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Leverhulme Centre
for Research on Globalisation and Economic Policy

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Leverhulme Centre for Research on Globalisation and Economic Policy

2012 Annual Report to The Leverhulme Trust

Acknowledgements

This report outlines the Centre's research and outreach activities in the calendar year 2012. Support from the Leverhulme Trustees is warmly acknowledged, as is core funding from the Leverhulme Trust under Programme Grant F/00 114 AM.

We would also like to thank Professor Gordon Marshall, Director of the Leverhulme Trust.

Leverhulme Centre for Research on Globalisation and Economic Policy (GEP): 2012 Annual Report to the Leverhulme Trust

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A: Introduction

2012 marked another productive year for our Research Centre and the following sections report on the wide-ranging activities that took place in the past calendar year. Reflecting on the scope and nature of our different activities, I would like to thank all stakeholders who contributed to the provision of the different dimensions of GEP.

A defining characteristic of GEP is its dual objective of the creation and dissemination of new knowledge, not only beyond the academic ivory tower but also beyond continental boundaries. Our global dimension is embodied in our Centre activities in the UK, China and Malaysia, as well as our linkages with external fellows and policy associates across the globe.

Although these are financially challenging times for public institutions, GEP continues to prosper in an age of austerity by being embedded in a School and University committed to investing in its human capital, which is GEP's biggest asset. The reports on the various research activities reveal a healthy mix between fundamental and policy oriented research activities, with some showing promise of knowledge that will last and stand the test of time.

I would like to take this opportunity to give special thanks to the financial support by the Leverhulme Trust, the School of Economics and the University of Nottingham.

Daniel Bernhofen

Professor of International Economics and Director of the
Leverhulme Centre for Research on Globalisation and Economic Policy (GEP)

B: Globalising GEP

An important part of GEP's activity is to grow its centres at the University of Nottingham Malaysia Campus, near Kuala Lumpur, and the University of Nottingham Ningbo China.

GEP at these two overseas campuses hosts international conferences and public lectures, which have become established and important features in GEP's calendar. Throughout the year and in the course of normal business, seminars at, and visits to, these campuses are organised for researchers from across the Region.

Of particular note at GEP China is the collaboration agreement signed with the College of Economics at Zhejiang University (CEZU), which will facilitate research collaboration between CEZU and GEP.

C: Research programmes

Globalisation and Labour Markets

The Globalisation and Labour Markets Programme (GLM) combines both theoretical and empirical investigation of the effects of globalisation on workers' welfare. In 2012, work by GEP research fellows on globalisation and labour market issues covered a number of key issues within this broad area: the effect of multinational firms on labour markets, the effect of migration on welfare, globalisation and wage inequality, and finally offshoring and job security. Multinational firms now play an important part in the labour markets of all OECD countries. A series of papers by GLM research fellows considered the effects which these firms are likely to have on workers' wages and employment. A common theme of these papers is that multinational firms may be contributing to the increasing gap between high- and low-skill workers in terms of wages and job security.

In "Foreign-owned firms around the world" (published in the *European Economic Review* in 2012) **Hijzen**, Martins, Schank and **Upward** compare foreign-owned firms in various developed and developing countries. They find that in contrast to widespread fears, there is no evidence that wage gains come at the expense of greater job insecurity. They conclude that the positive effect of foreign ownership on wages is not primarily driven by its impact on incumbent wages, but by its impact on the creation of high wage jobs.

Bachmann, Baumgarten and **Stiebale** (forthcoming in the *Canadian Journal of Economics*) analyse how foreign direct investment (FDI) affects employment security in Germany. They find that both inward and outward FDI at the industry level significantly reduce employment security. This is particularly the case for inward FDI coming from the western part of the European Union, as well as for outward FDI going to Central and Eastern Europe. The effects are quantitatively small overall, but sizeable for some worker groups such as old and low-skilled workers.

Godart, **Görg** and **Greenaway** (forthcoming in the *Review of World Economics*) look at multinational firms operating in the UK. They find that labour demand in domestic multinationals is less sensitive to labour cost changes than in foreign multinationals. This suggests that the provision of headquarter services in domestic multinational firms protects against strong fluctuations in labour demand.

A particularly controversial aspect of the labour market impact of globalisation relates to the effect of migration. A special issue of the journal *The World Economy*, edited by GEP external research fellows **Peter Egger** and **Doug Nelson** was devoted to this issue. This special issue presented a number of papers developing and/or extending theoretical and econometric research in the interface between trade and labour economics that help us understand the directions and effects of international migration. Papers in this special issue include those by **Bougheas** and **Nelson**, who consider theoretically how trade and migration are related to each other, and **Facchini** and Mayda, who infer the labour market effects of migration from data on public opinions towards migration. Bougheas and Nelson develop a simple model with two countries, two tradable commodities and workers who are differentiated in their skill, who may choose whether or not to migrate to the other country. The authors show that trade and migration may be *complementary*: skilled workers are more likely to migrate if the two countries trade with each other. They also show that welfare is higher when both trade and migration are allowed.

One of the oldest issues in the labour market effects of globalisation is the effect of trade liberalisation on wage inequality. **Bonfatti** and Ghatak (published in the *Journal of International Economics*) develop a model to explain why trade liberalisation in the 1980s and 1990s was associated with sharp increases in the skill premium in *both* developed and developing countries. This is in apparent conflict with neoclassical theory, according to which trade should decrease the relative return on the relatively scarce factor, and thus decrease the skill premium in skill-scarce developing countries.

GLM research fellows have also been investigating how globalisation may affect the *sorting* of workers into firms. Modern theories of firm behaviour stress that firms vary enormously in terms of their productivity, while differences in workers' productivity has long been recognised by labour economists. A question then arises whether "good" (high productivity) workers match with "good" (high productivity) firms, and whether increased globalisation might affect this pattern of sorting. Andrews, Schank and **Upward** (published in *Economics Letters*) show that measuring this pattern of sorting is difficult because it is plagued by measurement error, and they provide new evidence for Germany that high productivity workers do sort into high productivity firms.

Davidson, Matusz, Heyman, **Sjoholm** and Zhu use matched worker-firm data for Sweden, and provide evidence that openness improves the matching between workers and firms in export-oriented industries. This suggests that there may be significant gains from globalization that have not been identified in the past – globalization may improve the efficiency of the matching process in the labour market. A commonly expressed concern is that globalisation may have negative effects on workers in developed countries because their jobs can be *offshored*: because firms can now choose to locate the low-skill parts of the production process in low-wage countries. GLM external fellow Holger **Görg** and Dennis Görlich consider how offshoring affects the wages and job security of temporary workers. They find that, in manufacturing, temporary workers face a significant reduction in wages as materials offshoring increases, while permanent workers' wages are unaffected or even tend to increase. Baumgarten, Geishecker and **Görg** (forthcoming in the *European Economic Review*) investigate the relationship between offshoring, wages, and the ease with which individuals' tasks can be offshored. Their analysis relates to recent theoretical contributions arguing that there is only a loose relationship between the suitability of a task for offshoring and the associated skill level. Accordingly, wage effects of offshoring can be very heterogeneous within skill groups. We test this hypothesis by combining micro-level information on wages and demographic and workplace characteristics as well as occupational information relating to the degree of offshorability with industry-level data on offshoring.

Globalisation, Productivity and Technology

Research within the Globalisation, Productivity and Technology Programme (GPT) has focused over the last year on the theme of technology. This research has included the effects of the global technologies of broadband internet and containerisation on trade flows, and the factors that determine how individual firms adopt new technologies or create their own through research and development (R&D).

The technological revolutions in international transportations resulting from containerization which started in the late 1960s, and that from the broadband internet that started in the early 2000s, could be characterised as amongst those general purpose technologies which have done much to disrupt the status quo of world trade within the last half century. They have allowed new connections to be made between domestic sellers and foreign buyers affecting the volume of trade and also what is traded. It is of interest therefore that the evidence points to contrasting effects from these technologies on patterns of international trade. This research can be found in GEP Research Papers 2012/08 (by **Jonathan Timmis**) and 2013/02 (by **Daniel Bernhofen, Zouheir El-Sahli and Richard Kneller**).

The paper by **Jonathan Timmis** uses data on trade flows between the OECD countries over the period 1990-2010. After correcting for some methodological errors found in earlier research on this topic he finds very little effect from this technology. Countries that are well integrated through broadband technology are more likely to trade with each other, but an increase in broadband adoption within these country pairs had little effect on trade. For containerization, in contrast, the effects were very large indeed. **Bernhofen, El-Sahli and Kneller** construct a new data set measuring with countries that first adopted container facilities. Using a similar methodology to Timmis, but for data from 1960 to 1990, they find that over a 20 year time period this technology was responsible for an increase in trade of around 700%. These effects dwarf those found previously for policy changes such as trade policy liberalisation.

Research within GPT has also focused on the question of technology at a much more detailed level, namely that of firms. Broadly put, firms can choose either to create their own technologies, by conducting R&D, or they can exploit the technologies that are created by others and embodied in new machines etc. Both of these types of technology upgrading are reflected in the research in GPT this year.

Ding, **Guariglia** and Knight (2012/01) and (2012/04) study technology upgrading through investment amongst Chinese firms. They study two intriguing aspects of their investment patterns. In (2012/04) they study over-investment and in (2012/01) periods of negative investment or disinvestment. In their research on over-investment they use data on more than 100,000 firms over the period of 2000-07, and find that much of the investment that takes place is inefficient. Explanations differ for why this may be, however. For privately owned firms, over-investment occurs because they have free cash flow, whereas in the state sector, over-investment is attributable to the poor screening and monitoring of enterprises by banks.

At the other end of the investment pattern is the amount of negative investment taking place in China. The researchers show in GEP (2012/01) that this apparent puzzle occurs because of financial constraints. Much of the disinvestment taking place is by private firms, who are denied equal access to finance and state-owned firms in China and so must sell old machinery in order to raise capital to make new investments. They also find that disinvestment occurs amongst state-owned firms. This occurs because of poor investment choices in the past. State-owned firms have had to get rid of obsolete capital in the face of increasing competition and hardening budget constraints.

