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2003

REPORT ON SCIENTIFIC ACTIVITIES

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Luca d'Agliano

Luca d'Agliano was born in Turin on July 4, 1961.

At the end of the first year of classical high school at the Rosmini Institute in Turin, driven by the wish to widen his horizons, he decided to finish his secondary education under the provisions of the Sevenoaks International Baccalaureate Programme.

In September 1980, he went up to Churchill College, University of Cambridge, where he read philosophy and then economics under Margaret Bray and Frank Hahn.

On taking his Bachelor of Arts degree in 1983, he was awarded a scholarship by the Fondazione Luigi Einaudi, Turin, and was admitted to St. Anthony's College, University of Oxford. Here, under the guidance of Amartya Sen, he studied questions relating to developing countries and welfare economics, concentrating mainly on the analysis of collective agriculture systems and the conflict, typical of such systems, between the ethical value of collective production and the pragmatic need to give individuals the incentive to produce.

The vision and the task that Luca d'Agliano assigned to economics can be gathered from this extract from the research programme submitted by him to the Fondazione Luigi Einaudi in July 1983:

"It is desirable for the study of economics to be continually carried over into practical applications, above all when attempting to solve problems that limit the growth of man's well-being. For this substantially ideological reason, it becomes important to combine close study of purely theoretical matters with a study of the problems afflicting the developing countries in their struggle against poverty, a question that is still far from being resolved, but to which economics should be applied".

Nearly a year later, Luca d'Agliano lost his life in a road accident (June 1984).

The Centro Studi: aims

The Centro Studi Luca d'Agliano was founded in Turin in 1986 by the family of Luca d'Agliano, his friends, and some of his teachers. It is currently located at the Fondazione Luigi Einaudi in Torino and at Bocconi University in Milano.

Its aim is to favour a better understanding of the economic problems inherent to development.

Particular emphasis is placed on giving students the opportunity to attend the best universities and so to come in contact with the most distinguished scholars in order that they may acquire a truly international perspective and an intellectual and broad minded approach to the problems of development economics.

The Centro Studi: activities

The activities of the Centro Studi are:

- I) the undertaking of research in development economics. In keeping with an approach similar to that of Luca d'Agliano, such research aims to maintain a close connection between:
 - a) the latest developments in economic theory
 - b) certain fundamental features of development economics, with special emphasis on the conflict between efficiency and equity - fight against poverty
 - c) ethical and philosophical questions assuring the unity and cohesion of points a) and b)
- II) a library and documentation centre on development studies located at the Fondazione Einaudi. This also includes the writings, notes and books that formed the subject-matter of Luca's studies at the Universities of Cambridge and Oxford;
- III) the award of scholarships, prizes and research grants to Italian and foreign students wishing to further their studies in development;
- IV) a series of seminars allowing people from the academic and business world interested in the problems of developing countries to share their work and experiences;

- V) the publication, on its own account or in association with other institutions, of studies and informative material on topics related to developing countries;
- VI) collaboration agreements with other Italian and foreign institutions aimed at furthering the exchange of ideas and the comparison of topics related to development;
- VII) the training of young students and practitioners,

ORGANISATION

President: Luigi Galleani d'Agliano

Scientific Committee: Riccardo Faini (Chairman), Giorgio Basevi, François Bourignon, The Lord Dahrendorf, Luigi Donato, Enzo Grilli, Frank Hahn, Judith Heyer, Fabrizio Onida, Amartya Sen, Nicholas Stern, Frances Stewart, Vittorio Valli, Anthony Venables and the Chairman of the Scientific Committee of the Fondazione Luigi Einaudi of Turin, Terenzio Cozzi.

