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newsletter

Leverhulme Centre for Research on Globalisation and Economic Policy

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CROSS-BORDER MERGERS AS INSTRUMENTS OF COMPARATIVE ADVANTAGE

*Increasingly foreign firms are choosing to enter foreign markets through the acquisition of existing firms rather than through the establishment of new production facilities. Yet, despite this, economic theory has concentrated on questions surrounding greenfield FDI. In this article **Peter Neary** explores the motives for this brownfield FDI and its implications for trade. Peter is Professor of Political Economy at University College Dublin. This article is a summary of the research seminar given by Peter at Nottingham in November 2003.*

Cross-border mergers are an increasingly important phenomenon in the world economy. They comprise well over half of all foreign direct investment (FDI), considerably more than greenfield FDI. They also constitute an increasing proportion of all mergers. For example, a recent study of 2,753 mergers worldwide from 1981 to 1998 finds an upward trend in the percentage of mergers which are cross-border, a trend which is particularly pronounced for EU countries in the 1990s. Moreover, there is considerable anecdotal and other evidence suggesting that cross-border merger waves coincide with episodes of trade liberalisation and market integration. A study by the European Commission found that cross-border mergers were the dominant form of adjustment by European firms to the extension of the EU Single Market, and similar patterns have been found for the Mercosur economic union in Latin America.

Yet despite their real-world importance, the academic literature on cross-border mergers is tiny, both in absolute terms and relative to the enormous literature on greenfield FDI. Moreover, most authors who have tried to provide economic explanations for cross-border mergers have worked in a partial equilibrium framework, looking at the issues from the perspective of a single sector only. This has yielded important insights but it fails to address the economy-wide issues raised by such mergers, such as their effects on income distribution or their implications for trade patterns.

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What is so special about trade in services?

*Despite the growing importance of cross-border trade in services to economic activity we understand little about it. For example, how well do the standard textbook models of trade in goods apply. Here **Daniel Mirza** considers what makes trade in services different. Daniel is a Lecturer in Economics at the University of Rennes and an Internal Fellow of GEP. This article is based on a research seminar given by Daniel at Nottingham in April 2004.*

We know from national statistics on balance of payments that services are much less intensively traded than goods in OECD countries (around one-fifth of the level of trade in goods). In many ways this is curious. Standard economic text books teach that services outside of tourism are non-tradable. Yet, clearly this is not the case. So, if services are in fact tradable why are they less so than goods?

There are several possible explanations. Firstly, trade in services is more important than we think. There is evidence that trade in services is significantly underreported in the available statistics. The figure of one-fifth is

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CROSS BORDER MERGERS CONTD...

The reasons for this neglect of the general-equilibrium aspects of cross-border mergers are not hard to find. The two dominant paradigms in international trade theory assume either perfect or monopolistic competition. While these differ in their assumptions about returns to scale and product differentiation, they model firms in the same way: as atomistic agents, which are in infinitely elastic supply, face no barriers to entry or exit, and do not engage in strategic interaction. This framework leaves very little scope for discussing mergers. A satisfactory theory linking trade liberalisation and mergers requires a theory of oligopoly, competition between small numbers of firms, in general equilibrium, but progress in this direction has been held back by the generally negative results in the literature.

In the research reported here and described more fully in Neary (2004), I use a model of oligopoly in general equilibrium I have recently developed to show how trade liberalisation can lead to cross-border merger waves. The model draws on the traditions of both industrial organisation and international trade theory. It allows for strategic interaction between firms, so permitting a game-theoretic approach to explaining merger activity. At the same time, it is a completely specified general equilibrium model, so making it possible to track the full effects of trade liberalisation on trade and production patterns. The problems of modelling oligopolistic interaction in general equilibrium which have plagued earlier work are avoided by assuming a continuum of oligopolistic sectors with economy-wide factor markets. Hence, while firms have market power in their own sector, they cannot influence factor prices or national income. Finally, since the model builds on the standard Ricardian framework, it permits an exploration of the process by which specialisation according to comparative advantage may or may not be helped by the rational decisions of individual oligopolistic firms.

