

## **Call for Papers**

### **Global Value-Chains and Structural Adjustments**

--2013 Columbia-Tsinghua Conference in International Economics

**Venue: Tsinghua University, Beijing, China**

**Time: June 24-26, 2013**

#### **Organizers:**

Tsinghua University

University of International Business and Economics

Ministry of Commerce, People's Republic of China

Columbia Business School

United States International Trade Commission

World Trade Organization (WTO)

Organization of Economic Cooperation and Development (OECD)

#### **Objective and Scope**

The development of macro-based statistics and indicators has been the focus of official statistics for many decades, particularly in an international context. The recent literature in heterogeneous firms has brought the firm level data to the research and policy frontier in micro international economics and shifted the focus from countries and industries towards firms and products. The middle grounds are under investigated, however, that how to aggregate information in the firm level into sectors, and then provide policy guidance for ongoing structural adjustments in both the developed and emerging markets, in particular, how the structural adjustments in China and emerging markets, and in developed countries will affect the world economy, are the focus of this conference.

We will focus on a particular dimension of the aggregation, the impact of firm's characteristics on Global Value Chains (GVCs) in a particular industry and industry characteristics on behavior of the firms. The development of GVCs in past three decades increasingly link firms across borders and give them access to productive resources. Companies respond differently to international trade and investment which seems directly related to industry characteristics, to the position of companies within GVCs. Specific firm characteristics such as export intensities (exports as % of output), ownership structure (domestic/foreign, private/public) and size class also directly affect the way how a firm participant in GVCs. Evaluating the contribution of an intermediate firm to the value of final good (or exports) becomes a fundamental issue to both international trade theory and statistical practice. For example, as Bernard et al described in their 2007 JEL paper "engaging in international trade is an exceedingly rare activity: of the 5.5 million

firms operating in the United States in 2000, just 4 percent were exporters. Among these exporting firms, the top 10 percent accounted for 96 percent of total U.S. exports.” However, small and medium-sized enterprises (SMEs) may engage in international trade indirectly, through wholesalers and other intermediaries, and by providing intermediate goods and services to exporters of all sizes, particularly large multinationals. Therefore, official firm level survey data may underestimate the full contribution of SMEs to a country's foreign trade. Based on estimates made by the U.S. International Trade Commission (2010), if the value of intermediate inputs that SMEs supplied to exporting firms is taken into account, SMEs’ total contribution to U.S. exports increases from less than 28% to 41% in 2007. There is substantial literature on the fact that productive firms have outsourced (and in some cases offshore) substantial parts of their supply and value chains to gain efficiencies. The literature on offshoring and fragmentation of trade has received substantial attention, while domestic outsourcing, the domestic equivalent of fragmentation and supply chain management has not been subject to the same level of scrutiny.

Structural adjustments in the emerging economy can be roughly stated as moving firms from lower positions (contribution) in global value chains to higher positions (contributions). Accurately evaluating an intermediate input producer’s contribution to the value of final good, thus also provides a fundamental ground for understanding structural adjustments in a particular emerging economy.

Structural adjustments in China will affect both the developed and emerging markets in many ways. The “re-industrialization” in US and Europe may be viewed as a direct effect of such adjustments. Furthermore, the strategic competition and cooperation between US, China, and Europe in economic and political relations will in large sense reshape the world in the future.

This conference will bring together experts working on measuring trade in value-added, global value chains, structural adjustments, and US-China economic relations to the top University in China, Tsinghua University, to exchange their academic and policy research on the above issues.

The conference consists of three linked parts (days): The first day (June 25) of the conference will be Columbia-Tsinghua conference in international economics which focus structural adjustments in both developed and emerging market and their interactions. The second day (June 26) of the conference will focus on the role of firm level data in measuring global value chains and estimating trade in value-added, and the last day focuses on US-China trade statistics and economic relations.

**Journal of Comparative Economics Special Issue**

A subset of presented papers will be considered for a special issue of the Journal of Comparative Economics, with the same high standard as regular submissions to the journal, though an effort will be made to expedite the review process.

### **Some suggested specific Topics:**

Possible topics include but not limited to: 1. what determines specialization patterns along global value chain, 2. How a country's imported intermediate is allocated into different industry and final users and between different types of firms, 3. how to compute the contribution of each intermediate input to the value of final good, and how the aggregation bias may affect the measurements of trade in value-added and welfare. 4. The role of SMEs in international trade and domestic segment of global value-chain, 5. The role of financial and business service in manufacture trade. 6. industrial clustering and its role along global supply chains. 7. If a country (emerging market like China, or developed country like US) adjusts their structures, say, from lower position in the value chain to higher position, what would be the effect to the rest of the world. 8. Will industrial policy (or re-industrialization policy) help such structural adjustments? 9. In the specialization of global value chain, what are fundamental economic relations between US and China, more broadly, emerging markets and developed world?

### **Program Committee**

Professor Chongen Bai, Jiandong Ju, Tsinghua University

Professor Ying Ge, University of International Business and Economics

Director General, Zhang Xiangchen, Ministry of Commerce, People's Republic of China

Professor Shangjin Wei, Columbia Business School

Professor D.M. Berkowitz, Editor, Journal of Comparative Economics

Dr. Zhi Wang, Lead Economist, United States International Trade Commission

Hubert Escaith, Chief statistician, World Trade Organization (WTO)

Nadim AHMAD, Team leader, WTO-OECD trade in value-added initiative, Organization of Economic Cooperation and Development (OECD)

### **Submissions to the conference and to the JCE**

Researchers interested in presenting a paper at the conference should submit it by March 15, 2013, to: <https://editorialexpress.com/conference/TWIE2013>. Successful authors will be notified by April 15, 2013. The conference's webpage is: <http://www.center-ier.org/>, which is updated periodically as more information becomes available. If you have any question, please contact the organizers by sending an email to Hong Ma at [mahong@sem.tsinghua.edu.cn](mailto:mahong@sem.tsinghua.edu.cn) or Yiying Wang at [cier@sem.tsinghua.edu.cn](mailto:cier@sem.tsinghua.edu.cn)

If you are interested in having your paper considered by the JCE special issue, please also submit it to the JCE website by August 31, 2013.

The review process for the JCE special issue and the selection process for the conference program are mutually independent.

Co-editors for the JCE special issue: Ju JianDong

#### Expenses and Submission Fees

Submissions are free. The local accommodations of all paper presenters and discussants will be covered by the conference. Presenters will be responsible for their own travel cost. The conference hotel is Wenjin Hotel, <http://www.wenjin.com.cn/>, which is within walking distance from the conference venue on the campus of Tsinghua University.