Scientific Director: Giorgio Barba Navaretti

Coordination Committee: Giorgio Barba Navaretti, Riccardo Faini, Eliana La Ferrara, Giovanna Prennushi

Fellows: Tito Boeri, Henrik Braconier, Daniele Checchi, Francesco Daveri, Dorte Domeland, Paolo Epifani, Anna Maria Falzoni, Massimo Florio, Marzio Galeotti, Rodolfo Helg, Paolo Manasse, Alessandro Missale, Gianmarco Ottaviano, Luca Papi, Carlo Pietrobelli, Roberta Rabellotti, Fabio Ranchetti, Enrico Santarelli, Alessandro Sembenelli, George Siotis, Alessandro Turrini, Dieter Urban, Marco Vivarelli

RESEARCH OUTPUT

Summary of Research Areas

Area	Research Partner	Funding Institutions
Foreign Direct Investments and Multinationals	CEPR, London School of Economics, Stockholm School of Economics, Norwegian School of Economics and Business, University of Turin, Bocconi University, University of Milan, Politecnico of Milan	The European Commission, Compagnia di San Paolo
International Trade, Labour Markets and Industrialisation	CEPR, London School of Economics, Université Libre de Bruxelles, DELTA, Trinity College, Dublin, Bocconi University, University of Milan, the World Bank	The European Commission, The World Bank, Compagnia di San Paolo
Micro-Institution and Poverty in Developing Countries	The World Bank, University of Milan, Igiier Bocconi	Institutional Funding, The World Bank

Foreign Direct Investments and Multinationals

LdA has been the Coordinator of two large research initiatives on Foreign Direct Investments and Multinationals that were completed between 2002 and 2003. The first one is the "Training and Mobility of Researchers" (TMR) research network on "Foreign Direct Investments and Multinationals. Theory and Empirical Evidence" that organises annual workshops and training of post-doctoral fellows. The second one is a research project on "Labour Market Effects of European Foreign Direct Investments", which examines the effects on employment, wages and skills of outward and inward FDIs. Both programmes are funded by the European Commission.

In 2003 work on these projects has taken various directions. Thanks to the firm level database that was constructed in collaboration with the Politecnico of Milan, LdA researchers have expanded their analysis of the impact of FDI on the Italian economy. This database is extremely rich as it combines an almost comprehensive survey of Italian investors and their subsidiaries, of foreign owned Italian firms and a counterfactual of fully national firms. Researchers have been exploring issues like the impact of outward and inward FDI on productivity, employment and the North-

South divide. In particular, *Giorgio Barba Navaretti* and *Davide Castellani* completed the paper “Does Investing Abroad Affect Performance at Home? Comparing Italian Multinational and National Enterprises” that measures the effect of foreign investment on home markets for a sample of Italian firms that invested abroad. The authors found that firms investing abroad outperform national firms with similar characteristics, thus supporting a positive causal effect of investment abroad on performance at home. *Luigi Benfratello* and *Alessandro Sembenelli* investigate whether foreign owned firms in Italy exhibit higher productivity than domestic ones; they find that foreign ownership has no effect on productivity but nationality seems to matter since US owned firms tend to be more productive than firms under national ownership. *Giovanni Peri* and *Dieter Urban* analyse the effects of foreign multinational enterprises on local economies, in the Italian Mezzogiorno and in the Eastern Landers in Germany. They use firm level data of German and Italian companies during the 90s and they find evidence of significant and robust spillovers.

Other papers have focussed on the labour market effects of FDI in Europe. *Rodolfo Helg* and *Lucia Tajoli* analyse the effects on labour markets of the patterns of international fragmentation of production observed in Europe. Both theoretical and applied research have been devoting much attention to the fact that large and growing shares of international trade flows among industrialised countries consist of intermediate goods. The purpose of this paper is to analyse the labour market effects of international fragmentation of production in Europe, looking how it affects labour demand. *Giovanni Bruno*, *Anna Falzoni* and *Rodolfo Helg* work on a paper on "Measuring the Effect of Globalisation on Labour Demand Elasticity: An Empirical Application to Some OECD Countries". They estimate a theoretically consistent labour demand using a industry-year panel from a number of industrialised countries, including major European countries, Japan and the US over the period 1970-96. Globalisation is measured in terms of foreign direct investments and trade openness. *Barba Navaretti*, *Checchi* and *Turrini*, in “Adjusting Labour Demand: Multinational vs. National Firms: A Cross-European Analysis”, provide an analysis of the relation between foreign ownership and labour demand in eleven European countries. In their results, faster employment adjustments and smaller wage elasticity of labour demand within MNEs indicate that MNEs tend to have a more rigid demand for total labour than NEs but this difference tends to vanish when labour is more regulated. .

