

August 4th, 2017



THE INSTITUTE FOR INTERNATIONAL ECONOMIC POLICY

The Institute for International Economic Policy, a leading Washington area center for research and policy analysis, is excited to be celebrating its 10th anniversary of hosting exceptional academic seminars and conferences, producing high-level research, and forging partnerships between academia, policymakers, and civil society organizations. IIEP's guiding principle is to tackle the international economic problems that matter most to society, addressing them through rigorous research and policy analysis.

Whether our affiliates are using economic principles to analyze the deep uncertainty over consequences of climate change, developing multidimensional indicators to help the world better understand poverty, or using empirically-tested methods to study political accountability, *we support robust and impactful research across the globe.*

Take a look at IIEP's year in review, with a tour of our signature impact areas of global reach: US-China economic relations, ultra-poverty, adaptation to climate change, and global economic governance.

Signature Initiatives

- [US-China Economic Relations](#)
- [Ultra-Poverty](#)
- [Adaptation to Climate Change](#)
- [Global Economic Governance](#)

US-China Economic Relations



The US-China economic relationship was again in the spotlight as President Trump made the two countries' trade relationship a pivotal component of campaign talking points and

[Subscribe](#)[Past Issues](#)[Translate ▼](#)

co-hosted the inaugural "[Beijing International Trade and Investment Symposium: FDI at the Crossroads of Globalization](#)" in partnership with the [School of International Trade and Economics at UIBE](#). This collaboration marked IIEP's first event in China.

As the inaugural faculty director of GW's [Global Bachelors Program](#), former director of ESIA's [International Trade and Investment Policy Program](#) Steve Suranovic took the first cohort of students to spend a semester at Fudan University in Shanghai, China. "Part of what this new program is designed to do is intensify the experience for students abroad," Suranovic said. This program's first class began their studies in February 2017, and have continued to hone their ability to adapt to diverse social, cultural and academic situations.



Professor [Joseph Pelzman](#) joined the US-China discussion with his book "[Spillover Effects of China Going Global](#)." Pelzman demonstrates how China has made a remarkable transition from merely being a "world factory" to the source of the world's new R&D and product design and innovation since the 1980's. Pelzman notes China's foreign economic policy has triggered many spillover effects that go beyond mass-labor production of durable and non-durable goods.

TOP RESEARCH PICKS

[China's One Belt One Road Strategy: The New Financial Institutions and India's Options](#)

The devaluation of the Yuan and the credit-driven nature of its growth are indicators that it should rebalance and rely more on domestic consumption to drive its future growth. India and China have

[The Value of Reputation in Trade: Evidence from Alibaba](#)

Exploring detailed export transaction data on the world's leading international trade platform, the China-based Alibaba, Professor **Maggie Chen** examines the role of Alibaba in China's exports. The

[Subscribe](#)[Past Issues](#)[Translate ▼](#)

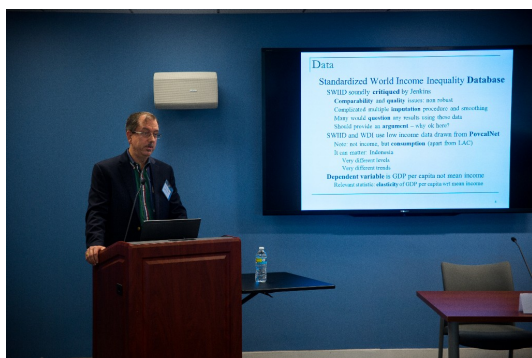
discusses India's options for collaboration while maintaining its competitiveness.

transparent reputation regime substantially raises aggregate exports but the growth is driven by a dramatic export market reallocation toward superstar exporters.

Ultra-Poverty



According to World Bank poverty data, 1 in 10 individuals worldwide lives in extreme poverty, the most being concentrated in sub-Saharan Africa. Using the [multidimensional poverty index](#) (MPI) developed by IIEP's former director James Foster and Sabina Alkire and utilized in the UN's Sustainable Development Goals, this number climbs dramatically. According to the [2017 Global MPI data](#), a total of 1.45 billion people are multidimensionally poor. Looking specifically in Africa, IIEP hosted the launch of [OPHI's 2016 Global Multidimensional Poverty Index: Multidimensional Poverty in Africa](#), which covered change in 30 sub-Saharan African countries and explored the difference between monetary and multidimensional measures in the region. In January, IIEP also co-hosted the IMF Africa Regional Economic Outlook, examining multispeed growth, exchange rate regimes, and how to enhance resilience to natural disasters.



In addressing worldwide levels of ultra-poverty, microcredit programs have emerged in the past decades as a business model for small businesses and individuals living in poverty. This work was led largely by Nobel Peace Prize winner and Grameen Bank founder Muhammad Yunus, who joined the Institute to discuss economic empowerment and

"We need to create a world with zero poverty, zero unemployment, and zero net carbon emissions through social business, youth, and technology."

