Yoon Joon Jang, KIEP
Discussant: Daniel Bernhofen, GEP, University of Nottingham

11.10am
Trading Partners, Traded Products and Firm Performances: Evidence from China's Exporter-Importers
Zhihong Yu, GEP, University of Nottingham with Zheng Wang
Discussant: Moonsung Kang, Korea University

11.55am
Strategic Trade Policy with Border Carbon Adjustments
Jeongmeen Suh, KIEP
Discussant: Zhihong Yu, GEP, University of Nottingham

12.35pm
Vertical Specialisation in Trade: the Case of Malaysia
Wai-Heng Loke, GEP, University of Nottingham Ningbo
Discussant: Yong Joon Jang, KIEP
Appendix 13

The fourth GEP Conference in China: ‘China’s External Economic Relations’
International Conference Centre, The University of Nottingham Ningbo China
2-4 November 2011

Wednesday 2 November

5.30pm
Inaugural Youngor Globalisation Lecture 1: After the Great Recession: Can Emerging Economies Meet the Growth Challenge?
David Smith, Economics Editor The Sunday Times
Chair: Professor David Greenaway, Vice-Chancellor, University of Nottingham

Thursday 3 November

9.15am-9.30am
Welcome and introduction
Professor David Greenaway, Vice-Chancellor, University of Nottingham
Professor Nick Miles, Provost and Chief Executive Officer, University of Nottingham China

9.30am-10.40am: Session 1
Chair: Carl Fey
Evolving Property Rights and Shifting Organizational Forms: Evidence from Joint-Venture Buyouts in China
Mary Lovely, Syracuse University
International Trade, Climate Policy and the Carbon Footprint of Nations
Gabriel Felbermayr, CESifo, University of Munich

11.10am-12.55pm: Session 2
Chair: Chris Milner
Labor Migration, Regional Disparity and Food Production in China
Xianguo Yao with Wang Yuemei and Zhou Minghai, Zhejiang University
Farmer’s Satisfaction about Farmland Expropriation: Evidence from China
Zhao Chen, Fudan University with Xiangqi Liu and Yang Zhao
Does ‘China Effect’ Exist within China?
Changyuan Luo, Fudan University

1.55pm-3.40pm: Session 3
Chair: Innwon Park
Financial Constraints and Firms’ Export Behavior: Evidence from China
Yasuyuki Todo, University of Tokyo
The Role of Affiliate Productivity for the Integration Strategies of the Multinational
Hongshik Lee, Korea University
Endogenous Exporting Decision of Heterogeneous Firms: Theory and Evidence
Xiaopeng Yin, UIBE, Beijing

3.55pm-5.40pm: Session 4
Chair: Zhao Chen
What is behind China’s Terms of Trade Deterioration (with Ryan Monarch)
Junxin Feng and Laijun Luo, Renmin University
Interdependent Regional Trade Agreements and Production Networks: An Empirical Analysis
Innwon Park, Korea University with Soonchan Park
Import Liberalization and Export Growth: Evidence from Chinese Firm Exports
Deborah Swenson, University of California, Davis with Ling Feng and Zhiyuan Li

6.15pm
The World Economy Annual China Lecture 2011: Why Zhu Rongji Might Be Right: Understanding the Mechanism of Economic Development in China
Professor Jun Zhang, Professor of Economics and Director of the China Centre for Economic Studies, Fudan University
Chair: Professor David Greenaway, Vice-Chancellor, University of Nottingham

Friday 4 November

8.45am-10.30am: Session 5
Chair: Markus Eberhardt
Industrial Churning and its Determinants Across Cities in China
Jianfeng Wu, Fudan University
Economic Growth, Foreign Direct Investment and Energy Saving: Evidence from Chinese cities
Puyang Sun, Nankai University
Economic Growth in Emerging Markets – A Comparison of India and China
Wing Leong Teo, GEP, University of Nottingham Malaysia

10.45am-12.30pm: Session 6
Chair: Wei Zhao
Bank Reform, Housing Market and Local Government Finance in China
Shujiie Yao, GEP, University of Nottingham
The Location and Co-Evolutionary Dynamics of Enterprise and its Embedding Institutions in the Global Knowledge Economy: The Case of the Textile and Garment Industry 1750 -2050
Brian Hilton, GEP, University of Nottingham Ningbo

Job Creation in African Manufacturing: Lessons from China's Hinterland
Markus Eberhardt, GEP, University of Nottingham

1.30pm-3.15pm: Session 7
Chair: Shujie Yao
What is used for World Factory to Produce Exports: A Cross-country Comparison Based on Non-competitive Input-output Model
Xianhai Huang, Zhejiang University

Trading Partners, Traded Products and Firm Performances: Evidence from China's Exporter-Importers
Zhihong Yu, GEP, University of Nottingham with Zheng Wang