To fix ideas, the model assumes that mergers do not lead to efficiency gains. Such gains can arise from a variety of sources, such as cost savings via internal technology transfer, economies in the use of firm-specific assets, managerial synergies or the integration of pricing and marketing decisions on differentiated products. However, mergers may also raise costs, as different managerial and production structures and different corporate cultures have to be integrated. In any case, the empirical evidence on efficiency gains suggest that they are far from pervasive. In their absence, mergers take place for purely strategic motives. Firms seek to absorb their rivals in order to reduce competition in the market and to raise prices and profits. Such behaviour seems clearly harmful but further analysis is needed to determine its economy-wide implications.

The key to the prediction of mergers in my framework is not general equilibrium *per se* but rather cost differences between firms. However, the two go together, since in partial equilibrium there is usually no plausible basis for assuming firm heterogeneity. By contrast, in a Ricardian trade model, international differences in technology provide a natural reason for it.

The model predicts that international differences in technology generate incentives for bilateral mergers in which low-cost firms located in one country acquire high-cost firms located in the other. As a result, cross-border mergers serve as "instruments of comparative advantage". They facilitate more specialisation in the direction of comparative advantage, so moving production and trade patterns closer to what would prevail in a competitive Ricardian world. They also have implications for income distribution, putting downward pressure on wages,and so tilting the distribution of income towards profits at the expense of wages in both countries. As for aggregate welfare, the fall in wages puts downward pressure on prices in all sectors, which tends to increase the gains from trade in both countries. Potentially offsetting this, the sectors in which mergers occur become less competitive, so their prices tend to rise. Hence the full effect on welfare is ambiguous.

> *"mergers take place for purely strategic motives. Firms seek to absorb their rivals in order to reduce competition in the market and to raise prices and profits."*

The results of this paper lend themselves to empirical testing. By construction, the model predicts that trade liberalisation encourages cross-border merger waves, consistent with the empirical evidence discussed above. In addition, the model makes a further empirical prediction: absent cost synergies, the pattern of cross-border mergers which results from market integration follows that of comparative advantage, in the sense that low-cost firms acquire high-cost foreign rivals. As a corollary, the model predicts that cross-border mergers and exports are complements rather than substitutes, in the sense that exporting sectors tend to be sources of rather than hosts for foreign direct investment. Finally, the model predicts that cross-border merger waves tend to reduce factor demands and so put downward pressure on the returns to productive factors. Most of these predictions are very different from, and more consistent with, the available empirical evidence than those of standard models of greenfield FDI.

TRADE IN SERVICES CONTD...

false. The General Agreement on Trade in Services (GATS) defines four modes of trade in services but only three are reported in Balance of Payments data, and all with error. Data on the missing fourth mode refers to the supply related to the Commercial Presence of foreign affiliates in the domestic economy. Karsenty estimates that this accounts for as much as 40% of total services trade. Fair enough, one might say, even when one accounts for this bias, trade in services remains relatively small.

A second explanation is that trade in services is different from that of goods. In a recent GEP research paper (Mirza and Nicoletti, 2004/02), we develop an argument to support this second point. That argument lies in the nature of the production function of services that cross the border. Trade in *certain* services has a specific feature that does not apply to trade in goods. As the traded service is partly produced where it is consumed (*i.e.* in the importing country), we propose that it must use interactively inputs from both exporting and importing countries.

> *"Trade in certain services has a specific feature that does not apply to trade in goods."*

We consider an original set up in which the supply side is adapted from a production function developed by Michael Kremer. Namely, we assume that a service that is exported from one country to another is the result of a process using different tasks in both countries, which interact with each others. Some tasks are performed by domestic inputs and others are performed by foreign ones. If one of these tasks in *either* country is to be imperfectly performed it would affect the productivity of the whole chain of tasks with which it interacts and thus the production/trade of the delivered service. At the extreme, if one of these tasks in *either* country happens not to be undertaken, the whole production/consumption chain of the service sold abroad breaks down. A direct implication is that any given group of tasks undertaken by production factors in the host country cannot substitute for services of the same type of factors in the exporting country to produce the eventually traded service (unless factors of production move abroad). Many examples tend to support that configuration: In transport for example, route infrastructure or airports in the *two* countries are needed in order to supply the service internationally . In order to set up a telecommunication exchange, the *two* countries should be equipped with computers, reliable telephone cables, etc…. In tourism, Tour Operators in one country sell holidays to be consumed in a foreign country, whose price depends not only,on the costs of accommodation, catering and other leisure activities performed at destination, but also on marketing or advertisements provided in the country of origin. Labour is also needed in *both countries* to perform all of these tasks. Thus, the intensity of trade depends on the costs and quality of the tasks performed in both the domestic and foreign countries.