- Nobel Peace Prize Winner Muhammad Yunus, address at GWU, October 26, 2016

India, another country struggling with hundreds of millions of people living in extreme poverty, finds its path to growth hindered by poverty, inequality, lack of infrastructure, and weak reform plans and implementation. Our second conference on [India's Economy: Inclusive and Sustainable Growth](#), sponsored in partnership with India's National Institute for Public Finance and Policy (NIPFP), focused on equitable growth and poverty eradication, with presenters from IIEP, premier research institutions in the DC area, and members of the government of India joining us to explore macroeconomic policy, climate change and sustainable development, urbanization, and poverty measurement.

TOP RESEARCH PICKS

[Economic and Political Factors in Infrastructure Investment: Evidence from Railroads and Roads in Africa 1960-2015](#)

Professor **Remi Jedwab** explores a key component of economic development in sub-Saharan Africa - railroad and road infrastructure - finding that investment patterns often follow economic patterns, suggesting the pro-cyclicality of transportation investments. Factors like democracy, European settlement, pre-colonial centralization, and ethnic fractionalization also played a significant role in road investment.

[How Sustainable are Benefits from Extension for Smallholder Farmers? Evidence from a Randomized Phase-Out of the BRAC Program in Uganda](#)

Examining the effects of phasing out an agricultural extension program with training and input subsidies for women smallholder farmers in Uganda led by the NGO BRAC, Professor **Stephen Smith** found persistent learning effects of the program evidenced by 1) maintained demand for improved seeds among smallholder farmers, even while shifting from programs to market sources and 2) the continuation of techniques learned from the program. Our results were featured in the influential World Bank Blog, [Development Impact](#).

Professor ***Sarah Baird*** examines the long-run impacts of the child health investment of school-based deworming. The program showed an increase in labor supply among men and education among women. The research found that ten years after deworming treatment men and women were both more likely to stay enrolled longer in primary school and to attend secondary school. They found that mass deworming may generate more in future government revenue than its initial costs.

Adaptation to Climate Change



With the United States federal government's rejection of the Paris Climate Accords which the IIEP has [tracked](#) closely, the issue of climate change remains on the forefront of the global agenda. Countries such as China and Germany have sought larger global roles in the fight against climate change in the absence of U.S. leadership. The effects of climate change have already begun to unfold, with increased sea levels, harsher weather events, and changing landscapes for agriculture. IIEP's faculty members have been at the front line of research on the intersections between climate change, business, economics, and politics. Professor Michael Mann was cited in an [article](#) discussing his research on how awareness of local climate change can influence people's likelihood of accepting or doubting the phenomenon. The PNAS study is believed to be the first to analyze the effects of local climate change on people's attitudes.

“Even when you know the facts, understand the science, and have seen the maps of global trends, it is very tempting to rely on what you are experiencing”

- Professor Michael Mann

One aspect of Tara Sinclair's research is at the intersection between climate adaptation and employment. In a [BBC](#) interview, Sinclair discusses the growing interests of employers and employees to mitigate emissions and climate change. This interest, she says, could transform the workforce as green economy jobs become increasingly attractive.

“People respond to what the landscape of the labour market is, broadly, but we do see increasing interest

[Subscribe](#)[Past Issues](#)[Translate ▼](#)

- Professor Tara Sinclair



Professor Marcus D. King's work on climate and security resulted in multiple publications this past year. King's contributions to the Center for Climate and Security's report on climate change "epicenters" where conflict could be sparked was featured in [Scientific American](#). His research discussed how "water scarcity has caused instability in fragile states." King's research has also been used to examine the relationships between climate change denial and national security, which he discussed in an article from [Wired](#). He is cited discussing the progression from droughts, to migration and poverty, to riots and finally insurgency and radicalism in Syria.

"Climate change does not act alone. It is connected to stressors – such as food insecurity, water scarcity and demographic shifts. These stressors are prevalent in unstable, conflict-prone and strategically significant regions."

- Professor Marcus King, from testimony to U.S. House Committee on Science, Space, and Technology

TOP RESEARCH PICKS

[Pollution or Crime:
The Effect of Driving Restrictions on
Criminal Activity](#)

Paul Carrillo and **Arun Malik** examine Ecuador's Pico y Placa program, in which traffic restrictions placed a strain on law enforcement which led to a crime increase of up to 10% during peak hours.

[The Cost of Greening Stimulus: A
Dynamic Discrete Choice
Analysis of Vehicle Scrappage
Programs](#)

Chao Wei explores "Green Stimulus" programs like "Cash-for-Clunkers" that try to accomplish multiple objectives. These programs attempt to stimulate the economy and lower pollution, but the results

[Subscribe](#)[Past Issues](#)[Translate ▼](#)

because program enforcement is costly and displaces resources used for crime prevention and detection, and an increase of pedestrians creates more opportunities for crimes to be committed.

rather than attracting marginal customers, can significantly undermine the program's effectiveness on economic stimulus, implying that there could be a significant tradeoff between the two objectives.