Quantity restrictions and price adjustments of Chinese textile exports to the US
Daniel Bernhofen, GEP, University of Nottingham with Richard Upward and Zheng Wang

3.30pm-5.15pm: Session 8
Chair: Daniel Bernhofen
Ownership, Exporting and Productivity in China: A Stochastic Dominance Approach
Robert Elliott, University of Birmingham with Ying Zhou

Determinants on the Development of Internationalization of China's Enterprises: Evidence from Firm-level Survey Data
Xiao Wen, Zhejiang University

Emerging Paradigm of Internationalization of China's Private-Owned Enterprises: Theoretical Analysis and Case Study
Wei Zhao, Zhejiang University

5.15pm-5.20pm
Close
Professor Daniel Bernhofen
Appendix 14

Gep-ifo conference on International Trade, Productivity and Factor Movements
CESifo Conference Centre, Munich
9-10 December 2011

Friday 9 December
9.30am-9.45am
Welcome and introduction

9.45am-10.30am
Keynote Lecture: International Trade Linking the Macro and the Micro
Jonathan Eaton, Samuel Kortum and Sebastian Sotelo

11am-11.40am
Proximity vs Comparative Advantage: A Quantitative Theory of Trade and Multinational Production
Costas Arkolakis

11.40am-12.20pm
Shanghai and China’s Integration into the World Economy
Wolfgang Keller, Ben Li And Carol H. Shiue

12.20pm-1pm
Trade, Wages and Profits
Peter Egger, Hartmut Egger and Udo Kreickemeier

2pm-2.40pm
Trade Liberalization and Labor’s Slice of the Pie: Evidence from India Firms
Reshad Ahsan and Devashish Mitra

2.40pm-3.20pm
CATs and DOGs
Carsten Eckel

3.50pm-4.30pm
The Geography of Conflicts and Free Trade Agreements
Thierry Mayer

4.30pm-5.10pm
Foreign Acquisitions Trade Networks and Productivity
Lionel Fontagné, Bruce Blonigen, Nicholas Sly and Farid Toubal

Saturday 10 December
9am-9.40am
Trade Preferences and Bilateral Trade: A Structural Approach
Mario Larch

9.40am-10.20am
A Direct Test of the Stolper-Ethier Theorem
Daniel Bernhofen And John Brown

10.50am-11.30am
Selection and the Single-Sector Home Market Effect
Gabriel Felbermayr And Benjamin Jung

11.30am-12.10pm
Two-way Migration between Similar Countries
Udo Kreckemeier

12.10pm-12.50pm
The Rise of the Maquiladoras: Labor Market Consequences of Offshoring in Developing Countries
Alejandro Riano

1.50pm-2.30pm
Estimating the Effects of Containerization on World Trade
Richard Kneller

2.30pm-3.10pm
Spatial Exporters
Benedikt Heid
Appendix 15

Seminars hosted by GEP in 2011

Nicolas Coeurdacier, London Business School, ‘Credit Constraints and Growth in a Global Economy’

Paola Conconi, Université Libre de Bruxelles, ‘Policymakers’ Horizon and Trade Reforms’

Rosario Crino, CSIC, ‘Productivity, Quality, and Export Intensities’

Hartmut Egger, University of Bayreuth, ‘Why Foreign Ownership May be Good for You’

Robert Elliott, University of Birmingham, ‘Environmental Outsourcing’

Gabriel Felbermayr, University of Munich, ‘Optimal Tariffs, Retaliation and the Welfare Loss From Tariff Wars in the Melitz Mode’

Sourafel Girma, GEP, University of Nottingham, ‘The Credit Crunch and Exporters’

Holger Gög, University of Kiel, ‘A fresh Look at the Link between Foreign Direct Investment and Corporate Taxation’

Gene Grossman, Princeton University, ‘A Linder Hypothesis for Foreign Direct Investment’

Beata Javorcik, University of Oxford, ‘Services Reform and Manufacturing Performance: Evidence from India’

Wai-Heng Loke, University of Malaya, ‘Why Open Regionalism Is Not Always Good’

Catia Montagna, Dundee University, ‘Unionisation, International Integration and Selection’

Doug Nelson, Tulane University and GEP, University of Nottingham, ‘Skilled Worker Migration and Trade: Inequality and Welfare’

Daniel Nguyen, University of Copenhagen, ‘The Desire for (Danish) Quality in High and Low Income Countries’

Dennis Novy, University of Warwick, ‘International Trade without CES: Estimating Translog Gravity’

Emmanuel Ornelas, London of School of Economics, ‘Free Trade Agreements and the Consolidation of Democracy’

Horst Raff, Kiel University, ‘Manufacturers and Retailers in the Global Economy’

Tim Schmidt, University of Oxford, ‘Towards a Theory of Trade Finance’