The research on firm level R&D within GPT has been more disparate in terms of the central question and the methodologies they use, exploring what happens to R&D following a merger or acquisition with a foreign partner. **Rod Falvey** and Khemarat Talerngsri Teerasuwannajak (GEP 2012/02) focus on the policy aspects of this question, in particular whether governments choose to tax or subsidise R&D when this sort of partnership occurs. Finally, **María García-Vega**, Patricia Hofmann and **Richard Kneller** (GEP 2012/02) examine what happens to the R&D of Spanish firms that are acquired by foreign owned firms. They find strong differences across countries according to whether these acquisitions take place from technology leading or lagging countries. They find that foreign multinationals acquire similarly R&D intensive Spanish firms, picking the best firms to acquire. After acquisition MNEs from technologically intensive countries reduce the amount of R&D taking place in Spain, in favour of an increase in technology transfers from abroad. In contrast, when acquisitions take place from technologically laggard countries the amount of R&D taking place in Spain by the acquired firm increases. This suggests an interesting dilemma for politicians. Should they promote FDI from the best foreign firms in order to improve access to the most advanced technologies, or instead encourage FDI from laggard countries in order to increase the amount of R&D taking place domestically?

China and the World Economy

Researchers in GEP's China and the World Economy (CWE) Programme have followed closely the economic and social changes in contemporary China. The year 2012 saw some major changes in the country. The most prominent event was the 18th National Congress of the Chinese Communist Party (CCP) held in Beijing in November. The congress installed a new generation of political leaders who were entrusted to manage the country for the next five to ten years, and to create the necessary conditions for political and social stability. By the end of 2012, China overtook the US to become the largest trading nation of goods in the world despite the world financial crisis and the European debt crisis which hampered its trade expansion with the EU, the US and Japan.

Facing serious internal and external constraints and challenges, economic growth and trade expansion have to slow down, forcing China to focus its future development on the following key areas: balancing economic structure, containing pollution, improving energy and material efficiency, stimulating domestic consumption, and reducing its dependency on export and investment for economic growth.

The deepening of China's economic reform provides new research opportunities for researchers in the CWE Programme. Many high quality research papers were produced, some of which are listed below.

- **Defever, F.** and **Riaño, A.** China's pure exporter subsidies, GEP Research Paper 12/11.
- **Milner, C.,** Lu, M., and **Yu, Z.** 'Regional heterogeneity and China's international trade: sufficient lumpiness or not?' *Review of International Economics*, 20(2), 415–429.
- **Yu, Z.** and **Wang, Z.** 'Trade partners, products, and firm performance of China's exporter-importers: does processing trade make a difference?' *The World Economy*, 35(12), 1795–1824.
- Fu, X., Helmers, C. and **Zhang, J.** 'The two faces of foreign management capabilities: competition and spillovers from FDI in the UK retail sector', *International Business Review*, 21(1), 71-88.
- Fu, X., Kaplinsky, R. and **Zhang, J.** 'The Impact of China on low and middle income countries' export prices in industrial-country markets', *World Development*, 40(8), 1483-1496.
- **Yao, S.** and **Liu, C.** 'Trade policy review for China: continuing globalisation amidst the world financial crisis', *The World Economy*, 35(12), 1645-1661.
- **Yao, S.,** Dan, L. and Lixia, L. 'On China's monetary policy and asset prices', *Applied Financial Economics*, 23:5, 377-392.
- Chen, C., Chen, G. and **Yao, S.** 'Do imports crowd out domestic consumption? A comparative study of China, Japan and Korea', *China Economic Review*, 23(4), 1036-1050.
- **Yao, S.,** Luo, D. and, Rooker T. 'Energy efficiency and economic growth in China', *Asian Economics Papers*, 11(2), 99-121.
- **Yao, S.,** Xiuyun, Y. 'Airport development and economic growth in China, a panel data approach', *Asia-Pacific Journal of Accounting and Economics*, 19(3), 318-29.
- Song, L., Wang, J., **Yao, S.** and Chen J. 'Market reactions and corporate philanthropy: a case study of the Wenchuan earthquake in China', *Journal of Contemporary China*, 21(74), 299-315.

Apart from the research and publications, many internal and external research fellows have also published commentaries, opinion pieces and blogs relating to

the Chinese economy in various western and Chinese media, including opinion pieces in *The Financial Times*, *The Independent*, *The Guardian*, *Times Higher Education Supplement*, *World Street Journal*, *People's Daily*, *China Daily*, *South China Morning Post*, and *South China Metropolis Daily*, *Caijing.Com.CN*, *Sina.Com.CN* and *163.Cm.CN*. Our papers and blogs have been visited by tens of millions of readers in and outside China. Some researchers also appeared regularly on national television and radio programmes, including the *BBC Newsnight*, *BBC World News*, *Phoenix TV*, *Russian TV International*, *BBC Radio 4 and 5*, *China Radio International*, etc.

GEP held its fifth annual conference in China in November 2012 at the University of Nottingham Ningbo China, which attracted over 30 high-quality papers by many well-known China experts and economists from China, the UK, the US and many other countries. This Conference was supported by some of China's best universities, including Zhejiang, Fudan, Renmin, Nankai and Beijing. The fourth joint conference was also held with the Korea University, on International Trade.

Theory and Methods

2012 marked another productive year for GEP's Theory and Method (TM) Programme in terms of research activities by internal and external fellows and doctoral students. One of this year's highlights was the organisation of our "Conference on International Trade" in May which attracted again world class trade economists from the UK, Europe, North America and Australia. External participants included Arnaud Costinot (MIT), Ray Riezman (University of Iowa), Emanuel Ornelas (LSE), Udo Kreickemeier (Universität Tübingen) and Rod Falvey (Bond University).

A common denominator of research activity within the Theory and Method Programme is the development of theoretical models that address important policy issues or the empirical assessment of the different forms of globalisation that are guided by economic theory. Globalisation comes in different forms -trade in goods, trade in capital services and assets and migration (movements of people)- and recent work in GEP's TM Programme is concerned about all forms of economic globalisation.

Research by **Spiros Bougheas** and **Doug Nelson** (GEP working paper 2012/06) addresses the linkages between trade in goods and migration in environments where policy is determined by a simple referendum. Their research identifies conditions under which economies that are already in free trade areas are more likely to support 'deeper integration' in the forms of migration. Their research sheds lights on the evolution of the politics of economic integration within the European Union and within the North American Free Trade Agreement (NAFTA).

The recent growth of preferential trade agreements (PTAs) has raised concerns about whether PTAs are “building” or “stumbling” blocks to multi-lateral trade liberalisation under the WTO (formerly GATT). A new GEP line of research initiated by **Tobias Ketterer**, **Daniel Bernhofen** and **Chris Milner** provides new empirical support for the view that the effects of a PTA depend on the political motivation behind the preferential trade agreement. Examining the impact of the Canadian-US Free Trade Agreement (CUSFTA) on Canada’s multi-lateral tariff cuts during the Uruguay Round (GEP Research Paper 2012/05), they find that CUSFTA acted as a building block and rationalize it by a theory that postulates that the free trade agreement is characterized by an exchange of market access.

Governments spend a considerable amount of funds on supporting research and development (R&D) of large private firms which compete globally. But is it rational for governments to subsidize if the R&D involves an alliance with a foreign firm? **Rod Falvey** and **Khemarat Teerasuwannajak** (GEP Research Paper 2012/03) provide a theoretical framework that allows them examine competitive and harmonised R&D policies for international R&D alliances. A key implication of their research is that agreements that share R&D information are preferred to those that require coordination of R&D decisions.

Recent advances in behavioural and experimental economics have questioned the traditional micro-economic assumption of a rational consumer with fixed ‘homo economicus’ preferences. However, the traditional gains from trade argument - which provides one of the key intellectual justifications for an open trading regime - are rooted in the traditional theory of consumer utility. In GEP Research Paper 2012/03, **Daniel Bernhofen** and **John Brown** provide a factor augmentation formulation of the gains from trade which is rooted in production rather than utility theory. Applying their new gains from trade formulation to the 19th century opening up of Japan, they are able to express the gains from trade in terms of growth of factor endowments.

D: Internal Research Fellows

GEP has a core of 20 Internal Research Fellows in Nottingham and another 35 at its centres in China and Malaysia. As such, GEP remains one of the world's largest clusters of academics studying the economic aspects of globalisation.

GEP Research Fellows

GEP Internal Research Fellows

Professor Daniel Bernhofen	GEP Director and Professor of International Economics
Dr Marta Aloï	Lecturer in Economics
Dr Roberto Bonfatti	Lecturer in Economics
Dr Spiros Bougheas	Associate Professor and Reader in Economics
Dr Fabrice Defever	Lecturer in Economics
Dr Bouwe Dijkstra	Lecturer in Economics
Dr Markus Eberhardt	Lecturer in Economics
Professor Giovanni Facchini	Professor of Economics
Dr Maria Garcia Vega	Senior Research Fellow
Professor Sourafel Girma	Professor of Industrial Economics
Professor David Greenaway	Vice-Chancellor and Professor of Economics
Professor Richard Kneller	Associate Professor in Economics
Professor Chris Milner	Professor of International Economics
Dr Stephen Morgan	Associate Professor, School of Contemporary Chinese Studies
Dr Alejandro Riaño	Post Doctoral Research Fellow
Professor Lina Song	Professor of China Studies
Dr Joel Stiebale	Lecturer in Industrial Economics
Dr Richard Upward	Associate Professor and Reader in Economics
Professor Shujie Yao	Professor of Economics and Chinese Sustainable Development
Dr Zhihong Yu	Lecturer in Economics
Dr Jing Zhang	Lecturer in Contemporary Chinese Studies

Internal Research Fellows at University of Nottingham Ningbo China

Dr Agyenim Boateng	Associate Professor in Finance
Dr Xiaogang Bi	Lecturer in Finance
Dr Daniel Borgia	Associate Professor in Finance
Dr Saileshsingh Gunessee	Lecturer in Economics
Dr Brian Hilton	Associate Professor in Strategy
Dr Wei Huang	Lecturer in Finance
Dr Chang Liu	Lecturer in International Business and GEP China Co-ordinator

Dr Lei Li	Associate Professor in International Business
Dr Wai-Heng Loke	Assistant Professor in Economics
Dr Qing-Ping Ma	Lecturer in Economics
Dr Alex Newman	Lecturer in International Business
Dr Yanxue Sun	Teaching Fellow in International Business
Dr Yee Kwan Tang	Assistant Professor of Entrepreneurship
Dr Zheng Wang	Assistant Professor in Economics
Dr Zheng Wei	Lecturer in Economics

Internal Research Fellows at University of Nottingham Malaysia Campus

Dr Nafis Alam	Assistant Professor of Finance
Dr Ramesh Baskaran	Assistant Professor in Economics
Dr Wen Li Chan	Associate Professor of Business Law
Dr Hon Chung Hui	Assistant Professor in Economics
Dr Camilla Jensen	Associate Professor of Economics
Dr Roy Khong	Assistant Professor of Economics
Dr Pek Kim	University Teacher in Economics
Professor Chew Ging Lee	Professor of Quantitative Methods
Dr Jason Lee	Assistant Professor of Business Economics
Dr Eunice Ngat-Chin Lim	Senior University Teaching Fellow
Dr Christopher Napoli	Assistant Professor in Economics
Dr Rasyad Parinduri	Assistant Professor of Business Economics
Dr Subramaniam Pillay	Associate Professor in International Finance
Dr Maria Punzi	Assistant Professor in Economics
Dr Saumik Paul	Assistant Professor in Economics
Professor Hui-Boon Tan	Professor of Business Economics and Finance
Dr Kin Boon Tang	Assistant Professor of Finance and Economics
Dr Wing Leong Teo	Associate Professor and GEP Malaysia Co-ordinator
Dr Yoke Chen Wong	Assistant Professor of Quantitative Methods
Dr Michael Meow-Chung Yap	Senior University Teaching Fellow

E: Investment in research capacity

GEP retains its commitment to maintaining the supply of PhD graduates and Post-Doc Research Fellows in the field of international economics and made the following contributions in this regard during 2012.