This special feature of internationally-traded services has implications for policy. As tasks in both countries interact, costly institutions or regulations in *either* country,could result in a higher price of the same traded service and hence provoke lower bilateral trade. This is clearly not the case for trade in manufacturing where, for instance, costly regulations in one country might provoke the opposite effect, that is to increase mechanically the relative competitiveness in services of its trading partners. That argument is consistent with the stylised fact pointed out above: it might well explain why we do observe lower bilateral trade in services than goods.

We use a new OECD dataset on exports in services reported by country and partner to test for the interaction of tasks in both countries. Our work represents one of the first attempts to assess the determinants of *bilateral* trade in services. Our findings are striking. Labour costs and other costly-regulations that exist in either country shrinks trade between them while human capital or infrastructure supply from either partner (in transport and telecommunications) enhances it.

Further, our findings have in many ways different implications than those prevailing for trade in goods. In particular, the endless debate regarding the impact of trade on labour markets might take another turn when applied to services trade. For instance, at the industry level, and due to the specific feature of co-production of traded services, imports of services might be perfectly consistent with higher employment. Thus, labour market adjustment can be eased when trading services, not because of intra-industry trade, but because of the joint use of production factors across countries.

The World Economy Annual Lecture

Professor Anne Krueger

First Deputy Managing Director, International Monetary Fund

Thursday 9th September 2004

At the University of Nottingham

European Trade Study Group

Annual Conference 9th -11th September 2004

will be hosted by the Leverhulme Centre for Research on

Globalisation and Economic Policy

and held at the

University of Nottingham

Further details at www.etsg.org

3rd GEP Postgraduate Conference

By Sara Maioli

The Third GEP Post-Graduate Conference was held in March of this year at the University of Nottingham. Building on the wide participation of the previous year, sixteen Ph.D. students from a number of European countries and the US presented their work through presentations and poster sessions. Senior members of staff from GEP and the School of Economics acted as discussants on their papers. The richness of the topics covered and the high quality of the papers presented proved the event to be an overwhelming success.

The papers were grouped under six topics covering a broad range of research into globalisation. The topics were: export behaviour and firm productivity; trade and MNEs activity; international economic openness and market integration; globalisation and labour markets; trade liberalisation and economic growth; trade flows and social issues like poverty and the environment. We report below on some selected papers.

One paper presented under the first topic, export behaviour and firm productivity, analysed the relationship between firm productivity and export behaviour in German manufacturing firms, focusing on whether productivity increases the probability of exporting. Using firm-level data from a representative survey of the German manufacturing sector (the Mannheim Innovation Panel), the study asserts that there is a causal relationship from high productivity to entering foreign markets, as postulated by the recent literature on international trade with heterogeneous firms. The results also show that high-productivity firms self-select themselves into export markets, while exporting itself does not play a significant role for productivity improvements.

Among the papers under the second topic of MNEs activity, fragmentation of the production process and trade, one analysed the location of multinational firms' value chain in the enlarged Europe, considering the different types of integration strategy and organisation of multinational firms network. By looking at the impact of co-agglomeration and verticals linkages on the location of multinational firms and of parent companies affiliates, it showed that vertical linkages between functions seem to have a centripetal effect only between the close functions on the value chain, inducing a possible functional cycle, i.e. a succession of the different types of value-chain organisation when the market shares of MNEs in a specific country increase over time.

A paper in the area of market integration presented empirical evidence on the determinants of FDI in 29 OECD countries during the years 1997-2001. In a proximity-concentration framework *à la* Brainard (1993), the impact of distance on FDI, controlling for exports, should be positive. Indeed when distance is high, multinationals are better-off serving foreign markets by building foreign affiliates and saving on transport costs than by exporting. However the paper found a negative relationship between distance and FDI and to justify this puzzle an extension to the proximity-concentration trade off is proposed, allowing the fixed cost of building a foreign plant to depend on distance. The paper also identifies what factors (legal, financial, cultural etc.) are at work behind the distance variable. Legal similarities and exchange rate uncertainty are found to have a significant impact on FDI. Nevertheless, the introduction of these variables does not decrease the coefficient of distance. Whilst no compelling evidence is found that financial system asymmetries do really matter in multinationals' investment choices, the main finding is that cultural variables (linguistic ties, tourism flows, tertiary education exchanges) are very significant and lead to a decrease in the coefficient of distance. This suggests that cultural links are strong drivers of FDI in the OECD area.