Sembenelli and *Siotis* carry out a study of productivity spillovers in Spain, “Foreign Direct Investment, Competitive Pressure, and Spillovers. An Empirical Analysis on Spanish Firm Level Data” use a large firm level data set covering all sectors of Spanish manufacturing during the period 1983-1996. They find that FDI has a long run positive effect on the profitability of target firms if such firms belong to R&D

intensive sectors, and that positive spillovers generally more than compensate the reduction of margins due to foreign presence.

Finally, *Gian Marco Ottaviano and Alessandro Turrini* analyse the effects of MNEs incomplete outsourcing proving that they can account for emergence of FDI in large markets and modify the choice of supply mode made when contracts are complete. *Braconier, Norbäck and Urban*, in “Vertical FDI Revisited”, explore how relative skilled wage premia affect FDI and find that more FDI is conducted in countries where unskilled labour is cheap, changes in relative wages may thus cause significant international reallocation of production within MNEs.

Giovanni S. F. Bruno, Rosario Crino and Anna M. Falzoni in ‘The Impact of Foreign Investment on Relative Wages and Employment in EU Accession Countries’ tested the Feenstra and Hanson (1996) hypothesis in the case of EU accession countries. They estimate the impact of increasing inflow of foreign investment on wage differential and on the composition of labour demand between skilled and unskilled workers in three Eastern European countries: Poland, Hungary and the Czech Republic.

Most of these papers were circulated in LdA’s working paper series and were submitted or are about to be published in major academic journals.

A new book on FDI and Multinationals by *Giorgio Barba Navaretti and Anthony Venables* and co-authors was completed in 2003 and it will be published by Princeton University Press in 2004. This book provides a comprehensive analysis of the determinants and effects of MNEs, combining a survey of the recent theoretical and empirical literature with original contributions. The work is divided in four parts. The first one is introductory. The second section summarises the theoretical background and describes MNEs’ activities, the reasons why they arise as well as their location and organisational choices. The third section deals with the determinants of MNEs activities, their impact on home and host economies; this part also includes a case study of Ireland. The fourth section addresses the main policy issues raised by the activities of MNEs.

Researchers working in this subject area: *Giorgio Barba Navaretti, Giorgio Basevi, Luigi Benfratello, Henrik Braconier, Giovanni Bruno, Davide Castellani, Daniele Checchi, Anna M. Falzoni, Rodolfo Helg, Daniela Marotta, Marco Mutinelli, Gianmarco Ottaviano, Giovanni Peri, Enrico Santarelli, Alessandro Sembenelli, George Siotis, Lucia Tajoli, Alessandra Tucci, Alessandro Turrini, Dieter Urban, Marco Vivarelli.*

International Trade, Labour Markets and Industrialisation

Between 2002 and 2003, the new research network “Trade, Industrialisation and Development” was launched. Its objective is to understand the institutional and micro-economic constraints that affect the ability of developing countries to participate effectively in the world economy and to identify conditions that secure industrial development and modernisation, by investigating the interactions between trade, industry, institutions and economic development.

This network, funded with a grant by the European Commission, will include some of the major European research institutes in the field. Job market seminars for a post-doctoral fellowship position at LdA’s premises in Milan are being held.

Research institutes participating in the network are CEPR; Centro Studi Luca d’Agliano; Département et Laboratoire d’Economie Théorique et Appliquée (DELTA), Paris; European Center for Advanced Research in Economics and Statistics (ECARES); ULB, Brussels; Centre for Economic Performance; London School of Economics (LSE); Norwegian School of Economics and Business Administration; Tinbergen Institute, Rotterdam; Trinity College, Dublin; Pennsylvania State University.

