



## **First Conference of UCL Centre for Comparative Studies of Emerging Economies (CCSEE)**

### **Micro-Macro Determinants of Growth in Emerging Economies**

20-21 June 2016, University College London (London)

*Call for Papers*  
*submission deadline: 8 April 2016*

In the aftermath of the 2008-09 financial crisis, growth has been slowing down in developed economies and emerging economies, even though it had been thought that emerging economies could de-couple from advanced economies and become the main engine of global growth. A variety of reasons has been offered to explain such slow growth, including slowing technological change; slower population growth; balance sheet recessions created by the private debt overhang; and insufficient demand when interest rates are already stuck at zero. In the case of emerging economies, the current growth malaise is also related to the long-term difficulties for middle-income economies to converge to high-income status: the so-called “middle-income trap”.

The objective of this conference will be to focus on the long term and endogenous factors explaining low growth, i.e., those factors that arise from contradictions and internal constraints in a changing global environment. In particular, we want to focus on four dimensions that all strongly affect productivity and GDP growth in emerging economies:

- (i) Micro-macro determinant of productivity
- (ii) Financial development and the resilience of financial systems to crises
- (iii) Technology upgrading, i.e. the transition from efficiency-based growth towards innovation-based growth.
- (iv) The integration of emerging economies into the global economy

Confirmed Keynote Speakers: Thorsten Beck (Cass Business School), Chiara Criscuolo (OECD), Paul de Grauwe (LSE), Slavo Radosevic (UCL), and Xiaolan Fu (Oxford)

Submissions that are of particular interest to countries in Central and Eastern Europe are strongly encouraged. Selection will be based on a full paper or a 1000-word extended abstract to be sent, by Friday the 8<sup>th</sup> of April (cob) to the conference organiser: [r.espinoza@ucl.ac.uk](mailto:r.espinoza@ucl.ac.uk)

Acceptance of submitted papers or extended abstracts will be confirmed by the 22<sup>nd</sup> of April.

## *The Centre for Comparative Studies of Emerging Economies (CCSEE)*

Since June 2015, UCL is hosting the Centre for Comparative Studies of Emerging Economies to support the development of its research agenda, in five broad areas: (i) Institutions, innovation, and growth; (ii) Financial markets, banking and financial fragility; (iii) Social exclusion, political participation and migration; (iv) Natural resources, energy, and security; and (v) Statistics, in particular for the CEE region

The Centre's activities include running a seminar series, regular workshops, editing a Working Paper Series, and supporting research financially. The Centre currently comprises 13 co-investigators and 15 affiliate members from UCL and universities in the UK and abroad (including Russia, the Czech Republic, Korea, Mexico, and others). It is hosted and initially funded for five years by the UCL's School of Slavonic and East European Studies.

For further information, see website <https://www.ucl.ac.uk/ssees/comparative-studies-emerging-economies>, or contact Raphael Espinoza ([r.espinoza@ucl.ac.uk](mailto:r.espinoza@ucl.ac.uk)).

### *Conference Themes*

#### *(i) Micro-macro determinants of productivity*

Recent research has shown that to understand the forces shaping aggregate productivity; researchers need to go beyond aggregate explanations to analyse the dynamics of knowledge diffusion and productivity catch-up across industries and firms. In particular, it has been noted that growth slowdown is not so much due to a slowing of innovation but rather comes from a slowdown in the pace at which innovations spread throughout the economy (OECD, 2015<sup>1</sup>). This structural feature of productivity growth points at the role of firms at the global technology frontier, the national technology frontier, and behind these frontiers in explaining the breakdown of diffusion. We know little about this process in the emerging economies and the conference will be particularly interested in contributions that explore such micro-level determinants of productivity growth.

#### *(ii) Financial development and financial vulnerability*

Firms, in particular, small and medium-sized businesses (SMEs), often find it difficult to raise enough funds for their investment projects. This situation is likely to be aggravated by weak financial systems and is expected to worsen particularly at a time of financial crises. Also, the increased demand for funds by central and local governments may crowd out the private sector needs. On the other hand, since financial development implies increasing debt levels for corporates and households, the question of how to limit the fragility of the financial system while ensuring an appropriate supply of credit remains critical. The conference seeks contributions to that field that take into account emerging economies' challenges.

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<sup>1</sup> OECD (2015) The Future Of Productivity, OECD, Paris.

*(iii) Technology upgrading*

Technology upgrading is usually measured by metrics that reflect global technology frontier rather than by metrics that capture production capability, absorptive capacity, non-RD inputs, etc. Also, composite indicators have included a wide range of developed and emerging economies, although it is always clear how to how suitable these are for measuring technology upgrading at very different technological levels. The conference would welcome papers that address such methodological or empirical issues, using either established data sources or newly developed ones. Also, since we are witnessing a revival of industrial policies, the conference would be especially interested in papers that help understand the role of policy in fostering technology upgrading. For instance, what can be done to ensure that the most productive firms operate as sources of technology diffusion? Is the breakdown of diffusion from the best to laggard firms due to factors that are within the scope of traditional framework policies (competition policies, etc.)? Alternatively, is it due to sector-specific barriers or still unknown factors?

*(iv) The integration of emerging economies into the global economy*

A final issue of interest is the importance of the integration of economies for growth. In that respect, there are competing views. According to one view integration in GVC enables plugging economies into global knowledge exchange and thus makes obsolete place-based policies. Another view is that integration into GVC limits emerging economies to improvements in production capability and turning them into 'assembly economies'. We want to explore these issues through empirical accounts of how integration via GVC and FDI affects productivity in host economies with special reference to emerging economies.