Another interesting empirical paper was presented in the area of trade and labour market and it investigated whether international trade has affected workers' wages in general, and their bargaining power in particular, in the Belgian manufacturing industry over the period 1987-1995. Using a sample of more than 12,000 firms, evidence is provided of three channels through which international trade has an impact on workers' wages in a bargaining framework. First, international trade has an effect on the workers' outside option: the results show that in sectors actively importing goods, workers' wages have decreased; while the opposite occurred for sectors actively exporting goods. Second, international trade affects the size of the firms' profits: the paper's results reveal that increased foreign competition in the form of lower export prices reduces both wages per worker and profits per worker. Third, international trade has a direct effect on the workers' bargaining power

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POSTGRADUATE CONFERENCE CONTD...

since in sectors where high tariffs prevail workers are able to cream off a larger share of the rents, whereas the opposite holds for sectors with high import competition.

Concerning the trade liberalization issue, one of the papers presented represents one of the first attempts at analysing econometrically the link between trade protection and inter-industry wage premia in India. Combining detailed tariff data with micro survey data for three years that span the period of rapid trade liberalisation in the 1990s, it is shown that the impact of trade liberalisation on the inter-industry wage premia for regular workers is substantial and that industries that undergo tariff reductions have lower wages relative to other industries. This positive tariff-wage effect is consistent with the short-run specific factors and the medium-run Ricardo-Viner models of trade.

All the papers are available for download from the GEP conferences website.

We do hope to repeat in the coming years such a fruitful experience for post-graduates and staff alike.

GEP Annual Conference

25th-26th June 2004

To be held at the University of Nottingham

'The 100th Anniversary of Anti-Dumping Regulation'

Speakers include:

Bruce Blonigen, *University of Oregon*
Chad Bown, *Brandeis University*
Simon Evenett, *University of Oxford*
Rod Falvey, *University of Nottingham*
Joe Francois, *Erasmus University Rotterdam*
Mike Moore, *George Washington University*
Doug Nelson, *Tulane University*
Gunnar Niels, *OXERA*
Tom Prusa, *Rutgers University*
Martin Richardson, *ANU*
Hylke Vandenbussche, *University of Leuven*
Maurizio Zanardi, *Tilburg University*

For further details see the Leverhulme Centre Website or contact rod.falvey@nottingham.ac.uk

EU Enlargement: What Will the Environmental Impact Be?

On 1st May 2004 ten new countries are set to formally join the EU. Out of concern for the environmental consequences of this large scale entry, the EU has imposed on the candidate countries stringent environmental regulations as a condition of entry. In this article **Jerneja Jug** *considers whether this was justified. Jerneja is a PhD student in the School of Economics and presented this paper at the recent GEP Postgraduate Conference.*

What does Eastern enlargement of the EU mean for trade and the environment?

Finally the moment for which some Europeans have been secretly hoping for almost fifty years has come. All the obstacles have been removed, the negotiations finished and the treaties signed and ratified. On 1st May 2004 the next phase of enlargement of the EU becomes a reality as eight Central and Eastern European countries together with Malta and Cyprus, join the European Union.

Enlargements of the EU are nothing new. The Eastern enlargement is the fifth such expansion. The difference lies in their collective wealth and in their number; the GDP per capita of the candidate countries is significantly below the EU average. The *big bang* forced the Commission to re-think the accession criteria. The EU remained strict. One of the areas in which this has been most obvious is in environmental policy: the costs of full compliance with environmental regulations for the accession countries is estimated at around 100 billion Euro. The EU has been very proud of its high concern for the care of the environment and some were afraid that the Candidate Countries (CC) could become pollution havens if they continued their practice of more lenient environmental regulations. Others argue that imposing strict environmental regulations has nothing to do with a cleaner East: it reflects the power of Western lobbies seeking to protect the competitiveness of its members. Whatever the reason, the CC are faced with the challenge of improving their environmental standards to a level it has taken the West forty years to reach.