Global Economic Governance



The Institute's final signature initiative, Global Economic Governance in the 21st Century, encompasses a wide range of topics, including global trade regimes, Internet governance, labor rights, and economic governing bodies. Recent elections and regime changes in the United States and abroad have brought into question the future of global economic governance. With the U.S. retreating from global institutions and challenging trade systems, countries like China have sought to increase their global influence.

In February, we hosted the "[Trumping Trade Orthodoxy](#)" conference - an event that packed the room less than one month after President Trump's inauguration, exploring his proposed trade agenda, especially with regards to China and other 'oppositional' economies, and the extent to which it could be accomplished solely through executive authority. The consensus? Trump was - and is - expected to push trade law boundaries, but confronting global powers in an "increasingly problematic game." Professor Susan Aaronson has continued her work at the forefront of global internet governance, including hosting an event on "[New Avenues to Govern Cross-Border Information Flows.](#)" Cross-border data flows are playing an increasingly large role globally, as they enable the the flow of diverse and innovative goods and services to customers all over the world.

[Subscribe](#)[Past Issues](#)[Translate ▼](#)

IIEP, along with the Growth Dialogue, also hosted "Growth Strategies in a De-Globalizing World", during the spring meetings of the IMF and World Bank. The conversation, chaired by the Growth Dialogue's Director Danny Leipziger, focused on the impact of current shifts in the global economic landscape and the implications for national growth strategies. The discussion featured Finance Ministers from across the globe, as well as World Bank Managing Director Santiago Levy and Peterson Institute for International Economics President Adam Posen.

This year, IIEP also had the pleasure of welcoming many other leading experts in Global Economic Governance, including Dr. Maurice Obstfeld, the current Economic Counselor and Director of Research at the IMF. Obstfeld spoke on "[The Global Economy: Hopes and Fears](#)," which outlined the future of the global economy and the expectations of global market growth.

"The trade debate can be won, but it will take effort and political leadership"

- The Honorable Robert Zoellick

Earlier in the year, former World Bank President Robert Zoellick joined IIEP and the International Tax and Investment Center for the [2nd Annual Frenzel Memorial Lecture](#). The event, in honor of the ITIC's founding Chairman Bill Frenzel, focused on the history and future of trade. Zoellick discussed the rise in protectionist politics, and how he believes trade friendly policies can prevail.

Brazil's former president Dilma Vana Rousseff joined an IIEP co-sponsored forum at the Elliott School to speak on her impeachment and the state of democracy in Brazil. Rousseff stressed the importance of fighting against corruption and for democracy in Brazil. She also discussed the pressing need for gender inclusion in politics, speaking on her experiences as a female head of state, and the importance of promoting gender equality in the global governance agenda.

TOP RESEARCH PICKS

[Electoral Handouts as Information:
Explaining Unmonitored Vote Buying](#)

With vote buying proving more effective even when ballot secrecy is protected, ***Eric Kramon*** examines the puzzle of vote buying in contexts

[Globalization in the Periphery:
Monetary Policy: What is Gained,
What is Lost](#)

Using new research on sovereign state debt defaults since the 1990s and 2000s, ***Graciela Kaminsky***

[Subscribe](#)[Past Issues](#)[Translate ▼](#)

politicians often distribute electoral handouts as a method to convey information to voters using experimental data collected in Kenya. His results show that the distribution of material benefits can effectively buy votes in the absence of machine politics.

adverse shocks to the domestic economy, systemic debt problems in sovereign states are also triggered by panics in the financial center. These panics can cause massive disruptions in international capital markets in the periphery.

How fast can we grow - and why that matters

Jay Shambaugh contributed a chapter to a Vox EU digital book titled "Economics and policy in the Age of Trump." The book features leading economists focusing on many of the most pressing domestic and international economic policy issues.



Post it!



Tweet it!



Send it on!

CHECK OUT OUR UPCOMING EVENTS!

Land Mines and Spatial Development

Tuesday, September 5th, 12:30 - 2:00pm

John W. Kendrick Seminar Room, 321

2115 G Street, Washington, DC 20007

4th Urbanization and Poverty Reduction Research Conference:

Building or Rebuilding Cities for Growth

Joint with World Bank and the IGC

Friday, September 8, 2017, 8:30 - 5:30pm

10th Annual Conference on China's Economic Development

and U.S.-China Economic Relations

Friday, October 6, 2017, 8:30 - 5:30pm

24th Annual Conference on Empirical Investigations in International trade

Joint with the Federal Reserve Board, Georgia Institute of Technology, and FREIT

Subscribe

Past Issues

Translate ▼

[Visit our website](#) →

Copyright © 2017 The Institute for International Economic Policy, All rights reserved.

Want to change how you receive these emails?
You can [update your preferences](#) or [unsubscribe from this list](#).