Within this research area, LdA’s researchers have completed the joint Luca d’Agliano-World Bank project “Trade, Technology Diffusion and Performance in Indian Manufacturing”, co-ordinated by *Paolo Manasse*. The study examines different aspects of the relationship between firms’ exposure to international trade and performance, based on a first hand survey of about 1,000 manufacturing and software enterprises in India. Three Ld’A working papers were produced within this project; the results were presented by *Giorgio Barba Navaretti* in a seminar held in Washington, D.C. in January 2003.

The first working paper is "The Twin Effects of Globalization", by *Francesco Daveri, Paolo Manasse and Danila Serra*. In this work the authors examine the impact of globalisation on employment and training policies of Indian firms and find that the bad and the good labour market effects of globalisation are twin to each other. Earnings variability and job insecurity are higher in foreign-owned and import-competing firms but, at the same time, such enterprises offer training and promotions more frequently.

The second paper “Do Not Get Trapped into Crossing: Indian Firms and Foreign Markets”, by *Giorgio Barba Navaretti, Marzio Galeotti and Alessandra Tucci* examines the relationship between the exposure to foreign trade and productivity growth for a sample of Indian manufacturing firms. The authors find that there is a U-shape relationship between firms’ export share and productivity gains, and that the threshold at which the two variables rise again is higher in traditional sectors than in technology intensive ones. One likely explanation of this finding is that being successful in the export market for traditional products requires investments in technological upgrading, which are less likely to be viable for marginal exporters. In contrast human capital appears not to be significantly different for various categories of firms.

Lastly, *Paolo Epifani*, in the paper “Trade Liberalization, Firm Performance and Labour Market Outcomes in the Developing World: What Can We Learn from Micro-Level Data?”, reviews the micro-level evidence on the effects of trade and investment liberalisation in developing countries, focussing on the 1991 trade reform in India. The main findings can be summarised as follows: there is evidence in favour of trade-induced productivity gains, pro-competitive effect of trade liberalisation, skill upgrading induced by technology imports or reallocation of market shares. On the other hand, there is no evidence of significant scale efficiency gains, learning-by-exporting effects, trade-induced increases in labour demand elasticities, substantial employment contraction in import competing sectors.

Within this broad research area, along with Cespri-Università Bocconi research team, LdA’s researchers started working for a project on the ‘Impact of East-West Migration on Growth and Employment’ (FLOWENLA), funded by the EU Commission. The central objective of the project is to analyse the impact of migration on growth and employment in the context of EU enlargement. An integrated approach is pursued by analysing all three dimensions along which integration of productive structures between the Central and Eastern European economies and the EU countries proceeds: labour, capital and goods flows.

Riccardo Faini worked on a paper on ‘The Brain Drain: An Unmitigated Blessing?’. Increasingly, immigration policies tend to favour the entry of skilled workers, raising substantial concerns among sending countries. The “revisionist” approach to the analysis of the brain drain holds that such concerns are largely unwarranted. First, sustained migratory flows may be associated with an equally large flow of remittances. Second, migrants may return home after having acquired a set of productive skills. Finally, the ability to migrate abroad may boost the incentive to acquire skills by home residents. This paper takes a further look at the link between skilled migration, education, and remittances. It finds little support for the revisionist approach. First, a higher skilled content of migration is found to be

associated with a lower flow of remittances. Second, there is little evidence suggesting that raising the skill composition of migration has a positive effect on the educational achievements in the home country.

Giorgio Barba Navaretti, Maurice Schiff and Isidro Soloaga extended earlier work on trade and technology diffusion in ‘The Knowledge-Content of Machines: North-South Trade and Technology Diffusion’.

Giorgio Barba Navaretti prepared a policy report ‘Azerbaijan Trade and Trade Facilitation Review’. This report, which was carried out on behalf of the Asian Development Bank, examines the main constraints to trade expansion and diversification of the Azerbaijan’s economy, in view of its accession to the WTO.