Joel Stiebale, Nottingham Business School, ‘Cross-Border M&As and innovative assets – Firm level Evidence’

Daniel Sturm, London School of Economics, ‘The Economics of Density: Evidence from the Berlin Wall’

Richard Upward, GEP, University of Nottingham, ‘Positive Assortative Matching between Workers and Firms: New Evidence from Germany’

Gonzague Vannoorenberghe, Tilburg University, ‘Trade and Redistributive Policies in a Risky Environment’

Ben Zissimos, University of Bath, ‘Revolution and the Stopler-Samuelson Theorum’
Appendix 16

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

Natasha Agarwal: ‘FDI Spillovers in China’ at the Jon Dunning Centre for International Business, University of Reading

Marta Aloi: ‘Redistributive Fiscal Policy and Unemployment When Capital Markets are Globalised’, 11th Society for the Advancement in Economic Theory, Faro (PT)

Marta Aloi: ‘Economic Development, Health, Inequality and the Environment’, Economics Seminar, University of Manchester

Daniel Bernhofen: ‘International Trade and the Container: Initial Explorations’ at a CESifo Conference on ‘Measuring Economic Integration’

Daniel Bernhofen: the keynote lecture ‘Measuring the Sources of theComparative Advantage Gains from Trade: Theory and Evidence’ at the GEP Postgraduate Conference, University of Nottingham

Daniel Bernhofen: ‘Estimating the Effects of Containerisation on International Trade’ at the GEP-Zhejiang University joint Workshop at Zhejiang University, Hangzhou, China, the GEP/Korea City University Hong Kong Conference and at the GEP/Korea University and KIEP Joint Conference

Daniel Bernhofen: ‘Quantity Restrictions and Price Adjustments of Chinese Textile Exports to the US at the GEP China Conference, University of Nottingham Ningbo China

Daniel Bernhofen: ‘A Ricardian Factor Content Characterisation of the Gains from Trade: The Case of 19th Century Japan’ at the European Trade Study Group Conference in Copenhagen

Spiros Bougheas: ‘Skilled Worker Migration and Trade: Inequality and Welfare’ at the University of Tulane, New Orleans

Fabrice Defever: ‘Spatial Exporters’ Trade seminar at the University of Jaume I, Spain, the Graduate Institute Workshop, University of Geneva, Switzerland and ERWIT Conference, CEPR, University of Nottingham

Bouwe Dijkstra: ‘Pareto-efficient Solutions for Shared Production of a Public Good’ at the Workshop on “International Political Economy and Cross-Border Effects” in London and Game Theory Practice Meetings, Riverside (CA)

Bouwe Dijkstra: ‘Sectoral and Regional Expansion of Emissions Trading’, European Association of Environmental and Resource Economists, Tor Vergata University, Rome

Lei Li: ‘How to Survive in Developed Economies? An Environment Partitioning Perspective for Emerging Market MNE’s’, Academy of Management Annual Meeting, San Antonio, Texas, USA

Lei Li: ‘Emergence and Evolution of SME International and Domestic Expansion’, Academy of International Business Annual Meeting, Nagoya, Japan

Lei Li: ‘Cross-border Stakeholder Engagement of Chinese Multinational Enterprises: An Exploratory Study’, Academy of International Business Annual Meeting, Nagoya, Japan

Markus Eberhardt: ‘Is the Dragon Learning to Fly? An Analysis of the Chinese Patent Explosion’ at the GEP/City University Hong Kong Conference

Markus Eberhardt: ‘Job Creation in African Manufacturing: Lessons from China’s Hinterland’ at the GEP China Conference, University of Nottingham Ningbo China


Sourafel Girma: ‘Global Financial Crisis: Trade and Growth’, Nanyang Technological University, Singapore

Michele Imbruno: ‘Trade Liberalisation, Intermediate Inputs and Firm Competitiveness: direct Versus Indirect Modes of Input’ at the European Trade Study Group Conference in Copenhagen

Richard Kneller: ‘Input Characteristics and the Mode of Offshoring: Evidence for French Firms’ at the CESifo Global Economy Conference in Munich

Chris Milner: ‘Trade Costs and Trade Composition’ at the GEP-Zhejiang University joint Workshop at Zhejiang University, Hangzhou, China

Stephen Morgan: ‘Estimation of Mature Adult Height in Historical Anthropometric Data Containing a High Proportion of Older Subjects’, Asia Pacific Economic and Business History Conference, University of California Berkeley, San Francisco


Stephen Morgan: ‘Nutrition and Wellbeing in 18th Century Qing China: Preliminary Results’, with Shujuo Chen and Chris Isett, presented twice: Frontier Research on Economic and Social History (FRESH) Workshop Antwerp and Social Science History Association, Annual Conference, Boston

Stephen Morgan: ‘The Great Divergence: A Discussion of New Approaches to China’s Economic Development Since the 17th Century’, presented in Chinese at Qing History Research Institute, People’s University, Beijing, China