- Natasha Agarwal, Emmanuel Amisah, Vaalmikki Arjoon, Zouheir El-Sahli, Smaranda Pantea, Chris Parsons, Robert Riegler, Christian Soegaard, Festus Turkson and Pan Wang, all GEP-sponsored PhD students, were awarded their PhD degrees in 2012.

- Natasha went on to a Post Doc position at the University of Oxford;
 - Emmanuel took up a Teaching Associate position at the Nottingham School of Economics;
 - Vaalmikki also took up a Teaching Associate position at the Nottingham School of Economics;
 - Zouheir El-Sahli is in a Post Doctoral Researcher post at Lund University;
 - Smaranda Pantea, Research at JRC, IPTS, European Commission;
 - Chris Parsons is a Research Officer at the University of Oxford;
 - Robert Riegler has a Lectureship at Coventry Business School;
 - Christian Soegaard has a Teaching Fellowship at the University of Warwick;
 - Festus Turkson has a Lectureship at the Department of Economics, University of Ghana;
 - Pan Wang is a Trust Manager at the China Pingan Trust Company (one of the largest trust companies in China)
- We once again supported a number of our PhD students and Post-Docs in taking part in major national and international conferences.
 - The 11th annual GEP Postgraduate Conference attracted 20 PhD students from seven countries in Europe and from India. Presentations ran over two days enabling discussion on research topics covering a wide range of theoretical and empirical topics in international economics.

F: External Research Fellows and Visitors

GEP continues to enjoy the association of a number of External Fellows and Policy Associates (listed below) who visit GEP, participate in GEP conferences, publish in GEP's Research Paper Series and contribute more generally to GEP research activity.

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, University of Bamberg

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, Australia
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 Birmingham
Dr Joakim Gullstrand, Lund University
Professor Jonathan Haskel, Queen Mary, London University
Professor Beata Javorcik, University of Oxford
Professor Wilhelm Kohler, University of Tübingen
Professor Udo Kreickemeier, University of Tübingen
Dr Maurice Kugler, Wilfred Laurier University
Professor Mario Larch, ifo Institute for Economic Research
Professor Ben Li, Boston College
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 Pascal 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, Lund University
Professor Constantinos Syropoulos, Drexel University
Professor Mathew Tharakan, University of Antwerp
Professor Vitor Trindade, University of Missouri
Professor Jim Tybout, Penn State University
Professor Rod Tyers, Australian National University
Professor Hylke Vandenbussche, Catholic University of Leuven
Dr Nikolaus Wolf, Humboldt University Berlin
Professor Ian Wooton, University of Strathclyde
Professor Peter Wright, University of Sheffield
Professor Zhihao Yu, Carleton University

GEP Associate External Research Fellows

Dr Jennifer Abel-Koch, University of Mainz
Dr Toshihiro Atsumi, Meiji Gakuin University

Dr Agelos Delis, Aston University
Dr Andreas Hoefele, Loughborough University
Dr Tom Ivlevs, 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

GEP Policy Associates

Mary Amiti, New York Federal Reserve Bank
Bob Anderton, European Central Bank
Paulo Bastos, The World 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

GEP's network of External Research Fellows plays an important part in shaping our agenda and output.

GEP also enjoys visits from excellent speakers from the policymaking and business communities, on its public lecture series. Details in Section I.

GEP very much appreciates the involvement of its cadre of External Research Fellows, Policy Associates and speakers on our public lecture series, some of whom have made contributions to GEP's activities over many years, so consolidating on our excellent collaborations.

G: Published output

The GEP Research Paper Series published 12 studies in 2012. All were placed in the public domain on an open-access basis on the GEP website, which continues to enjoy substantial traffic. A detailed list of authors and paper titles of the GEP Research Paper Series is given in Appendix 1.

GEP research by internal fellows appeared in top level peer-reviewed journals, edited volumes and books. GEP fellows published in leading general interest journals like the *American Economic Journal*, *Canadian Journal of Economics*, *Economic Theory*, leading field journals like the *Review of International Economics*, *The World Economy* and the *International Journal of Industrial Organisation* and region-specific journals like *China Economic Review* and the *Journal of Asian Economic Papers*. A complete list of publications is provided in Appendix 2.

H: Conferences and seminars

Conferences

In 2012 the Centre hosted or co-hosted a total of seven conferences: three were hosted in Nottingham while the others took place in China, Malaysia, Germany and South Korea.

GEP's conference season was launched by GEP's Annual Malaysia conference which took place in February at the University of Nottingham Malaysia campus in Kuala Lumpur. This year's conference theme was *Trade, Investment and Production Networks in Asia*. The conference attracted leading researchers from South East Asia, China, Europe and Australia to talk about the different dimensions of the global fragmentation of production from both a conceptual as well as a policy perspective. One of the highlights of this conference was the two keynote public lectures. Professor Hal Hill from Australian National University gave the *Boustead Annual Globalisation Lecture* on "Malaysia's development challenges: graduating from the middle". Professor **Chris Milner** from the

University of Nottingham gave the *World Economy Asia Lecture* on "Declining protection in developing countries: fact or fiction?"

In April, GEP hosted its eleventh Annual GEP Postgraduate Conference. As in previous years, this conference attracted the most promising PhD students from the UK, Europe and beyond to present their research to their peers and faculty members from the School of Economics at Nottingham. European participants came from Germany, Belgium, France, Switzerland, Norway, Ireland and of course also from the UK. This year we had the pleasure of welcoming PhD students from faraway places such as Bombay and West Bengal.

In May, GEP hosted a *conference on International Trade* which brought together leading scholars in the field of international trade to present papers at the frontier of the discipline. Special guests included Professor Arnaud Costinot from MIT, Professor Ray Riezman from the University of Iowa, Professor Emmanuel Ornelas from the London School of Economics, Professor Udo Kreicemeier from the University of Tübingen and Professor Rod Falvey from Bond University.

GEP's Annual Sixth-Form Conference continues to be a most popular event, and 2012 saw again a record number of sixth form students attending lectures where GEP researchers talk about their research in a manner accessible to non-specialists and potential economists of the future. These students could learn about globalisation topics like the global financial crisis, Chinese innovation, trade growth and the environment, international food prices and the winners and losers from globalisation. In addition to the stimulating lectures, the students were given the opportunity of practical experience when Professor Wyn Morgan organized and ran again his very popular *International Trade Game*.

In September, GEP co-hosted the first of a series of planned conferences in collaboration with the Ifo Institute in Munich and CEPII in Paris. The inaugural conference in the series took place in September in Munich on the theme of 'China and the World Economy' and brought together researchers from GEP, CESifo and CEPII to discuss the different economic dimensions of China's integration in the world economy. The conference was launched with the presentation of *The World Economy Annual Lecture* by Professor Barry Eichengreen from the University of California, Berkeley, who spoke on the topic "Number One Country, Number One Currency?". The Conference was concluded by Professor James Harrigan from the University of Virginia who presented his perspectives on economic research relating to China and the world economy.

In October, GEP hosted its fifth Annual GEP China Conference at the University of Nottingham Ningbo China. Given the historical importance of Ningbo as a port city, this year's conference theme was on *Port Logistics, International Trade and*

Innovation. On the eve of the conference Professor Qiao Yu presented the *Youngor Annual Globalisation Lecture* on 'China's Foreign Reserve and Global Industry Investment'. The conference was launched by a special session on the *Marine Economy and Local Transport Infrastructure* in which Dr Weong from Ningbo's Marine Economy Department gave an introduction on Municipal Development and GEP Director Daniel Bernhofen gave an overview of GEP research on the role of containerization and intermodal transportation in explaining the growth of international trade. In the remaining sessions researchers from China, Europe and South Asia gave various papers on China, trade and the world economy. One of the highlights of the conference was *The World Economy Annual China Lecture* presented by Professor Barry Naughton from the University of California, San Diego, who gave a lecture on "The end of hyper-growth: political and economic responses to a slowing China".

Following the GEP China Conference, a delegation of GEP researchers from the UK and China campuses flew to Seoul in South Korea to participate in the 4th Annual GEP/Korea Joint Conference on International Trade. Hosted by the Korea Institute for International Economic Policy and the Global Research Institute of Korea University, GEP and Korea University, at Korea University, researchers spent an enjoyable and informative day presenting and discussing their latest research on international economics.

Full details of 2012's conferences are contained in the Appendices 3 to 9.

Seminars

GEP attracted again an impressive group of world class researchers to present their work at GEP's weekly seminar series in international economics. In 2012 we had the pleasure of listening to researchers from, *inter alia*, MIT, Princeton University, Columbia University, University of Virginia, Boston College, London School of Economics, University of Munich and the University of Vienna.

Full details of 2012's seminars are set out in Appendix 10.