Researchers working in this subject area: *Giorgio Barba Navaretti, Francesco Daveri, Paolo Epifani Riccardo Faini, Anna M. Falzoni, Marzio Galeotti, Bernard Gauthier, Rodolfo Helg, Paolo Manasse, Danila Serra, Alessandra Tucci, Alessandro Turrini, Alessandra Venturini*

Micro-Institution and Poverty in Developing Countries

In 2003, research focused on poverty measurement and monitoring and the analysis of correlates and determinants of poverty, in the context of the preparation and implementation of poverty reduction strategies. Research focused on three countries: Ethiopia, Mauritania, and Nepal.

Giovanna Prennushi and *Angelica Salvi del Pero* are working on a World Bank study on the impact of public expenditures on poverty in the region-state of Oromiya, which is *Ethiopia's* largest and most populous. The study uses a new dataset with expenditure and output data collected specifically for this study and household data on access to and use of public services, as well as consumption levels, from four recent household surveys. Proper indicators have been identified and some trends over time have been analyzed. New data are now being collected on expenditures at the decentralized (woreda) level to look at the impact of the recent shift of responsibilities for social services to lower levels of government. The study will also inform research on the costs of attaining the Millennium Development Goals in Ethiopia.

Angelica Salvi del Pero is conducting research on the perception of poverty in *Mauritania*. The study compares subjective poverty measures from two household surveys, analyzing the robustness of indicators of poverty with respect to

questionnaire formulation and choice of respondent. This study has been undertaken as part of a World Bank poverty assessment for Mauritania. The research will also try to investigate the robustness of subjective poverty indicators with respect to objective indicators.

Giovanna Prennushi and *Mariapia Mendola* worked on household survey data for *Nepal* to assess trends in poverty indicators in the 1990s. Using data from the 1995/96 Nepal Living Standards Survey (NLSS I) and the 2000/01 Nepal Rural Household Consumption Survey, both collected by the Central Bureau of Statistics, we constructed comparable consumption aggregates and poverty measures and detected a noticeable improvement in consumption levels in rural areas. The next step is to investigate the determinants of these trends in poverty, in particular the impact of migration from rural areas. This analysis will benefit from the cross-section and panel data now being collected with the Nepal Living Standards Survey II (NLSS II).

Within this area of research, LdA organised, like every year, a course on “Poverty and Development”, jointly with ISPI in Milan and with the Department of Economics of the University of Milan.

Researchers working in this subject area: *Giovanna Prennushi*, *Eliana La Ferrara*, *Mariapia Mendola* and *Angelica Salvi del Pero*

LECTURES SEMINARS AND CONFERENCES

Calendar of Conferences and Seminars 2003

Title	Date & Location	Organising Partner	Funding Institutions
Course on " <i>Poverty and Development</i> "	April 7 th - May 14 th 2003, Milan, Italy	ISPI, Department of Economics University of Milan	ISPI and institutional funding
Round Table on " <i>Multinational Corporations and Local Economies</i> "	May 8 th , 2003, Turin, Italy	Department of Economics, University of Turin	Compagnia di San Paolo
First Luca d'Agliano Lecture in Development Economics Pranab Bardhan : " <i>Globalization and the Poor</i> "	June 10 th , 2003, Turin, Italy	Fondazione Einaudi	Compagnia di San Paolo
First workshop of the Trade, Industrialisation and Development Network	June 19-20 th , Berne, Switzerland	CEPR	European Commission
Summer School " <i>Political Economy Of Trade Policy And Development: Theories And Institutions</i> "	27 th - 31 st August 2003, University of Milan, Palazzo Feltrinelli, Gargnano (Italy)	CEPR and Department of Economics, University of Milan	European Commission, University of Milan, Institutional Funding

Course on Poverty and Development

LdA organises a yearly course on “Poverty and Development”, jointly with the University of Milan, which is part of the Winter School of ISPI in Milan. The course, which includes a series of ten lectures, is multidisciplinary and aimed at analysing the relationship between development and poverty. After defining the concept and possible measures of poverty, lecturers explored the links between poverty and demography, trade, micro-enterprises and the environment. The course also dealt with policy measures for poverty alleviation.

