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Proposta di sessione organizzata

Proponente/i: Donatella Saccone, Università di Pollenzo e Osservatorio sulle Economie Emergenti-Collegio Carlo Alberto (*indicare nome e affiliazione*)

Proposta di un'associazione scientifica: AISSEC (*indicare il nome*)

Proposta individuale

Titolo:

Global changes in the economic balance of power

Introduzione al tema: (*max 300 parole*)

The recent history has seen radical changes in the geopolitical and economic balance of power, with the rapid rising of many Asian countries led by China and India, the promising emergence of a part of the African continent and the enlargement of the Eurozone to Eastern Europe. This panel aims at discussing these changes in a comparative perspective. While the first paper focuses on the shifting economic balance in favour of China and to detriment of the US economy, the following two papers are conversely focalized on the African continent: one analyzes the location choice of greenfield investments in 46 African countries, paying attention to the role of International Investment Agreements, while the other investigates the relationship between economic polarization in income distribution and social discontents in Morocco before and after the Arab Spring. Finally, the last paper discusses the relation between the common monetary policy strategy, external imbalances and poverty in the Eurozone.

Paper 1:

Titolo: Shifting economic powers: China vs the United States

Autore(i) e affiliazione(i): Vittorio Valli (University of Turin)

Abstract (*max 200 parole*)

After WWII the United States was the economic and financial world leader. Yet, since the 1980s the situation has been gradually, but inexorably changing. The main factor of change consisted in the rapid

economic ascent of China. While the US entered a phase of rapid de-industrialization, China massively industrialized. Since 2016 the total GDP in PPP and total exports of China has surpassed the level of the US, though the United States has maintained a higher technological level, a per capita GDP more than three times higher than China and its world financial supremacy.

A substantial part of China's net export revenues has been used to buy financial and real assets in the United States and in other countries, sustaining the dollar and the persistence of a delicate and fragile world equilibrium. However, if Trump's neo-protectionist policy will not completely disrupt the present trends, in the long-run the growing economic and commercial strength of China will also lead to a strong challenge to the world financial supremacy of the United States. The shifting in financial power, which in the past Century went on between the UK and the United States, will probably happen in the future between the US and China.

Paper 2:

Titolo: The role of International Investment Agreements in attracting FDI in Africa

Autore(i) e affiliazione(i): Anna D'Ambrosio (Politecnico di Torino), Alida Sangrigoli (Politecnico di Torino), Luigi Benfratello (Politecnico di Torino)

Abstract (*max 200 parole*)

FDI increased dramatically in Africa in the last decades, yet they account for less than 3% of global FDI. Foreign investors are still reluctant to choose Africa as a destination, yet foreign capital and technology spillovers may be central for the development of African economies. Standard location factors for FDI do not apply to African countries, while other assume central importance (Asiedu, 2002) and understanding their assets requires specific study.

FDI into Africa have grown parallel to international agreements covering trade and investment flows. According to UNCTAD, 520 Bilateral Investment Treaties (BITs) and 47 Treaties with Investment Provisions (TIPs) are in force in Africa. Such agreements could mitigate the perception of Africa as a "risky" investment location. Yet, evidence on their effectiveness is scant (Bellak, 2013; Sichei and Kinyondo, 2012).

We study the location choice of 8,333 greenfield investments in 46 African countries in 2003-2017 focusing on the role of International Investment Agreements (IIAs), specifically Bilateral Investment Treaties (BITs) and Treaties with Investment Provisions (TIPs). We document a robust positive role of BITs and TIPs in promoting the location of FDI into African countries. Both are found to be most effective by smaller institutional distance with the source country.

Paper 3:

Titolo: Polarization and its discontents: Morocco before and after the Arab Spring

Autore(i) e affiliazione(i): Fabio Clementi (University of Macerata), Haider A. Khan (University of Denver), Vasco Molini (The World Bank), Francesco Schettino (University of Campania)

Abstract (*max 200 parole*)

The present paper, using data from three rounds of the Moroccan household surveys from 2000 to 2013, tackles the issue of the so-called "Arab puzzle": despite a growing sense of dissatisfaction and frustration, in most Arab countries' welfare inequalities are low and declining. At first glance, therefore, there is no correlation between this generalized dissatisfaction of Arab world citizens and

inequality. Our hypothesis is that welfare inequality does play a role, if we focus on absolute measures and notably on absolute polarization; the relatively worse perception of poor, vulnerable and lower middle-class Moroccan households mirrors the ongoing process of hollowing out of the welfare distribution and its concentration in the tails. Results from a multi-logit regression indicate that polarization has a significant impact on perception and, most importantly, this impact is asymmetric. The poorer the household, the more polarization is perceived to negatively affect her well-being while the richer she is the more polarization will positively affect her perceived well-being. Results are robust to the use of classes or quintiles for ranking social groups from the poorest to the richest.

Paper 4:

Titolo: **Monetary policy, Target2 imbalances and poverty in the Eurozone**

Autore(i) e affiliazione(i): Rosaria Rita Canale (University of Naples Parthenope) and Giorgio Liotti (University of Naples Federico II)

Abstract (*max 200 parole*)

The aim of this paper is to investigate theoretically and empirically the relation between the common monetary policy strategy, external imbalances and poverty in the Eurozone. As registered by the Target2 (T2) mechanism of compensation, external imbalances are found to be negatively correlated with the share of the population living in absolute poverty. To reduce the asymmetries, policy reforms should include, together with restrictive fiscal measures for deficit countries, a set of measures for creditor countries such as fiscal expansion, increases in money wages, and foreign direct investment in peripheral countries.