"it is also not proven that lenient stringency would increase the competitiveness of the CC" (Candidate Countries)

Because of the important implications of the enlargement for the environment, we were curious how important environmental regulations are for trade in Europe. Are the fears that the CC could become pollution havens justified? Is it true that the EU competitiveness might be threatened if the CC adopted Southern Europe's strategy in the (non) implementation of the *acquis communautaire*, i.e. the complete body of EU legislation? Previous studies don't tell us much. There are no studies that look at this part of the world in this research area. The reason lies mostly in the lack of data. Most studies looking at the pollution haven hypothesis are using US data, since this is the only country that publishes detailed data on pollution abatement costs and expenditures. Other studies working on other-than-US data use indices constructed by international organisations, which constrain them to a cross-section. We came across the Eurostat environmental database, updated in July 2003, and used Current Environmental Expenditure as a determinant of our environmental stringency variable. Our sample covers most of the EU and CC countries for the period of 1996-1999.

In addition we improved upon the existing literature by using an empirical set-up based on gravity equations, directly inferred from trade theory. Namely, some often quoted studies in this area use traditional gravity equations to explain the impact of environmental regulations (together with distance and countries' size) on bilateral trade flows, though no robust support has been found. On the other hand, studies using US data and employing a different empirical set-up, find a robust link. We go back to gravity, and base it on monopolistic competition and CES utility functions to address trade flows from the European countries into the EU.

The results we obtained are striking. We show that environmental regulations are significantly affecting trade in Europe. If the exporting country increases its environmental stringency (measured as current environmental expenditures) relative to the importing country by 1%, bilateral exports decrease by 0.3% (OLS) to 3% (GMM), depending on the method of estimation considered.

Moreover, we showed that elasticity is larger for trade in more homogeneous goods. Less differentiated goods are perceived by consumers to be mainly a function of prices and as a consequence an increase in stringency affects trade flows in these sectors more. This is not the case for more differentiated goods in terms of variety or quality where prices matter much less for consumers. The elasticity in this case still negatively affects trade flows, but it is lower than in the case of more homogeneous sectors. Furthermore, as we expect CC to produce less differentiated goods than the EU countries due to their lower level of development, this can be the reason to explain why the sensitivity to stringency faced by CC exporters is higher than that faced by the EU exporters.

Was the European Commission's decision to impose very stringent environmental measures to the CC justified? We could say that it was definitely justified from the environmental point of view. Moreover, it might have been also justified on political grounds in order to protect some EU producers, mainly those that produce relatively more homogenous goods. All in all, the economic consequences of implementing the environmental acquis will affect the exporting capability of CC producers. Since the negotiations have been concluded some time ago and the level of stringency has been decided beforehand, there is not much manoeuvring space left for the CC producers. On the other hand, it is also not proven that lenient stringency would increase the competitiveness of the CC. However, by showing that differentiation matters for the impact of stringency of environmental regulations on trade flows, the catching-up to the EU economies in economic terms would influence also the composition of the CC exports, hopefully in the way that stringent regulations lead to a win-win situation; improving the CC environment without damaging the exporting capability of its producers.

CONFERENCE ANNOUNCEMENT

4th October 2004

International Mergers and Acquisitions

To be held at Lenton and Wortley Hall, University Park, University of Nottingham

Speakers include:

Simon Evenett, *University of Oxford*

Ben Ferrett, *GEP, University of Nottingham*

Holger Görg, *GEP, University of Nottingham*

Klaus Gugler, *University of Vienna*

Alexander Hijzen, *GEP, University of Nottingham*

Miriam Manchin, *CEC, Belgium*

Lars Persson, *IUI Stockholm*

Peter L. Rousseau, *Vanderbilt University*

For further details, see the Leverhulme Centre Website or contact holger.gorg@nottingham.ac.uk or alexander.hijzen@nottingham.ac.uk

INTERNATIONALISATION AND PUBLIC POLICY TRANSFER

GEP Special Session at the 2004 Royal Economic Society Conference University of Wales Swansea, 6th April 2004

With increasing globalisation of economic activity, there are increased opportunities to 'learn' from experiences of policy interventions elsewhere. Although it continues to be the case that public policy decisions are fashioned largely by national priorities, it is nonetheless also the case that national policy is being informed more than ever by international experiences and policy structures. ***Alan Duncan*** *(Nottingham and GEP) organised a Special Session at the Royal Economic Society conference in Swansea to allow experts in the field of public policy to present evidence on the extent of convergence of public policy, with particular focus on labour, welfare, savings and retirement policy. Here, he summarises the main points of the four presentations.*

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

This paper explores a range of theories of international diffusion of public policy, from political economy models of co-ordination to efficiency models analogous in part to the theory of technological diffusion. Using cross-country macroeconomic evidence and microeconomic evaluation studies (including specific evidence from evaluation studies of the British New Deal), the paper suggests some common design features inherent in successful unemployment policies. Nevertheless, despite a broad consensus on 'what works', it is argued that evidence on the convergence of unemployment policies across institutions is at best limited.