Round Table on Multinational Corporations and Local Economies

The aim of this workshop was to foster a dialogue between academics and the real world. *Giorgio Barba Navaretti* and *Alessandro Sembenelli* summarised the main findings of academic research concerning the host country effects of Multinationals. Their report was based on general findings and on the results of the research projects on multinationals carried out by LdA. These findings were discussed by a panel including managers (*Andrea Pininfarina* and *Pierluigi Molajoni*) and union leaders (*Walter Cerfeda* and *Bruno Manghi*). The event was chaired by *Mario Deaglio*.

The First Luca d’Agliano Lecture in Development Economics

The Luca d’Agliano lecture, which is organised every year with the generous support of the Compagnia di San Paolo of Turin, is aimed at favouring the diffusion of the ideas of some of the most important scholars in the field to a non specialised audience. As the general debate on development is often confused and muddled the final aim of the lectures is to ground it in sound economic analysis.

Pranab Bardhan (Professor of Economics, University of California, Berkeley; Chief Editor, Journal of Development Economics) gave the first Luca d’Agliano Lecture in Development Economics on ‘Globalisation and the Poor’ at the Fondazione Luigi Einaudi in Turin in June.

The lecture, which was introduced by *Onorato Castellino* (President, Compagnia di San Paolo) and by *Riccardo Faini*, started by spelling out the alternative meanings of globalisation that have been used in the debates and a delimitation to the case of international economic integration through foreign trade and long-term investment. Then, noting that the various statements usually made in the debate are based at best

on correlation, not causal processes, the presentation focussed on these latter processes, particularly as they pertain to the world poor in their capacity as workers and as recipients of public services. It ended with a discussion of the various constraints on and opportunities for domestic and international policy towards poverty alleviation that participation in the international economic order entails for both rich and poor countries; this included an attempt at picking one's way through the thickets of the raging controversies around WTO, international labour and environmental standards, and intellectual property rights on life-saving drugs.

The lecture was widely attended. It was also the occasion for a meeting of the Scientific Committee of the Centro Studi and for a gathering of many of LdA's former scholars.

First Workshop on Trade, Industrialisation and Development

This was an introductory workshop where the various research team defined and coordinated their research plans. Some preliminary work was also presented on this occasion.

Summer School on Trade and Development

A first Summer School on Trade and Development was organised on the topic: "Political Economy of Trade Policy and Development: Theories and Institutions". Along with LdA, the organisers were the Centre for Economic Policy Research (CEPR), and the Department of Economics of the University of Milan at Palazzo Feltrinelli, Gargnano (BS), Italy, from Wednesday 27 August to Sunday 31 August 2003. The lecturers were *Bernard Hoekman*, Development Research Group, The World Bank and CEPR and *Thierry Verdier*, DELTA (Paris) and CEPR.

The summer school aimed at providing an intensive training course for young researchers (doctorate and post-doctorate students in economics and related disciplines), interested in new trends in theoretical, empirical and institutional aspects of trade policy and political economy for developing countries.

It was open to 30 students from all countries who attended full time and who were selected amongst more than 80 applicants by a Committee constituted by *Giorgio Barba Navaretti*, University of Milan, *Joseph Francois*, University of Rotterdam and CEPR, *André Sapir*, Université Libre de Bruxelles and CEPR, *Anthony J. Venables*, London School of Economics and CEPR.

The lectures by Thierry Verdier concerned the theoretical aspects of the Political Economy of Trade Protection and Development. Their objective was to explain trade policy choices mostly from the point of view of developing countries. In particular, the focus of the lectures was on the political economy of infant industries and declining industries as well as on distorted domestic markets. The lectures surveyed models of efficiency and redistributive impacts of trade, political support function and tariff formation function approaches, voting models of trade protection, models of lobbying and protection for sale. Empirical work and stylised facts on patterns of protection were also reviewed.

The lectures by Bernard Hoekman focused on the role of international agreements (WTO and regional), as instruments to overcome political economy constraints to domestic reforms and action. Specific trade policy issues were analysed, such as trade and poverty (who gains from trade policies?), services (FDI) and government procurement, in addition to the traditional trade agenda.