Other conference and seminar presentations

In 2012 GEP researchers presented their work again at many leading conferences and universities around the globe. The Centre continued to maintain its established policy of encouraging not only senior faculty members but also PhD students to demonstrate their expertise at the highest levels. GEP academics presented their work at conferences such as the European Economic Association Conference, the European Trade Study Group conference, the Midwest International Trade meeting, various CESifo conferences and many others. GEP

researchers were also invited to give seminar presentations at the World Bank, the University of Virginia, the University of Illinois in Urbana-Champaign, the University of Iowa, DIW Vienna, the University of Mannheim, the University of Munich, the University of Kyoto and the Renmin University in Beijing. Full details of 2012's other conference and seminar presentations are provided in Appendix 11.

I: 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 this year. Specifically, the following public lectures took place in 2012:

Leverhulme Globalisation Lectures

As ever, we were delighted that the *Leverhulme Globalisation Lectures* attracted a wide-ranging audience to hear lectures on current issues from: David Fenton, Head of Corporate, Royal Bank of Scotland on 'A Ring Side View of the Economic Crisis'; and Martin Wolf, Associate Editor and Chief Economics Commentator, *The Financial Times* on 'The Shift and the Shocks: Prospects for the World Economy'.

Nottingham Lectures in International Economics

This year's masterclass, which is the *Nottingham Lectures in International Economics*, benefited from presentations over three days by Professor Peter Neary from Oxford University on 'Firms, Market Structure and Trade'.

The World Economy Annual Lecture

The 2012 *The World Economy Annual Lecture*, sponsored by *The World Economy* publisher Wiley-Blackwell, was presented by Professor Barry Eichengreen from the University of California, Berkeley. The Lecture was hosted at the University of Munich and formed part of the joint conference with CESifo this year. The topic of the Lecture was 'Number One Country, Number One Currency?' Professor Eichengreen is a well-known figure in economics and his lecture attracted much media attention, the resulting interviews and radio broadcasts being available on the public lectures section of the GEP web site.

The World Economy Annual China Lecture

Professor Barry Naughton presented the 2012 *The World Economy Annual China Lecture* on 'The end of hyper-growth: political and economic responses to a slowing China'. The Lecture was very well received and generated a lot of discussion from the floor.

The World Economy Annual Asia Lecture

Professor Chris Milner, Professor of International Economics, GEP, University of Nottingham delivered *The World Economy Annual Asia Lecture*, sponsored by Wiley-Blackwell, at GEP Malaysia. The lecture topic was 'Declining Protection in Developing Countries: Fact or Fiction'.

Boustead Annual Globalisation Lecture

Professor Hal Hill from the Australian National University presented the fourth Boustead Annual Globalisation Lecture, sponsored by Boustead Holding Berhad, on the theme 'Malaysia's Development Challenges: Graduating from the Middle', a lecture based on Professor Hill's new book on current development issues in Malaysia.

Youngor Annual Globalisation Lecture

The second *Youngor Annual Globalisation Lecture*, on 'China's Foreign Reserve and Global Industry Investment' was presented by Professor Qiao Yu, Professor of Economics at Tsinghua University.

J: User Engagement and Outreach

GEP continues to work with the business and policymaking communities, including government departments and other consumers of research. In 2012, Richard Kneller wrote a report 'The Future of UK Manufacturing Exports' for the Lead Expert Group of the Foresight project of the Department for Business, Innovation and Skills. The aim of this project was to "provide a timely and fresh look at the long-term picture for the manufacturing sector out to 2050, investigating global trends and drivers of change". GEP's report provided a comparison of UK exporting patterns with those of Germany and France, discussed likely outcomes from technological, political and economic changes on the volume of UK exporting and discussed the policy implications of these findings. A published report is expected in Autumn 2013. Richard Kneller also provided verbal and written evidence to the House of Lords Committee on SMEs and exporting committee. The evidence was largely a

comparison of the patterns of export behaviour for UK SMEs against those of other countries.

Richard Kneller also contributed to The Witty Review on Universities and Growth in the form of a discussion of the relationship between innovation and internationalisation. The preliminary findings of the Witty Review will be published in 2013.

K: The year ahead

We look forward to the following events in 2013:

1. GEP launching its conference season in February by hosting its Annual GEP Malaysia Conference in Kuala Lumpur on the theme of "Recent Developments in Asian Trade Policy and Integration".
2. Simon Featherstone, CMG, British High Commissioner to Malaysia giving the *Boustead Annual Globalisation Lecture*.
3. Professor Mohammed Ariff, Professor of Economics and Governance, International Centre for Education in Islamic Finance (INCEIF), The Global University of Islamic Finance and Distinguished Fellow of the Malaysian Institute of Economic Research (MIER) delivering *The World Economy Annual Asia Lecture*.
4. GEP hosting its 12th Annual Postgraduate Conference.
5. GEP hosting the 4th TEMPO Conference on International Migration.
6. GEP hosting its Annual GEP China Conference.
7. Professor Brian Copeland, University of British Columbia, delivering the *Nottingham Lectures in International Economics*.
8. Professor Gordon Hanson, University of California, San Diego, delivering *The World Economy Annual Lecture*.
9. *Globalisation Lectures* appearances by speakers including: Martin Wolf, *The Financial Times'* Associate Editor and Chief Economics Commentator; Nick Bridge, British Ambassador to the OECD; and Martin Ruhs from Oxford University.

GEP plays a vital role as a major centre in the UK devoted to studying the different impacts of economic globalisation. GEP's major asset is its human capital which is an integral part of the School of Economics and the University of Nottingham. Since GEP's mission is closely linked to the internationalisation strategy of the University of Nottingham, the sustainability of GEP is tightly linked to the continuing importance of this strategy. This makes us all hopeful about the future.

APPENDIX 1

GEP Research Paper Series, 2012

- 2012/01 Sai Ding, **Alessandra Guariglia** and John Knight 'Negative Investment in China: Financing Constraints and Restructuring versus Growth'
- 2012/02 **María García-Vega**, Patricia Hofmann and **Richard Kneller**, 'The Internationalisation of R&D and the Knowledge Production Function'
- 2012/03 **Rod Falvey** and Khemarat Talerngsri Teerasuwannajak, 'Competitive and Harmonised R&D Policies for International R&D Alliances involving Asymmetric Firms'
- 2012/04 Sai Ding, **Alessandra Guariglia** and John Knight, 'Does China Over-invest? Evidence from a Panel of Chinese Firms'
- 2012/05 **Daniel M. Bernhofen** and John C. Brown 'A Factor Augmentation Formulation of the Value of International Trade'
- 2012/06 **Spiros Bougheas** and **Doug Nelson** 'On the Political Economy of High Skilled Migration and International Trade'
- 2012/07 **Catia Montagna** and Antonella Nocco 'Unionisation, International Integration and Selection'
- 2012/08 **Jonathan Timmis** 'The Internet and International Trade in Goods'
- 2012/09 **Tobias Ketterer**, **Daniel Bernhofen** and **Chris Milner** 'Preferences, Rent Destruction and Multilateral Liberalisation: The Building Block Effect of CUSFTA'
- 2012/10 **Shujie Yao** and Pan Wang 'Has China Displaced the Outward Investments of OECD Countries?'
- 2012/11 **Fabrice Defever** and **Alejandro Riaño** 'China's Pure Exporter Subsidies'

APPENDIX 2

Published Output of GEP Fellows in 2012

Papers in Refereed Journals

ALAM, N. "Does Banking Regulation Affect Banking Efficiency?: A Survey of Dual Banking System", *Journal of International Banking Law and Regulation: (ABDC Tier C, Monitored by Thomson Reuters)*. 27(6), 231-238

ALAM, N. "The Impact of Regulatory and Supervisory Structures on Bank Risk and Efficiency: Evidence from Dual Banking System", *Asian Journal of Finance & Accounting*, 4(1), 216-244

ALAM, N. (with TAN, E.), "Impact of Financial Crisis on Stock Returns: Evidence from Singapore", *Studies in Business and Economics*, 7(2), 5-19

BOUGHEAS, S. (with NELSON, D.) "Skilled Worker Migration and Trade: Inequality and Welfare," *World Economy*, 35, 197-215

BOUGHEAS, S. (with WORRALL, T.) "Cost Padding in Regulated Monopolies", *International Journal of Industrial Organization*, 40, 331-341

DEFEVER, F. "The Spatial Organization of Multinational Firms", *Canadian Journal of Economics*, 45(2), 672-697

EBERHARDT, M. "Estimating Panel Time-series Models with Heterogeneous Slopes", *STATA Journal*, 12(1), 61-71

FACCHINI, G. (with MAYDA, A.M.) "Individual Attitudes Towards Skilled Migration: An Empirical Analysis across Countries", *The World Economy*. 35(2), 183-196

FACCHINI, G. (with DELTAS, G, and DESMET, K.) "Hub-and-Spoke Free Trade Areas: Theory and Evidence From Israel", *Canadian Journal of Economics*, 45(3), 942-977

FACCHINI, G. (with CONCONI, P. and ZANARDI, M.) "Fast-track Authority and International Trade Negotiations", *American Economic Journal: Economic Policy*, 4(3), 146-189

GARCIA-VEGA, M. (with GUARIGLIA, A. and SPALIANA, M.) "Volatility, Financial Constraints, and Trade", *International Review of Economics and Finance*, 21(1), 57-76

GIRMA, S. "Twenty Years of Economic and Financial Reforms in India: Special Issue Introduction" *The World Economy*, 35(1) 1-2,01

GREENAWAY, D. (with FALVEY, R. AND FOSTER, N.) "Trade Liberalization, Economic Crises and Growth", *World Development*, 40, 2177-2193

GREENAWAY, D. (with KNELLER, R. and ZHANG, X.) "The Effect of Exchange Rates on Firm Exports and the Role of FDI", *Review of World Economics*, 148, 425-447

