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## **12th Annual Conference of Knowledge Forum**

October/November 2017

(In partnership with Tata Trusts)

### **Conference Theme:**

***Changing Paradigms in Technology, Trade and Development***

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### **Concept Note and Call for Papers**

The Conference will concentrate on the major changes that are taking place in the fields of foreign direct investments (FDI), technology, trade and development strategies. These changes are likely to be different from those that the world experienced during the last few decades in particular, after the coming into being of the World Trade Organisation (WTO). The rules of the WTO and the onset of the information and communications technologies (ICT) drastically reduced transaction costs and encouraged locations of manufacturing units based on efficiency rather than tariff jumping investments. This promoted business to business (B2B) commerce, out sourcing, better supply chain management through the introduction of the LAN system linking assemblers and component manufactures. One of the consequences of the relocation of manufacturing units across the globe has been the decline of the manufacturing activities in the US and Europe and the emergence of Asia as the main manufacturing base. This has triggered protectionist tendencies and anti free trade and protest against WTO rules in several developed countries. Thus while ICT is aiding globalization the political atmosphere in the US and many European countries is anti globalization and outsourcing. This has resulted in changing paradigms.

The conference will concentrate on FDI, Technology, Trade and Development Strategies. The listed four themes are not necessarily independent of each other. They are interrelated and reinforce each other. However, for the sake of convenience they are listed as separate themes below:

#### **I CHANGING NATURE OF FDI**

The nature of FDI flows have changed drastically in recent decades and consequently the theories developed earlier during the second half of the 20<sup>th</sup> century and the testing procedures adopted to analyse productivity and technology spillovers from FDI needs to be re-examined. Literature on FDI spillovers was developed in an era when multinational enterprises (MNEs) invested mainly in manufacturing and MNEs from developed countries enjoyed higher productivity levels. In recent times the share of manufacturing in FDI flows has come down drastically. Currently most FDI is in services. Furthermore, productivity

levels of several Asian enterprises have increased drastically. It is not clear whether theories developed for the manufacturing sector could be used for services. It is difficult to identify intangible assets, ownership advantages and internalisation advantage in the case of services in general and non-financial services in particular.

The conference will discuss the following issues:

- The declining share of the manufacturing sector in FDI flows.
- Consequences of several Asian (host country) firms enjoying higher productivity levels compared to the US and European MNEs
- The incidence of some FDI inflows being dominated by flows from tax heavens.
- Outsourcing of different stages of product development like R&D, designs, fabrication of components and assembling of components to different firms in different countries.

## **II GLOBALISATION OF R&D**

Papers will discuss the phenomenon of MNEs investing in R&D in the newly emerging economies. Several of these units are located in countries where the MNE does not have a strong manufacturing base. The conference will discuss the determinants of FDI in R&D.

## **III TRADE**

### **Intra-firm Trade**

The growth in international trade is mostly confined to medium and high tech industries. Trade in traditional sectors have not been growing. A large part if not most of the trade in high and medium tech industries is intra-firm, that is, between the MNE and its affiliates. Studies in intra-firm trade are dated. It is important to formulate appropriate hypothesis and analyse the determinants of intra-firm trade.

### **Trade in Services**

Technological change has given a boost to trade in services. The conference hopes to include some studies dealing with trade in services with emphasis on the role of technology.

## **IV DEVELOPMENT STRATEGIES**

Changing patterns of FDI, technology creation and development, location of R&D units, and trade in goods and services would influence development strategies of countries. The earlier debate relating to import substitution versus export led growth strategies are not very relevant in the current era. New dimensions in approach to development has been triggered with the adoption of Sustainable Development Goals [SDG]. The focus is more towards adoption of an environmentally benign, inclusive and specific target oriented approach. It is proposed to have a session to discuss these issues.

## **Conference Format**

The conference will have an introductory session followed by Competitive Sessions.  
In the competitive sessions all the papers will be refereed before accepted for presentations.

**Last date for submission of title of papers and abstracts May 30, 2017.**

**Last date for full paper submission July 30,2017**

**Send the abstracts and paper to [fgksindia@gmail.com](mailto:fgksindia@gmail.com)**

**N S Siddharthan and K Narayanan**

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