Is There an Emerging Consensus in Making Work Pay Policies?
Alan Duncan (University of Nottingham and GEP)

This study charts the development of "Making Work Pay" (MWP) policies, first in the bilateral dialogue between US and UK, and latterly through the diffusion of broadly similar MWP programs to other institutions in Europe. The paper argues that successful policy diffusion is pre-conditioned on a common set of policy objectives, and broadly similar institutions. Nevertheless, it is apparent that lessons have been drawn from the experiences and implementation of existing MWP programs. Evaluation studies reveal common patterns in the employment effects and cost-effectiveness of MWP policies. Moreover, these lessons are actively informing new program designs.

Retirement saving and labour market participation: International trends and the need for comparative research
James Banks (University College London and IFS)

This paper argues that pensions and retirement savings policies are moving in a common direction, but from very different starting points. Population ageing has created a momentum for systems to become less generous, but different institutional backgrounds limit the degree to which pensions and retirement savings policies can converge. Neither is it the case that a common consensus is building around a single model. The existence and heterogeneity of alternative forms of income support for the elderly (particularly disability benefit programs) suggests a range of pathways to policy reform. This in turn creates an imperative for detailed cross-country microeconomic evaluation of the combined effect of the full set of retirement savings policies.

Policy Transfer in Welfare and the Labour Market: discussion and evaluation
Richard Disney (University of Nottingham and IFS)

This paper draws together common threads from the earlier three papers. It then develops some further features of the policy transfer agenda, using specific illustrations from pensions reform and labour market policy. In doing so, the paper differentiates between generic programme designs and specific policy transfers. In a number of policy domains, the paper

Leverhulme Globalisation Lectures 2004/5

David Smith

Economics Editor, *The Sunday Times*

12th October 2004

Martin Wolf

Associate Editor and Chief Economics Commentator, *The Financial Times*

17h February 2005

To be held at the University of Nottingham, further details to follow

Welcome to……

Beata Smarzynska Javorcik who has recently joined GEP as a Policy Associate

Beata Smarzynska Javorcik - Beata is is an Economist in the Trade Team of the Development Economics Research Group at the World Bank. Her research interests focus on factors affecting inflows of foreign direct investment, including rule of law, environmental standards and protection of intellectual property rights. Her on-going work examines productivity spillovers from foreign direct investment, particularly those taking place through contacts between multinationals and their local suppliers. She holds a Ph.D. in Economics from Yale University and a B.A. from the University of Rochester.

Visitors to GEP 2003/4

June 2003	October 2003	November 2003
Professor Richard Freeman *Harvard University* Dr Mark Melatos *University of Sydney*	Professor Marc Melitz *Harvard University* Dr Joakim Gullstrand *Lund University*	Professor Kala Krishna *Penn State University*
March 2004	**April 2004**	**May 2004**
Professor Carl Davidson *Michigan State University* Professor Ray Riezman *University of Iowa*	Professor Marius Brülhart *University of Lausanne* Dr Robert Elliott *University of Birmmingham*	Professor Alan Deardorff *University of Michigan* Dr Sébastien Jean *CEPII, Paris* Professor Steven Matusz *Michigan State University* Beata Smarzynska *The World Bank* Tony Thirlwall *University of Kent* Ken Warwick *Department of Trade and Industry*
June 2004	**October 2004**	**December 2004**
Professor Rod Tyers *Australian National University*	Professor Keith Head *University of British Columbia*	Professor Jonathan Eaton *New York University*

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Professor Jonathan Eaton

New York University

7th, 8th and 9th December 2004

University of Nottingham

GEP is delighted to have been invited by Princeton University Press to host a major new Lecture Series. This will involve a distinguished speaker visiting Nottingham to give three advanced lectures to postgraduate students and staff, on a particular theme. Princeton University Press will subsequently publish the Lectures as a short monograph.