- GREENAWAY, D.** (with GUARIGLIA, A. and **YU, Z.**) "The More the Better? Foreign Ownership and Firm Performance in China", *European Journal of Finance*. 18, 1-22
- HUI, H.** (with SHARMA, K. and NAYAGAM, J.) "Foreign Direct Investments in Malaysia: trends, patterns and determinants", *Journal of Developing Areas (Australian Business Deans Council Tier B)*. 46(1), 71-89
- KNELLER, R.** (with MANDERSON, E.) "Environmental Regulations, Outward FDI and Heterogeneous Firms: Are Countries Used as Pollution Havens?", *Environmental and Resource Economics*, 51(3), 317-352.
- KNELLER, R.** (with MANDERSON, E.) 'Environmental Regulations and Innovation Activity in UK Manufacturing Industries', *Resource and Energy Economics*, 34(2), 211-235
- KNELLER, R.** (with McGOWAN, D., INUI, T. and MATSUURA, T.) "Globalisation, Multinationals and Productivity in Japan's Lost Decade", *Journal of the Japanese and International Economies*, 26(1), 110-128
- KNELLER, R.** 'What Makes a Successful Export? Evidence from Firm-product Level Data,' (with Holger Görg and Balázs Muraközy) *Canadian Journal of Economics*, 45(4), 1332-1368
- KNELLER, R.** (with McGOWAN, D., INUI, T. and MATSUURA, T.) "Closure within Multi-plant Firms: Evidence from Japan", *Review of World Economics*, 148(3), 647-668
- LEE, C.** "English Language and Economic Growth: Cross-Country Empirical Evidence", *Journal of Economic and Social Studies*. 2(1), 5-20
- LEE, C.** "Tourism, Trade and Income: Evidence from Singapore", *Anatolia*. 23(3), 348-358
- LI, C.** (with HARRIS, R.) "Export-market Dynamics and Firm-Level Productivity: Evidence for UK Tradable Sectors", *Industrial and Corporate Change*, 21(3), 649-670
- LI, C.** (with TETHER, B. and MINA, A.) "Knowledge-bases, Places, Spatial Configurations and the Performance of Knowledge-Intensive Professional Service Firms", *Journal of Economic Geography*. 12(5), 969-1001
- LIM, N.** (with TONG, J. and TERPSTRA, R.) "Proton: Its Rise, Fall, and Future Prospects", *Asian Case Research Journal*. 6(2), 347-377
- MILNER, C.** (with HENRY, M., **KNELLER, R.** and **GIRMA, S.**) "Do Natural Barriers Affect the Relationship Between Trade Openness and Growth?", *Oxford Bulletin of Economics and Statistics*, 74(1), 1-19
- MILNER, C.** (with LU, M. and **YU, Z.**) "Regional Heterogeneity and China's International Trade: Sufficient Lumpiness or Not?", *Review of International Economics*, 20(2), 415-429
- NAPOLI, C.** "Understanding Kyoto's Failure", *SAIS Review*. 32(2), 183-196
- PARINDURI, R.**, (with RIYANTO, Y.) "The Impact of the Strategic Sale of Restructured Banks: Evidence from Indonesia", *World Development*. 40(3), 446-457

- TAN, H.**, (with CHEAH, E., JOHNSON, J., SUNG, M. and CHUAH, C.) "Stock Market Capitalization and Financial Integration in the Asia Pacific Region", *Applied Economics*, 44(15), 1951-1961
- TAN, H.**, (with LAW S.) "Nonlinear Dynamics of the Finance-inequality Nexus in Developing Countries", *The Journal of Economic Inequality*, 10(4), 551-563
- TAN, H.** (with LEE, Y. and LEE, C.) "An Analysis on the Development of Malaysia's Telecommunications Sector", *The Empirical Economics Letters*, 11(1)
- TANG, K.**, (with **TAN, H.** and NIAZ AHMAD, M.) "The Effect of Foreign Currency Borrowing and Financial Development on Exports: A Dynamic Panel Analysis on Asia-Pacific Countries", *Journal of the Asia Pacific Economy*.
- TEO, W.** (with YANG, C.) "Ramsey Taxes Meet Price Rigidity", *Pacific Economic Review*. 17(2), 231-256
- TEO, W.** (with LUBIK, T.) "Inventories, Inflation Dynamics and the New Keynesian Phillips Curve", *European Economic Review*. 56(3), 327-346
- UPWARD, R.** (with ANDREWS, M., BELLMANN, L. and SCHANK, T.), " Foreign-owned Plants and Job Security", *Review of World Economics*, 148(1), 89-117
- UPWARD, R.** (with ANDREWS, M. and SCHANK, T), "High wage workers match with high wage firms: the effects of limited mobility bias" *Economics Letters* **117** pp.824-827.
- WONG K.** (with YAP, M. and DOGAN, E.) "Plant Size, Turnover and Productivity: Evidence from Malaysian Manufacturing", *The Empirical Economics Letters*. 11(9)
- YAO, S.** (with DAN, LUO and LIXIA, LOH), "On China's Monetary Policy and Asset Prices", *Applied Financial Economics*, 23(5), 377-392.
- YAO, S.** (with CHEN, C., and GUOJIN, C) "Do Imports Crowd out Domestic Consumption? A Comparative Study of China, Japan and Korea" *China Economic Review*, 23(4), 1036-1050
- YAO, S.** (with LUO, D. and ROOKER, T.) "Energy Efficiency and Economic Growth in China", *Asian Economics Papers*, 11(2), 99-117
- YAO, S.** (with **SONG, L.** and WANG, J.) "Market Reactions and Corporate Philanthropy: a Case Study of the Wenchuan Earthquake in China", *Journal of Contemporary China*, 21(74), 299-315.
- YAO, S.** (with YANG X.) "Airport Development and Economic Growth in China, a Panel Data Approach", *Asia-Pacific Journal of Accounting and Economics*, 19(3), 318-29.
- YAO, S.** (with **LIU, C.**) 'Trade Policy Review for China: Continuing Globalisation Amidst the World Financial Crises', *The World Economy*, 35 (12), 1645-1661.
- YAO, S.** (with SONG, LIN; JIANLING, WANG; and JIAN, CHEN, 'Market reactions and corporate philanthropy: a case study of the Wenchuan earthquake in China', *Journal of Contemporary China*, 21(74), 299-315.

- YU, Z.** "Openness, Managerial Incentives and Heterogeneous Firms", *Economic Theory*, 51(1), 71-104
- YU, Z.** "Trade Partners, Products and Firm Performance of China's Exporter-Importers: Does Processing Trade Make a Difference?" (with Zheng Wang), *The World Economy*, 35(12), 1795-1824
- ZHANG, J.** (with FU, X. and HELMERS, C.) "The Two Faces of Foreign Management Capabilities: Competition and Spillovers from FDI in the UK Retail Sector", *International Business Review*, 21(1), 71-88
- ZHANG, J.** (with FU, X., and KAPLINSKY, R.) "The Impact of China on Low and Middle Income Countries' Export Prices in Industrial-Country Markets", *World Development*, 40(8), 1483-1496

Books and Edited Volumes

GEP was pleased to see the following books published in 2012:

- "The effects of the unequal treaties on normative, economic and institutional changes in 19th century Japan", **Daniel Bernhofen**, (joint with Toshihiro Atsumi), In Rainer Klump and Milos Vec *International Law and the World Economy in the 19th century* (Voelkerrecht und Weltwirtschaft im 19. Jahrhundert), Springer Verlag: 135-149
- "The UK in a Global World: How Can the UK Focus on Steps in Global Value Chains that Really Add Value?" CEPR, **David Greenaway**, pp.146. (ed.)
- *The World Economy: Global Trade Policy 2011*, Wiley Blackwell, **David Greenaway** pp.149 (ed.)
- *The Globalisation of Higher Education*, Palgrave, **David Greenaway** (co-Editor with Christine Ennew) pp. 237
- *Indian Performance, Region and Economic Growth*", **Saumik Paul** (joint with Yi Feng), In Jacek Kugler and Ronald Tammen, ed. *The Performance of Nations* Rowman & Littlefield Publishers. 229-244

APPENDIX 3

International Conference on Trade, Investment and Production Networks in Asia

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

15th and 16th February, 2012

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

Wednesday, 15th February

09.15 – 09.25 Opening addresses

Session 1 (Chair: Chris Milner)

09.25 – 10.45 *Multinationals, Trade, Global Production Networks and the
Development of Domestic Technological Capabilities in East and
Southeast Asia*

Rajah Rasiah, University of Malaya

Discussant: Hal Hill

*Determinants of Trade in Parts and Components: The Role of Ethical
Distance*

**Bala Ramasamy, China Europe International
Business School (CEIBS)**

Discussant: Premachandra Athukorala

Session 2 (Chair: Camilla Jensen)

11.00 – 13.00 *How Did the Japanese Exports Respond? The Global Financial Crisis
and the East Japan Earthquake (with Mitsuyo Ando)*

**Fukunari Kimura, Keio University and Economic
Research Institute for ASEAN and East Asia**

Discussant: Rajah Rasiah

Growing with Global Production Sharing: The Tale of Penang Export Hub
Premachandra Athukorala, Australian National University

Discussant: Shandre Thangavelu

China's Export Expansion: A Threat to its Asian Neighbour

Kong Yoke Fong, GEP, University of Nottingham, Malaysia

Discussant: Jay Menon

13.00 – 14.00 Lunch

Session 3 (Chair: Richard Kneller)

14.00 – 15.20 *Exporter Dynamics and Information Spillovers
through the Main Bank*

Keiko Ito, Senshu University

Discussant: Camilla Jensen

*FDI, Export Competitiveness and Foreign Workers: Case of
Singapore and Malaysia*

Shandre Thangavelu, National University of Singapore

Discussant: Fukunari Kimura

Session 4 (Chair: Michael Yap)

15.35 – 16.55 *The Effects of Trade Liberalization on Production Networks
(with Michael Yap)*

**Rasyad Parinduri, GEP, University of Nottingham Malaysia
Campus**

Discussant: Keiko Ito

*Preferential and Non-Preferential Approaches to Trade
Liberalization, with Special Attention to
Reciprocity and Utilization Rates*

Jay Menon, Asian Development Bank

Discussant: Chris Milner

Session 5 (Chair: David Greenaway)

18.30 – 19.30 ***Boustead Annual Globalisation Lecture, on:
'Malaysia's Development Challenges: Graduating from the
Middle'***

**Professor Hal Hill, H.W. Arndt Professor of Southeast
Asian Economies, Australian National University**

19.30 – 20.00 Book launch:

Malaysia's Development Challenges: Graduating from the Middle,
eds. Hal Hill, Tham Siew Yean and Ragayah Haji Mat Zin

19.30 – 21.00 Reception, sponsored by Boustead Holdings Berhad

Session 6 (Chair: Kevin Lee)

9.00 – 10.20 *Does Trade Openness Explain Labour Productivity Growth? A Comparison of China and India*
**Wing Leong Teo, GEP, University of Nottingham
Malaysia Campus**

Discussant: Archanun Kohpaiboo

Exchange Rates and Trade in East Asia
**Willem Thorbecke, Research Institute of
Economy, Trade and Industry (RIETI)**

Discussant: Richard Kneller

Session 7 (Chair: Rasyad Parinduri)