Other Seminars

The following job market seminars took place at Bocconi University in Milan for the EU funded position of post doctoral fellow in Trade Industrialisation and Development:

February 17th, 2003, *Cecile Aubert* (University of Cambridge): "Political Renegotiation of Regulatory Contracts";

February 18th, 2003, *Karen Macours*, (University of California at Berkeley): "Insecurity of Property Rights and Matching in the Tenancy Market";

February 21st, 2003, *Marta Ruiz-Arranz* (Harvard University): "Wage Inequality in the U.S.: Capital-Skill Complementarity Vs. Skill-Biased Technological Change";

March 27th, 2003, *Dorte Domeland* (Universitat Pompeu Fabra): "Trade and Human Capital Accumulation. Evidence from U.S. Immigrants".

PUBLICATIONS

“Centro Studi Luca d’Agliano Development Studies Working Papers

The Centro Studi d’Agliano publishes a series of working papers in Development Economics. Their publication is funded by the Banca d’Italia and by the Fondazione Cassa di Risparmio di Torino. The Centro Studi Luca d’Agliano Development Studies Working Papers can be downloaded from the Ld’A website, www.dagliano.unimi.it. *Paolo Epifani* is the editor of the series.

The list of working papers published in 2003 is set out below.

173. **Riccardo Faini** (Italian Ministry of Economy; University of Brescia; IZA; CEPR): “The Brain Drain: An Unmitigated Blessing?”.
174. **Gino A. Gancia** (CREI; IIES): “Globalization, Diversion and Stagnation”.
175. **Paolo Epifani** (University of Parma; CESPRI-Bocconi University); **Juliette Vitaloni** (CESRI-Bocconi University): “GATT_think with Asymmetric Countries”.
176. **Giorgio Barba Navaretti** (University of Milano; Centro Studi Luca d’Agliano); **Riccardo Faini** (Italian Ministry of Economy; University of Brescia; IZA; CEPR); **Bernard Gauthier (HEC, Montreal)**: “The Impact of Trade Liberalization on Enterprises in Small Backward Economies: The Case of Chad and Gabon”.
177. **Paolo Manasse** (University of Bologna, Italy); **Luca Stanca** (University of Milano-Bicocca): “Working on the Train? The Role of technical Progress and Trade in Explaining Wage Differentials in Italian Firms”.
178. **Alessandro Missale** (University of Milano); **Francesco Giavazzi** (Bocconi University, Milano, IGER; CEPR; NBER): “Public Debt Management in Brazil”.
179. **Mariapia Mendola** (University of Milano-Bicocca): “Agricultural Technology and Poverty Reduction. A Micro-Level Analysis of Causal Effects”.
180. **Giorgio Barba Navaretti** (University of Milano; Centro Studi Luca d’Agliano); **Davide Castellani** (University of Urbino, Italy): “Investments Abroad and performance at Home. Evidence from Italian Multinationals”.
181. **Massimo Florio** (University of Milano); **Silvia Vignetti** (CSIL - Centro Studi Industria Leggera): “Cost-Benefit Analysis of Infrastructure Projects in an Enlarged European Union.

An Incentive – Oriented Approach”.

182. **Massimo Florio** (University of Milano): “Cost-Benefit Analysis and Rates of Return of Development Projects. An International Comparison”:
183. **Roberto Basile** (ISAE, Rome); **Davide Castellani** (University of Urbino, Italy); **Antonello Zanfei** (Univeristy of Urbino, Italy): “Location Choices of Multinational Firms in Europe: The Role of national Boundaries and EU Policy”.
184. **Jens Matthias Arnold** (Bocconi University, Milano); **Katrin Hussinger** (Centre for European Economic Research; ZEW): “Export behaviour and Firm Productivity in German Manufacturing. A Firm-Level Analysis”.

Scholarships and Prizes

Ld'A devotes particular attention to training young students to acquire the background necessary for a professional career in development research, by providing them with financial assistance in the form of scholarships or by including them in their research projects.

A yearly grant of 9.300 Euros is awarded, through the Fondazione Luigi Einaudi in Turin, to young Italian graduates who wish to advance their studies in development economics at the Universities of Cambridge, Oxford or at the London School of Economics.