For further details see the Leverhulme Centre Website or contact sue.berry@nottingham.ac.uk

GEP Seminar Series

Spring 2004

Date	Speaker
19 April	Richard Disney *GEP University of Nottingham*
26 April	Ed Anderson *Overseas Development Institute*
27 April	Marius Brülhart *University of Lausanne*
14 May	Steve Matusz *Michigan State University*
17 May	Mike Devereux *University of Warwick*
24 May	Emran Haque *GEP, University of Nottingham*
3 June	Richard Freeman *London School of Economics and Harvard University*

For more information on the GEP Seminar Series, and to download the papers, see the GEP website: www.nottingham.ac.uk/economics/leverhulme

To participate in the series, contact Ben Ferrett, 0115 846 7347 or ben.ferrett@nottingham.ac.uk

New GEP Research Papers

http://www.nottingham.ac.uk/economics/leverhulme/research_papers/

2004/08	Holger Görg, Aoife Hanley and Eric Strobl	Outsourcing, foreign ownership, exporting and productivity: An empirical investigation with plant level data
2004/07	Arijit Mukherjee and Enrico Pennings	Tariffs, licensing and market structure
2004/06	Salvador Barrios, Holger Görg and Eric Strobl	Foreign direct investment, competition and industrial development in the host country
2004/05	Rod Falvey, David Greenaway and Zhihong Yu	Intra-industry Trade Between Asymmetric Countries with Heterogeneous Firms
2004/04	Gabriel J. Felbermayr and Wilhelm Kohler	Immigration and Native Welfare
2004/03	Alexander Hijzen	Trade in Intermediates and the Rise in Wage Inequality in the UK: A GNP Function Approach
2004/02	Daniel Mirza and Giuseppe Nicoletta	What is So Special About Trade in Services?
2004/01	David Greenaway and Zhihong Yu	Firm Level Interactions Between Exporting and Productivity: Industry Specific Evidence
2003/50	Michael Henry, Richard Kneller and Chris Milner	Trade, Technology Transfer and National Efficiency in Developing Countries
2003/49	Ben Ferrett	Intra- and Inter-Firm Technology Transfer in an International Oligopoly
2003/48	Andrew B. Bernard and Fredrik Sjöholm	Foreign Owners and Plant Survival
2003/47	Fredrik Sjöholm and Sadayuki Takii	Foreign Networks and Exports: Results from Indonesian Panel Data
2003/46	Sourafel Girma, Holger Görg and Eric Strobl	Exports, international investment, and plant performance: Evidence from a non-parametric test
2003/45	David Greenaway and Richard Kneller	Exporting, Productivity and Agglomeration: A Difference in Difference Analysis of Matched Firms
2003/44	David Greenaway and Chris Milner	What Have We Learned from a Generation's Research on Intra-Industry Trade?
2003/43	Andreas Haufler and Ian Wooton	Regional Tax Coordination and Foreign Direct Investment
2003/42	Richard B. Freeman	Trade Wars: The Exaggerated Impact of Trade in Economic Debate
2003/41	Ingo Geishecker and Holger Görg	Winners and Losers: Fragmentation, Trade and Wages Revisited
2003/40	Sourafel Girma and Holger Görg	Evaluating the Causal Effects of Foreign Acquisition on Domestic Skilled and Unskilled Wages
2003/39	Arijit Mukherjee	Foreign direct investment and export under imperfectly competitive host-country input market
2003/38	Christopher Magee, Carl Davidson and Steven J. Matusz	Trade, turnover and tithing

2003/37	Arijit Mukherjee and Soma Mukherjee	Foreign market entry: a theoretical analysis
2003/36	Udo Kreickemeier	The Le Châtelier Principle in the Theory of International Trade
2003/35	Udo Kreickemeier	Unemployment and the Welfare Effects of Trade Policy
2003/34	Mariam Camarero and Cecilio Tamarit	Estimating the export and import demand for manufactured goods: The role of FDI
2003/33	Udo Kreickemeier	Efficiency Wages and Unemployment in a Global Economy
2003/32	Sourafel Girma, Michael Henry, Richard Kneller and Chris Milner	Threshold and Interaction Effects in the Openness-Productivity Growth Relationship: The Role of Institutions and Natural Barriers

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Policy Associates

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Sue Berry

Leverhulme Centre for Research on Globalisation and Economic Policy

School of Economics

University of Nottingham

University Park

Nottingham NG7 2RD

+44 (0) 115 951 5469

E-mail: sue.berry@nottingham.ac.uk

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