10.40 – 12.40 *China and East Asian Integration: Implications for the World*
**Wai Heng Loke, GEP, And University of Nottingham
Ningbo China**

Discussant: Wing Leong Teo

*Import-as-market Discipline in Production Network: Evidence
from Thai Manufacturing*
Archanun Kohpaiboo, Thammasat University

Discussant: Rasyad Parinduri

*Trade Liberalisation and Chinese Firm Level Productivity
Growth: The Role of Direct and Indirect
Imported Inputs*

Richard Kneller, GEP, University of Nottingham
Discussant: Bala Ramasamy

12.40 – 13.50 Lunch

13.50 – 14.50 Transfer to the University of Nottingham Malaysia Campus at
Semenyih

14.50 Tour of campus

Session 8 (Chair: David Greenaway)

16.00 – 17.00 **The World Economy Annual Asia Lecture** sponsored by
Wiley-Blackwell:

*'Declining Protection in Developing Countries: Fact or
Fiction?'*

**Professor Chris Milner, Professor of International
Economics, GEP, University of Nottingham**

APPENDIX 4

Eleventh Annual GEP Postgraduate Conference

hosted by the Leverhulme Centre for Research on Globalisation and Economic Policy (GEP), University of Nottingham
26th and 27th April, 2012

University of Nottingham, University Park

P R O G R A M M E

Thursday 26th April

Session 1: Introduction and Keynote Speaker

09.10 – 09.50 **Keynote speaker: Professor Sourafel Girma, Professor of Industrial Economics, GEP, University of Nottingham**

Session 2:

09.50 – 10.25 Gravity with Unemployment
Presenter: **Benedikt Heid (University of Bayreuth and ifo Institute)**
Discussant: Zouheir El-Sahli

10.25 – 11:00 A Unified Analysis of International Migration and Cross-Country Inequality
Presenter: **Joël Machado (Université Catholique de Louvain)**
Discussant: Daniel Bernhofen

Session 3:

11.20 – 11.55 Newtoning Financial Development with Heterogeneous Firms
Presenter: **Rafael Cezar (Université Paris Dauphine)**
Discussant: Spiros Bougheas

11.55 – 12.30 The Impact of Preferences on Multilateral Tariff Cuts – Evidence for Canada
Presenter: **Tobias Ketterer (GEP, University of Nottingham)**
Discussant: Sohaib Shahid

12.30 – 13.05 Price Convergence after the Eastern EU Enlargement? Evidence from European Retail Food Prices
Presenter: **Andreas Lindenblatt (University of Heidelberg)**
Discussant: Fabrice Defever

Session 4:

14.00 – 14.35 Does the Nature of Regional Trade Agreements Matter in Promoting Trade?
Presenter: **Sohaib Shahid (Graduate Institute, Geneva)**
Discussant: **Tobias Ketterer**

14.35 – 15.10 An Oligopolistic Theory of Regional Trade Agreements
Presenter: **Christian Soegaard (GEP, University of Nottingham)**
Discussant: Florian Molders

15.10 – 15.45 Trade Persistence and the Limits of Trade Agreements
Presenter: **Florian Molders (German Institute for Economic Research)**
Discussant: Christian Soegaard

Session 5:

16.00 – 16.35 Quota Restrictions and Intra-Firm Reallocations
Presenter: **Zheng Wang (GEP, University of Nottingham)**
Discussant: Felipe Starosta de Waldemar

16.35 – 17.10 Product Relatedness and Firm Exports in China
Presenter: **Felipe Starosta de Waldemar (Université Paris 1)**
Discussant: Zhihong Yu

17.10 – 17.45 Trade Liberalization, Firm Productivity and the Role of Trade Intermediaries: Evidence from China
Presenter: **Michele Imbruno (GEP, University of Nottingham)**
Discussant: Zheng Wang

17.45 Award of the 'Best Paper' Prize

Friday, 27th April

Session 6:

09.00 – 09.35 Boon or bane: The impact of Intellectual Property Rights on Innovation
Presenter: **Sebastian Benz (ifo Institute)**
Discussant: Andreas Hoefele

09.35 – 10.10 Trade Agreements and Bilateral Trade in Sub-Saharan Africa: Estimating the ex post Bilateral Trade Effect of the EU-ACP Preferential and Regional Trade Agreements in SSA?
Presenter: **Festus Turkson (University of Nottingham)**
Discussant: Alejandro Riaño

10.10 – 10.45 Does Industry Concentration Matter for Pollution Haven Effects?
Presenter: **Svetlana Batrakova (University College Dublin)**
Discussant: Richard Kneller

Session 7:

11.00 – 11.35 Wage Bargaining Systems and International Trade
Presenter: **Daniel Etzel (University of Bayreuth)**
Discussant: Inger Sommerfelt Ervik

11.35 – 12.10 Union Wage Equalization and Welfare
Presenter: **Inger Sommerfelt Ervik (University of Bergen)**
Discussant: Marta Aloi

12.10 – 12.45 The Impact of Globalization on the Firm-internal Matching Process
Presenter: **Michael Koch (University of Bayreuth)**
Discussant: Sebastian Benz

Session 8:

- 13.45 – 14.20 Environmental Standards and Trade: Evidence from Indian Textile and Leather Industry
Presenter: **Pavel Chakraborty (Graduate Institute, Geneva)**
Discussant: Sourafel Girma
- 14.20 - 14.55 Productivity Heterogeneity and Firm Level Exports: Case of Indian Manufacturing Industry
Presenter: **Ronny Thomas (Indian Institute of Technology Bombay)**
Discussant: Benedikt Heid
- 14.55 - 15.30 FDI, Heterogeneity of Firms and Exports: An Examination of Evidence in India
Presenter: **Maitri Ghosh (Jadavpur University, Kolkata, West Bengal)**
Discussant: Joel Stiebale
- 15:30 Concluding Comments

APPENDIX 5

GEP Conference in International Trade
hosted by the Leverhulme Centre for Research on Globalisation and
Economic Policy (GEP), University of Nottingham
1st May 2012
in the Machicado Suite, Willoughby Hall,
University of Nottingham, University Park

PROGRAMME

Session 1: 9:30-11:00 Chair: Spiros Bougheas

The Elusive Pro-competitive Effects of Trade
Arnaud Costinot, MIT (joint with Costas Arkolakis,
Dave Donaldson and Andrés Rodríguez-Clare)

Price Equalization Does Not Imply Free Trade
Ray Riezman, University of Iowa (joint with Piyusha
Mutreja,
B. Ravikumar and Michael J. Sposi)

Session 2: 11:30-13:00 Chair: Zhihong Yu

Institutions and Export Dynamics
Emanuel Ornelas, LSE (joint with Luis Araujo and Giordano
Mion)

Exceptional Exporters and the Chinese Dual Exporter
System
Alejandro Riaño, GEP, University of Nottingham (joint
with Fabrice Defever)

Session 3: 14:00-15:30 Chair: Richard Kneller

On the Trade Effects of Preferential Trade Agreements
Rod Falvey, Bond University (joint with Neil Foster)

Trade, Wages and Profits
Udo Kreickemeier, Tübingen University (joint with
Hartmut Egger and Peter Egger)

Session 4: 16:00-17:30 Chair: Sourafel Girma

Trade and the Pattern of European Imperialism, 1492-2000
Roberto Bonfatti, University of Oxford

A Factor Augmentation Formulation of the Value of
International Trade
Daniel Bernhofen, GEP, University of Nottingham (joint
with John Brown)

APPENDIX 6

Leverhulme Centre for Research on Globalisation and Economic Policy,

Nottingham School of Economics

6th Form Conference

25th June, 2012

in Keighton Auditorium, University Park, University of Nottingham

P R O G R A M M E

09.45 – 09.55	Introduction <i>Professor Chris Milner, Head of Nottingham School of Economics</i>
09.55 – 10.35	Why are Food Prices So High? <i>Professor Wyn Morgan</i>
10.35 – 11.15	Entrepreneurship and the Global Financial Crisis <i>Professor Richard Kneller</i>
11.30 – 12.10	Trade, Growth and the Environment <i>Dr Tim Lloyd</i>
12.00 – 12.50	The Truth about Chinese Innovation <i>Dr Markus Eberhardt</i>
13.30 – 15.30	International Trade Game <i>Professor Wyn Morgan</i>
15.30	Close

**Leverhulme Centre for Research on Globalisation and Economic Policy,
Nottingham School of Economics**

6th Form Conference

26th June, 2012

in Keighton Auditorium, University Park, University of Nottingham

P R O G R A M M E

- | | |
|---------------|--|
| 09.45 – 09.55 | Introduction
<i>Professor Daniel Bernhofen, Director of
Research Centre on Globalisation and Economic Policy
(GEP)</i> |
| 09.55 – 10.35 | Containerization and the Growth of World Trade
<i>Professor Daniel Bernhofen</i> |
| 10.35 – 11.15 | The Global Financial Crisis <i>Professor David Greenaway,
Vice Chancellor and Professor of Economics</i> |
| 11.30 – 13.15 | International Trade Game
<i>Professor Wyn Morgan</i> |
| 14.00 – 14.40 | Can China Become the Next Economic Superpower?
<i>Dr Zhihong Yu</i> |
| 14.40 – 15.20 | Winners and Losers from Globalisation
<i>Dr Alejandro Riaño</i> |
| 15.30 | Close |

APPENDIX 7

**CEPII - GEP - Ifo Conference
China and the World Economy
Ifo Conference Centre, Munich
6 - 7 September 2012
P R O G R A M M E**

Thursday, 6 September 2012

- 19:00 - **Welcome & Introduction**
19:15 **GABRIEL FELBERMAYR** (Ifo Institute, LMU Munich) and **DANIEL BERNHOFEN**
(GEP, University of Nottingham)
- 19:15 - **Keynote Lecture: The World Economy Lecture**
20:30 Number One Country, Number One Currency?
BARRY EICHENGREEN (University of California, Berkeley)

Friday, 7 September 2012

Session 1

- 09:00 - Spatial Exporters
09:40 **BENEDIKT HEID (Ifo Institute, University of Bayreuth),**
Fabrice Defever and Mario Larch
- 09:40 - Pure-Exporter Subsidies: The Non-Reform of China's Trade Policy
10:20 **ALEJANDRO RIAÑO (GEP, University of Nottingham)** and Fabrice Defever
- 10:20 - Firm-level Productivity Spillovers in China's Chemical Industry:
11:00 A Spatial Hausman-Taylor Approach
PETER EGGER (ETH Zurich), Badi H. Baltagi and Michaela Kesina

