SUMMARY

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I worked with Prof. Irene Brambilla under the SRO project titled “FDI and Innovation Spillovers to Local Firms.” The experience afforded me an opportunity to not only learn a great deal about trade and investment flows, but also to gain a feel for how professional-level academic research is conducted.

I now understand the value of persistence and creativity in looking for resources; in the real world, it is rarely the case that all your necessary information is laid out in front of you. I think that this was particularly true with my project, which required me to contact local firms and governmental officials in East Asia, primarily China. We needed to contact them in order to gauge how domestic manufacturing companies were responding to foreign investment and quota limitations. Many times, my repeated inquiries would go unanswered, which quickly became a major source of frustration, but with flexibility and continued pressure I eventually obtained some helpful sources and data. Some of the most beneficial sources came through professors at other universities who had been working on the issue for years and were happy to help me in my inquiry.

In terms of the quota regime, I found that the countries in the region generally had the same framework for distributing their allocation among firms, consisting of roughly similar thresholds for entry, maintenance, and expansion of production share. However, I also learned that the recent ending of the Multifibre Agreement (MFA), which was created in the 1970s to protect textile industries in developed nations, has shaken up the status quo significantly and will continue to affect the dynamics of manufacturing trade for years to come. Today, in the post-MFA era, extremely competitive producers such as China have a much freer hand on the global market, and it is quite possible that their share could eventually increase three-fold from its MFA levels. In the process of conducting research, I also learned how difficult it can be to establish a target for analysis on such a fluid situation. I was in constant contact with Prof. Brambilla about these limitations and she helped me immensely in devising the best possible research strategies.

Another excellent benefit of working with Prof. Brambilla was the comparative perspective I gained. At the time, she was expanding her field of research to Africa, where she wanted to know how production patterns had changed with the advent of privatization in several sub-Saharan nations. Augmenting my research in East Asia, I contacted national statistics bureaus and major multinational firms in these countries, which offered me a glimpse of how FDI infusion and trade opportunities have affected economies with quite different features and compositions. After gathering feedback, data, and reports, I was responsible for writing short synopses to Prof. Brambilla so she could synthesize the information for her purposes. She always kept me in touch with the broader implications of what I was producing, so I never felt like I was just doing blind assignments. My SRO experience, I can honestly say, was a fantastic opportunity and I wholeheartedly recommend it to any Yale student interested in the workings of economic research.