

## **Call for Proposals**

### **ERIA Microdata Research Fiscal Year 2017**

### **‘Export Dynamics and Export Industry Development’**

The Economic Research Institute for ASEAN and East Asia (ERIA) invites submission of research proposals for the ERIA Microdata Research Project for Fiscal Year 2017. This project is under the scope of one of the three research pillars of ERIA, namely *Deepening Economic Integration*. The theme of this fiscal year’s research project is *Export Dynamics and Export Industry Development*. This project comprises country studies by authors mainly from ERIA member countries.

Please email research proposals to Dionisius Narjoko (dion.narjoko@eria.org) by 21 August 2017. Early submission is encouraged.

The authors will be notified of the decision about the proposal selection process not later than 8 September 2017.

ERIA provides financial support of US\$9,000 per paper for the selected proposals. ERIA also covers the travel costs of one author per paper to attend the workshops of the project.

#### ■ **Theme of the Research**

Development of new export industries is a key policy agenda for many countries. For developing countries, new export industry development has been considered to be the centrepiece of their growth and industrialisation strategies. For developed countries, it has often been emphasized as a way to sustaining income growth and creating jobs as their traditional export industries are losing comparative advantage with increased competition from developing countries. Although many countries promote development of new export industries with these and other payoffs in mind, the outcomes have been diverse.<sup>1</sup>

Conceptually, the process of new export industry development would involve igniting new export growth and sustaining it. At a micro level, it would involve first-time entry into exporting by export pioneers; survival at the export market; and increase in the number of exporters, products, and markets. Furthermore, this process will be influenced by various government policies aimed at stimulating new exports, such as trade and investment liberalisation policy, exchange rate policy, and other export promotion policies including marketing assistance and information provision. Although there have been a growing number of empirical studies to clarify the export dynamics and to evaluate the effects of various policies on new exports, our knowledge on these important issues seems to be far from being satisfactory.

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<sup>1</sup> ‘... However, seemingly similar stimuli have given rise to very different export responses in different countries, industries, and time periods. Thus policy makers have often had trouble anticipating whether—and in which industries—a given devaluation, trade liberalization, or export subsidy scheme will generate a strong export response.’ (Das, Roberts, and Tybout [2007], ‘Market Entry Costs, Producer Heterogeneity, and Export Dynamics’, *Econometrica*, Vol. 75, No. 3, 837–873.)

Against this background, this project aims at (i) clarifying the export dynamics further, and (ii) examining the effects of various government policies on export dynamics and new export industry development. The examples of questions relevant for this project are given as follows. How and by whom is a new export product discovered and how and under what conditions does it lead to a full-blown new export industry? What roles do foreign firms and global value chains play in this process? What are the respective roles of small, medium, and large firms? Does trade liberalisation help countries find natural comparative advantage and promote exports? How does exchange rate depreciation affect intensive and extensive margins of exports? Do microeconomic export promotion programmes help in developing new export industries? What are the important industry, firm, and product characteristics that help determine heterogeneous responses to policy changes? Are there symptoms of significant market failures and, if so, where?

The authors are expected to raise their own specific questions closely related to the theme of this project in the context of a particular country (preferably an ERIA member country). Authors *must* employ micro data (i.e. firm-, plant-, or product-level data sets) and conduct a publication quality empirical study complemented with descriptive analyses.

#### ■ **Project Schedule**

- Deadline for the submission of proposals: 21 August 2017
- Notification of the selected proposals : 8 September 2017
- First workshop : 21–22 December 2017
- Second workshop : 23–24 February 2018
- Deadline for final report : Mid-March 2018

Members of the project are expected to attend the two workshops scheduled above.

#### ■ **Proposals**

Research proposals should be five to eight pages long, and should contain the following:

- research question(s);
- objective and background;
- brief literature review;
- description of data and methodology;
- expected value added;
- policy relevance; *and*
- references

#### ■ **Others**

The research should be original. The final report will be included in an edited project report which will be submitted to ERIA. Some of the completed research papers may be posted as working papers for the ERIA Discussion Paper series.