Session 2

- 11:20 - The Connection between Imported Intermediate Inputs and Exports:
12:00 Evidence from Chinese Firms
DEBORAH SWENSON (University of California, Davis), Ling Feng and
Zhiyuan Li

12:00 - Product Relatedness and Firm Exports in China
12:40 **SANDRA PONCET (CEPII, Université Paris I)** and Felipe Starosta de Waldemar

12:40 - Firms along the Value-Added Chain: Processing Trade in China
13:20 **ZHIHONG YU (GEP, University of Nottingham)**

Session 3

14:20 - China and the Euro-Dollar Exchange Rate
15:00 **AGNÈS BÉNASSY-QUÉRÉ (CEPII, Université Paris I)** and Yeganeh Forouhesh

15:00 - China's Dominance Hypothesis and the Emergence of a Tri-Polar Global
15:40 Currency System
MARCEL FRATZSCHER (European Central Bank) and Arnaud Mehl

Session 4

16:00 - Scanning the Ups and Downs of China's Trade Imbalances
16:40 **FRANÇOISE LEMOINE (CEPII)** and Deniz Ünal

16:40 - Ethnic and Regional Inequality in China, 1985-2005: Evidence from
17:20 Nutritional Status
STEPHEN MORGAN (GEP, University of Nottingham)

17:20 - China and the World Economy: Perspectives for Economic Research
17:40 **JAMES HARRIGAN (University of Virginia)**

APPENDIX 8

The 5th GEP Conference in China
'Port Logistics, International Trade and Innovation'

30th and 31st October, 2012

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

P R O G R A M M E

Monday 29th October
In the Auditorium, University of Nottingham Ningbo China:

18.15 *Youngor Annual Globalisation Lecture 2012*

'China's Foreign Reserve and Global Industry Investment'

presented by **Professor Qiao Yu, Professor of Economics, Tsinghua University**

Chair: Professor Nick Miles, Provost and Chief Executive Officer,
University of Nottingham Ningbo China

Tuesday 30th October

09.10 – 09.40 Welcome and introduction

Professor David Greenaway, Vice-Chancellor, University of Nottingham;
Professor Nick Miles, Provost and Chief Executive Officer, University
of Nottingham Ningbo China

Professor Daniel Bernhofen, Director of GEP, University of Nottingham
Mr Bing Ning, Ningbo Association of Science and Technology,
Director of Institution Department

09.40 – 10.30 Session 1:

The Marine Economy/ Local Transport Infrastructure and Trade
(Chair: David Greenaway)

Introduction by Dr Weong, Marine Economy Department, Ningbo Municipal
Development and Reform Commission

Daniel Bernhofen, GEP, University of Nottingham
Globalisation and the Container Revolution

11.00 – 12.45 Session 2

Innovation and Industrial Policy (Chair: Kevin Lee)

Johannes van Biesebroeck, University of Leuven

Using Export Market Performance to Evaluate Regional Preferential Policies in
China (joint with Annette Schminke)

¹ The Conference Organisers are grateful to the Youngor Group for sponsorship of this Lecture.

Huasheng Song, Zhejiang University

The Patterns of Contingent Protection when Innovation is at Stake

Markus Eberhardt, GEP, University of Nottingham

Patent Litigation in China (with Christian Helmers)

Remaining Sessions: China, Trade and the World Economy

13.45 – 15.30 Session 3 (Chair: Chris Milner)

Jie Li, Zhejiang University

Protection versus Free Trade: Lobbying Competition between Domestic and Foreign Firms

Xu Kai, Zhejiang University

Why are Agricultural Goods Not Traded More Intensively: High Trade Costs or Low Productivity Variation?

Zhihong Yu, GEP, University of Nottingham

Financial Frictions and Firms Along the Value Added Chain: Processing Trade in China (with Kalina Manova)

15.45 – 17.30 Session 4 (Chair: Wei Zhao)

Toshiyuki Matsuura, Keio University

Japanese FDI in Asia and Productivity at Firm-level

Zheng Wang, GEP, University of Nottingham Ningbo China

Social Networks and Intra-Country Trade Barriers
(with Markus Eberhardt and Zhihong Yu)

Nao Ijiri, Nihon University

The Role of International Standards in Global Trade Network

18.15 ***The World Economy Annual China Lecture 2012***

The End of Hyper-Growth: Political and Economic Responses to a Slowing China

presented by **Professor Barry Naughton, So Kwan Lok Chair of Chinese International Affairs and Professor of Chinese Economy, University of California, San Diego**

Chair: Professor David Greenaway, Vice-Chancellor, University of Nottingham

Wednesday 31st October:

08.45 – 10.30 Session 5 (Chair: Markus Eberhardt)

Yifan Zhang, Lingnan University

A Fire Sale Without Fire: An Explanation of Labor Intensive FDI in China (with Yasheng Huang, Yue Ma and Zhi Yang)

Changyuan Luo, Fudan University

Chinese Import Competition, Firm Heterogeneity and the Effect of 'Creative Destruction': Evidence from Thailand

Zhao Chen, Fudan University

Corporate Social Responsibility of Private Firms in China: Internal Pressure, External Pressure and Signalling

10.45 – 12.30 Session 6 (Chair: Zhihong Yu)

Zhihao Yu, Carleton University

The Nexus of Persistent Trade Surplus and High GDP Growth: Theory and Evidence

Shujie Yao, GEP, University of Nottingham

Has China Displaced the Outward Investments of OECD Countries?

Shuguang Liu, Ocean University of China

Strategic Perspectives on China's Marine Economy and its Initiatives Towards international Co-operation

13.30 – 15.15 Session 7 (Chair: Shujie Yao, GEP, University of Nottingham)

Saileshsingh Gunessee, GEP, University of Nottingham Ningbo China

Birds of the Same Feather: Location Choice of Foreign Enterprises (with Chang Liu and Yanxue Sun)

Wei Zhao, Zhejiang University

Dynamic Externalities and Manufacturing Productivity: an Empirical Comparison among China's Top Three Municipalities (with Ting Zhao)

Xiuping Hua, GEP, University of Nottingham Ningbo China

Exchange Rate Risk, International Trade, and Asset Returns: Evidence from China (with Wei Huang and Ying Jiang)

15.30 – 16.40 Session 8 (Chair: Daniel Bernhofen, GEP, University of Nottingham)

Boamin Dong, Zhejiang University

Dollarisation and Twin Deficits in Song Dynasty China

Wen Xiao, Zhejiang University

Government Over-support, R&D Management and the Efficiency of Technology Innovation: Evidence from the Industrial Data in China (with Zhou Ming Hai)

APPENDIX 9

The 4th Annual GEP/GRI/KIEP Joint Conference on International Trade

2nd November, 2012

Executive Seminar Room 115, International Studies Hall
Korea University, Seoul, Korea

Jointly Organized by

Nottingham Centre for Research on Globalisation and Economic Policy
(GEP),
University of Nottingham
Global Research Institute (GRI), Korea University
Korea Institute for International Economic Policy (KIEP)

P R O G R A M M E

- 9:15-9:30 Registration
- 9:30-9:40 Opening and Welcoming Remarks
Professor Sung-Hoon Park (Dean, GSIS & DIS, Korea University)
Dr Sangkyum Kim (Vice President, KIEP)
Professor Kevin Lee (Head of School of Economics, The University of Nottingham)
- 9:40-12:15 Morning Session
Moderator: Sung-Hoon Park, Dean, GSIS & DIS, Korea University
- 9:40-10:25 Paper 1: **Daniel Bernhofen and John C. Brown**, "*A Factor Augmentation Formulation of the Value of International Trade*," University of Nottingham and Clark University
Discussant: Hankyoung Sung, KookMin University
- 10:25-11:10 Paper 2: **Seung Rae Lee**, "*Post-Production Services and Optimal Integration Strategies for the Multinational Firm*," KIEP
Discussant: Markus Eberhardt, University of Nottingham
- 11:25-12:10 Paper 3: **Moonsung Kang and Kyoungwon Rhee**, "*Export Subsidies and Least-Developed Countries: Entry-Deterrence Model under Complete and Incomplete Information*," Korea University and Dongguk University
Discussant: Daniel Bernhofen, University of Nottingham

Continued/.....

- 13:45-15:15 Afternoon Session 1
Moderator: Daniel Bernhofen, Director of GEP, University of Nottingham
- 13:45-14:30 Paper 4: **Shujie Yao and Pan Wang**, "*Has China Displaced the Outward Investments of OECD Countries?*" University of Nottingham
Discussant: Kwanho Shin, Korea University
- 14:30-15:15 Paper 5: **Jeongmeen Suh and Jong Duk Kim**, "*Joining pre-existing Production Networks: An Implication for India's Economic Integration to East Asian Production Networks*," KIEP
Discussant: Chang Liu, The University of Nottingham Ningbo China
- 15:40-18:00 **Afternoon Session 2**
Moderator: Nakgyoon Choi, Senior Research Fellow, KIEP
- 15:40-16:25 Paper 6: **Markus Eberhardt, Zheng Wang and Zhihong Yu**, "*Social Networks and Domestic Trade Barriers: Evidence from the Public Disclosure of 'Illegal' Drug Advertising in China*," University of Nottingham
Discussant: Soo Hyun Oh, KIEP
- 16:25-17:10 Paper 7: **Hongsik Lee and Soonhyung Sim**, "*Global Outsourcing and Wage Inequality in Middle-Income Countries*," Korea University
Discussant: Kevin Lee, University of Nottingham
- 17:10-17:55 Paper 8: **Saileshsingh Gunessee, Chang Liu and Yanxue Sun**, "*Birds of the Same Feather: Location Choice of Foreign Enterprises*," University of Nottingham Ningbo China
Discussant: Robert Rudolf, Korea University
- 17:55-18:00 Closing Remarks:
Professor Sung-Hoon Park, Dean, GSIS & DIS, Korea University

APPENDIX 10

Seminars hosted by GEP in 2012

Albornoz-Crespo, F., University of Birmingham
'Civil War and Foreign Influence'

Breinlich, H., University of Essex
'Economic Geography and Industrialisation'

Conconi, P., Universite Libre de Bruxelles (ECARES) and CEPR
'The Internationalisation Process of Firms: From Exports to FDI'

Costinot, A., Massachusetts Institute of Technology
'How Large Are the Gains from Economic Integration? Theory and Evidence from US. Agriculture 1880-2002'