The scholarship for 2003 was awarded to *Luciano Ciravegna* who is preparing for a D. Phil in Development Economics on "Automotive Sector Modernization in Developing Countries: Global and Regional Trends" at St. Antony's College, University of Oxford.

Previous awarders were: *Giorgio Barba Navaretti* (Oxford, 1985), *Chiara Tuffarelli* (Cambridge, 1986), *Roberta Rabelotti* (Oxford, 1987), *Francesco Daveri* (Oxford, 1988), *Marina Moretti* (Oxford, 1990), *Paolo Craviolatti* (Oxford, 1992), *Gabriella Giacometti* (Warwick, 1993), *Sabina Di Addario* (Oxford, 1994), *Renato Grelle* (Oxford, 1995), *Andrea Finicelli* (Oxford, 1997), *Ilaria Caetani* (LSE, 1998), *Diego Angemi* (Oxford, 1999), *Mattia Nicola Romani* (Oxford, 2000) and *Francesco Rampa* (Oxford, 2001). The 2002 scholarship was not granted for lack of suitable candidates.

Prizes

The Centro Studi's annual prizes are awarded through Churchill College, University of Cambridge, and St. Antony's College, University of Oxford, to students displaying "ability in their studies, particular interest in the problems of developing countries, humanity and altruism".

Prize-winners are listed by institution. A similar prize, assigned to a student from Sevenoaks School (Kent), was discontinued in 1994.

Cambridge (£. 500)

In 2003, the awarder for this prize was *Yuantuo Guo* (China), a Ph.D student at Judge Institute and Churchill College. She is preparing a research on "Competitiveness and

Catch-Up Strategies in the Epoch of Global Big Business Revolution: The Case of the Chinese Brewing Industry”.

In the past, prizes were assigned to: *C.M. Bramall* and *X.H. Zhang* (1986), *S.V. De S. Gunaratne* and *L.Wang* (1987), *A. Basu*, *H. L. Khong* and *M. Marcel* (1988), *Luis A. V. Catao*, *Lucia Hammer* and *Sue Szabo* (1989), *He Dong*, *R. M. Rimmer* and *A. P. Woods* (1990), *Pingyao Lai*, *Xiao-Feng Liu* and *Asad Sayeed* (1991), *Giancarlo Spagnolo* (1992), *Anu Satyal* (1993), *Gangzhan Fu* (1994), *Samantha Gibson* (1995), *Reehana Rifat Raza* (1996), *Khwima Lawrence Nthara* (1997), *Grace P.C. Mugadza* (1998), *Martin Ruhs* (1999), *Sara Silvestri* (2000), *Rozana Salih* (2001), and *Xutian Ma* (2002).

Oxford (£. 500)

The prize for 2003 was not awarded, as no candidate technically qualified. The College will therefore keep the grant for future use.

In the past, prizes were assigned to: *J.R. Scott* (1985), *John Hoddinot* (1986), *Solomon Soquar* (1987), *Jerome Booth* (1988), *Mamta Murthi* (1989), *Stephen Grant Devereux* (1990), *Nomaan Majid* (1991), *Lucia da Corta* (1992), *Roberto Tibana* (1993), *Riccardo Maggi* (1994), *Sabina Alkire* (1995), *Caterina Ruggieri Laderchi* (1996), *Nancy Collins* (1997), *Mark Wu* (1998), *Diego Angemi* (1999), *Sebastian Silva-Leander* (2000), *Maria Lugo* and *Jesse Kharbanda* (2001) and *César Calvo* (2002).

Other Prizes

Another, non-annual prize has recently been established to further the studies and stages abroad of students from developing countries. Candidates are required to follow Master courses in Development Economics at the Universities of Torino, Pavia or Milano.

In 2003, this prize was granted to *Eskender Alemayehu* (Ethiopia) who is following his Master Course in International Development and Cooperation at the European School of Advanced Studies, University of Pavia, and a stage at the Africa America Institute in Washington.