Stephen Morgan: ‘Accounting for the Great Divergence: Methods, Data and Approaches to China’s Economic Development Since the 17th Century’ School of Social Science, Hong Kong University of Science and Technology, Hong Kong
Stephen Morgan: ‘The Ins and Outs of Publishing in English-language Academic Journals’, Staff Seminar, School of Management, Jinan Jianzhu University, Jinan, Shandong, China

Stephen Morgan: ‘Getting Fat on Reform : Obesity and Nutritional Inequality in China’, Area Studies, Oxford University

Rasyad Parinduri: ‘Trade Openness and Growth Volatility’ at the Econometric Society Australasian Meeting 2011, Adelaide, Australia

Rasyad Parinduri: ‘Children as the Determinant of International Migration – A Gender Perspective: Evidence from Sri Lanka’ at Singapore Economic Review Conference


Alejandro Riano: ‘The Rise of the Maquiladoras: Labour Market Consequences of Offshoring in Developing Countries’ Seminars at ETH Zurich July 13th and University of Copenhagen December 16th


Wing Leong Teo: ‘Economic Growth in Emerging Markets – A Comparison of India and China’ presented at the 4th GEP Conference at the University of Nottingham, Ningbo, China

Richard Upward: ‘Do Foreign Workers Reduce Trade Barriers: Microeconomic Evidence’ European Association of Labour Economists Annual Conference

Richard Upward: ‘Job and Worker Turnover in German Establishments’ Work and Pensions Economics Group

Richard Upward: ‘Quantity Restrictions and Price Adjustment of Chinese Textile Exports to the US’ at the University of Copenhagen

Richard Upward: ‘Do Foreign Workers Reduce Trade Barriers: Microeconomic Evidence’ at the University of Tulane, New Orleans and at the University of Sheffield

Zheng Wang: ‘Exploring the effects of the end of the Multifibre Arrangement on the behaviour of Chinese textile Firms in the US’ at the European Trade Study Group Conference in Copenhagen

Shujie Yao: ‘Energy Efficiency and Sustainable Growth in China’ Public Lecture at Central University of Finance and Economics, Beijing

Shujie Yao: ‘Local Government Finance, Housing Market and Bank Non-Performing Loans in China’, Graduate School, Chinese Academy of Social Sciences, Beijing, China

Shujie Yao: ‘China and the World Economy: Credit Crunch and Sino-EU Realiton’ Keynote Address, EU FP7 Project Concluding Conference, Chinese Academy of Social Sciences, Beijing, China


Shujie Yao: ‘Chinese Higher Education and Economic Growth’ at the Queens University, Belfast, Business School

Shujie Yao: ‘China’s Rocky Road to being a Superpower’ at Xi’an Jiaotong University

Shujie Yao: invited speaker at the Prince of Wales’ Trust ‘China’s New Five Year Plan’ to a group of Chief Executives of UK companies at Cambridge University

Shujie Yao: ‘Housing Development and Urbanisation in China at the GEP/City University Hong Kong Conference

Shujie Yao: ‘Stock Market and Financial Developments in China’ at Special Lectures to Financial Institutions Executives in London and Edinburgh

Shujie Yao: ‘Bank Reform, Housing Market and Local Government Finance in China at the GEP China Conference, University of Nottingham Ningbo China

Zhihong Yu: ‘Trading Partners, Traded Products and Firm Performances: Evidence from China’s Exporter-Importer’s at the GEP/City University Hong Kong Conference, at the GEP/Korea University and KIEP Joint Conference and at the GEP China Conference, University of Nottingham Ningbo China

Zhihong Yu: ‘Trading Partners, Traded Products and Firm Performances: Evidence from China’s Exporter-Importers’ at GEP/Korea University/KIEP Joint Conference, International Trade at the University of Nottingham, Ningbo

Jing Zhang: ‘The Impact of FDI on Environmental Regulations in China and the Role of Anti-Corruption Effort’ at IFCSS4 (The International Forum on Contemporary Chinese Studies), University of Nottingham, 11-13 September 2011

Jing Zhang: ‘China’s Competitive Performance; What Do the Manufacture Prices Tell Us?’ at Trade Energy and Environment Seminar, Department of Economics, University of Birmingham, on 25th March 2011
Appendix 17

Visitors to GEP in 2011

February
• Martin Wolf, The Financial Times

March
• Professor James Anderson, Boston College
• Professor Ingrid Kubin, Vienna University of Economics and Business
• Kate Barker, Special Adviser at Credit Suisse
• Professor Hartmut Egger, University of Bayreuth
• Lord Wolfson, Chief Executive of Next

May
• Gabriel Felbermayr, University of Munich

June
• Professor Robert Staiger, Stanford University

September
• Jennifer Abel Koch, University of Mainz