Dhingra, S., LSE
'Trading Away Wide Brands for Cheap Brands'

El-Sahli, Z., GEP, University of Nottingham
'Estimating the Effects of Containerization on World Trade'

Facchini, G., GEP, University of Nottingham
'The Political Economy of Trade and Migration: Evidence from the US Congress'

Fadinger, H., University of Vienna
'Trade Policy: Home Market Effect versus Terms-of-Trade Externality'

Ferrett, B., Loughborough University
'Trade costs and the implications of devolved corporate tax-setting'

Krautheim, S., Goethe University Frankfurt
'Globalization, Trust Goods and International Civil Society'

Guariglia, A., University of Birmingham
'A Balancing Act: Managing Financial Constraints and Agency Costs to Minimize Investment Inefficiency in the Chinese Market (with Junhong Yang)'

Imbruno, M., GEP, University of Nottingham
'Trade Liberalization, Firm Productivity and the Role of Trade Intermediaries: Evidence from China'

Li, B., Boston College
'Heterogeneous Productivity, Heterogeneous Fixed Trade Costs and Export Decisions'

McLaren, J., University of Virginia
'Trade Policy and Wage Inequality: A Structural Analysis with Occupational and Sectoral Mobility'

Maggi, G., University of Princeton
'Uncertainty and Trade Agreements'

Morrow, J., Centre for Economic Performance, LSE
'The Impact of Integration on Productivity and Welfare Distortions Under Monopolistic Competition'

Ottaviano, G., LSE
'Market Size, Competition and the Product Mix of Exporters'

Tarasov, A., University of Munich
'Firm Organisation and Trade in Tasks'

Verhoogen, E., Columbia University
'Export Destinations and Input Prices: Evidence from Portugal'

Wright, G., University of Essex
'Immigration, Offshoring and American Jobs'

APPENDIX 11

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

Marta Aloi: 'Fiscal Redistributive Policy and Unemployment When Capital Markets Are Globalised' at the Association of Southern European Economic Theorists 2012 Annual Meeting, Cyprus

Daniel Bernhofen: 'Estimating the Effects of Containerization on World Trade' at the University of Bordeaux, France, April 17, 2012

Daniel Bernhofen: 'Estimating the Effects of Containerization on World Trade' at the World Bank

and at the Shanghai University of Finance and Economics, China

Daniel Bernhofen: 'A factor augmentation formulation of the value of international trade' at the University of Virginia, at the National University of Ireland-Maynooth,

and at the GEP May 2012 International Trade Conference, University of Nottingham,

and at the CES-ifo Area Conference on the Global Economy, Munich and at the GEP/GRI/KIEP Joint Conference on International Trade, Seoul, Korea

Daniel Bernhofen: 'A direct test of the Stolper-Samuelson Theorem: the natural experiment of Japan' at a Conference on Trade, Poverty and Growth in History, Madrid

Daniel Bernhofen: 'Globalisation and the container revolution' at the GEP China Conference on the Marine Economy, Innovation and International Trade, Ningbo, China

Roberto Bonfatti: 'Trade and the Pattern of European Imperialism, 1492-2000' at University of Exeter Business School, University of Pamplona Department of Economics, University of Namur Department of Economics,

and at the 'Insecure Resources and International Trade' workshop, University of Exeter Business School, at the CESifo Global Economy Area Conference, Munich,

and at the European Economic Association Conference, Malaga

and at the European Trade Study Groups Conference, Leuven

Fabrice Defever: 'Containerization and the growth of world trade', at GEP School Conference, University of Nottingham

Fabrice Defever: 'Spatial Exporters', Trade Seminar at the University of Birmingham

Fabrice Defever: 'China's Pure Exporter Subsidies', at the MIDWEST International Trade Meetings, Washington University, St. Louis

Markus Eberhardt: 'Intra-National Protectionism in China: Evidence from the Public Disclosure of 'Illegal' Drug Advertising' at the 4th GEP/GRI/KIEP Conference on International Trade, Seoul, Korea

Markus Eberhardt: 'Is the Dragon Learning to Fly? The Chinese Patent Explosion at Home and Abroad' at the 5th GEP Conference, Ningbo, China,
and at a seminar at the Nottingham University Business School,
and at a seminar at the Oxford Intellectual Property Research Centre

Markus Eberhardt: 'This Time They're Different: Heterogeneity and Nonlinearity in the Relationship between Debt and Growth' at the 3rd Development Economics Workshop, Tilburg, Netherlands

Markus Eberhardt: 'The Long-Run Effect of Public Debt on Economic Growth' at the Annual Centre for the Study of African Economies Conference, Oxford, and University of Nottingham Centre for Finance, Credit and Macroeconomics

Giovanni Facchini: 'The rhetoric of closed borders: quotas, lax enforcement and illegal immigration' at the University of Illinois, Urbana Champaign, USA, at the University of Iowa, USA,
and at City University of London

Giovanni Facchini: 'The political economy of trade and migration: Evidence from the US Congress' at CEPR-TEMPO Conference, Nueremberg, Germany, and IZA, Bonn, Germany

Giovanni Facchini: 'What drives immigration amnesties?' at the CHOICE Workshop, The Hague, The Netherlands, Fifth International Conference on Migration and Development, Paris, IZA AMM Conference, Bonn, Germany,
and at the Midwest International Economics Meetings, Saint Louis, USA,
and at the Fafo-Frish Conference on 'Moving for work' , Oslo, Norway

Maria Garcia Vega: 'The Internationalisation of R&D and the Knowledge Production Function' at the 39th Annual Congress of the European Industrial Association, Rome,

and at the 27th Annual Congress of the European Economic Association, Malaga, the ICTNET workshop "ICT, R&D and Intangibles – ICT Diffusion to the Economy" UCL, London and seminar at Christchurch University

Michele Imbruno: 'Trade liberalization, Intermediate inputs and Firm competitiveness: Direct versus Indirect Modes of Import' at 5th FIW Research Conference on 'International Economics' in Vienna, Austria

and at the 9th FREIT-LETC Conference on 'Empirical International Trade' in Ljubljana, Slovenia

Michele Imbruno: 'Trade Liberalization, Firm Productivity and the Role of Trade Intermediaries: Evidence from China' at 14th European Trade Study Group (ETSG) Conference on 'International trade theory and policy issues' in Leuven, Belgium,

and at the 3rd International Workshop on 'Economics of Global Interactions: new perspectives on trade, factor mobility and development' in Bari, Italy,

and at the Annual GEP Postgraduate Conference, University of Nottingham and GEP Seminar at the University of Nottingham

Richard Kneller: 'The Effects of Containerization on International Trade' seminar at the RATIO Institute, Stockholm

Richard Kneller: 'The internationalisation of R&D and the knowledge production function' at the European Trade Study Group in Leuven, Belgium,

and at the ISGEP annual conference in Stockholm,

and at a seminar at the University of Trento

Richard Kneller: 'Exports and Productivity: A review' seminar at DIW, Vienna

Chris Milner: 'Declining protection in developing countries: fact or fiction', The World Economy Asia Lecture, at GEP Malaysia Conference, UNIM, Kuala Lumpur.

Chris Milner: 'Credit Constraints and FDI Spillovers in China' seminar at the University of Bournemouth.

Alejandro Riaño: 'The Rise of the Maquiladoras: A Mixed Blessing' seminar at Loughborough University

Alejandro Riaño: 'China's Pure Exporter Subsidies' at CEPPII/GEP/Ifo Conference on China and the World Economy in Munich and the European Trade Study Group Conference in Louven.

Lina Song: 'Tackling China's economic and social challenges: a role for Europe?' EU-China Forum, Brussels

Lina Song: 'Migration and Social Development' International Symposium, University of Southampton

Lina Song: 'Growth versus Development: An Understanding of China's Economic Development Strategy', China-EU Conference, Budapest

Joel Stiebale: 'Cross-Border M&As and Innovative Activity' at the German Economic Association meeting in Goettingen, Germany and at the Workshop on Multinational Firms, Trade, and Innovation, Maynooth, Ireland and seminar at the University of Liverpool and at University of Siegen, Germany

Joel Stiebale: 'How Mergers Affect Innovation: Theory and Evidence' seminar at the Centre for European Economic Research, Mannheim, Germany

- Jonathan Timmis:** 'The Internet and International Trade in Goods' at the European Trade Study Group Conference in Leuven
- Richard Upward:** 'Net and gross employment adjustment in response to shocks: micro-level evidence and macro-economic implications' OECD workshop on job and worker flows, Kyoto, Japan
- Richard Upward:** 'Employment adjustment by German establishments: More flexible than we thought?' IAB Establishment Panel users' conference keynote speech, Nurnberg Germany
- Richard Upward:** 'The response of German establishments to the 2008–2009 economic crisis' Comparative Analysis of Enterprise Data conference, Nurnberg, Germany
- Richard Upward:** 'Job and worker turnover in German establishments' Comparative Analysis of Enterprise Data conference, Nurnberg, Germany
- Hao Wang:** 'The Effects of Acquisition FDI on Export in Chinese Manufacturing' at the Annual GEP Postgraduate Conference 2012, University of Nottingham
- Shujie Yao:** 'Chinese Housing Bubble and Sustainable Economic Development' at the 5th IFCCS Annual Conference in Beijing University of Industry, Beijing.
- Shujie Yao:** 'China's Outward Foreign Direct Investment', keynote address to the 2nd Annual Conference of All China Soft Sciences Associations', Beijing.
- Zhihong Yu:** 'Firms and Credit Constraints along the Value-Added Chain: Processing Trade in China' at Renmin University in Beijing, China and at Ifo Institute in Munich, Germany

APPENDIX 12

Visitors to GEP in 2012

February: Professor Hal Hill, Australian National University

March: Professor John McLaren, University of Virginia

Martin Wolf, *The Financial Times*

David Fenton, The Royal Bank of Scotland

Professor Peter Neary, University of Oxford

April: Dr Roberto Bonfatti, University of Oxford

Professor Arnaud Costinot, MIT

Professor Rod Falvey, Bond University

Professor Udo Kreickemeier, Tübingen University

Dr Emanuel Ornelas, LSE

Professor Ray Riezman, University of Iowa

Professor Carl Davidson, Michigan State University

September: Professor Barry Eichengreen, University of California

October: Jonathan Portes, National Institute of Economic and Social Research

Professor Barry Naughton, University of California

Professor Qiao Yu, Tsinghua University

November: Stefan Dercon, University of Oxford

