

IfTI Global Symposium: Financing. Impact. Together.

effective institutions to support sustained growth and
development impacts

June 19 - 20, 2018

Dr Roseline Wanjiru

Newcastle Business School, UK

UKEF Expert Committee Member, Export Guarantees Advisory Council

Fellow, Institute for Trade and Innovation

uneven globalisation, uncertain policy responses

- *Fragmented international production and the spread of global value chains across national borders presents new opportunities as well as new challenges for businesses and policymakers.*
- *Technology is changing industry dynamics and competitive pressures, enabling the emergence of new suppliers, new products and services, new production processes.*
- *Technology also changing the nature of employment, creating new international divisions of labour across regions and within countries..*
- *ECAs, DFIs, trade support partners need to consider suitable responses*

uneven globalisation, uncertain policy responses

- *Integration of the world economy focused attention on the importance of ‘**competitiveness**’ for national economies and the enterprises located within their territories.*
- *‘**competitiveness**’ not always well defined, can be misused, indicates a policy need...*
- *Concerns over how best to respond to intense global competition, how to create and maintain efficient industrial capacity, tackle unemployment, provide lasting impacts, et cetera*
- *The role of ECAs, related trade and development financing partners must adjust to face these shifting challenges*

economic growth is not everything...

- *Economic growth is very important, a necessary requirement, but it is not sufficient for longer-term, sustained development impacts.
current policy attention paid to measuring, modelling, comparing economic growth rates across countries or years, focused on proximate growth determinants (capital flows, labour, technology outputs, etc.*
- *What else should be measured alongside gdp? short-term vs long-term impacts? What may be being missed out?*
- *Growing inequality, rising unemployment, environmental degradation, unethical business practices, social unrest, corruption, climate change, waste and varied negative externalities can impede and disrupt **sustained** growth and impacts.*

negotiating appropriate policy responses for competitiveness and growth

- *Supportive and well-coordinated knowledge and innovation systems involving a range of partnerships (between businesses, government, universities, innovators, investors) in order to leverage on existing capabilities and support the generation of new ideas /innovations*
- *efforts by private sector, government and households to sustain economic output by sustainably generating new factors of production or combining existing factors in new, innovative ways.*

negotiating appropriate policy responses for competitiveness and growth

- *Need to pay attention to deeper ‘fundamental’ determinants which influence growth and longer-term **impacts** arising from growth. These include trade openness, institutions, colonial legacies, culture, geography - these shape lasting economic & development outcomes.*
- *Current empirical research focused on institutions and their role in impeding or supporting impact, desired market outcomes, investment flows, investor motives.*

negotiating appropriate policy responses for competitiveness and growth

- *Study runs cross-national regression models of institutions and a range of variables - trade, investment, innovation. Which types of institutions are playing which roles in the market, in which contexts? how can they best be addressed to enhance impacts?*
- *Categories of market-**creating** institutions, market-**regulating** institutions, market-**legitimizing** institutions and market **stabilising** institutions seen to interact in different ways to shape growth and enhance opportunities for lasting impacts*

Indicative references:

- Wanjiru, R., Prime, K. (2018) [*Institutions, Economic Growth and International Competitiveness: A Regional Study*](#). In: Contemporary Issues in International Business. Palgrave MacMillan, pp. 99-124.
- Ado, A. , Wanjiru, R. (2018) [*International Business Research Challenges in Africa: Knowledge creation and institutional perspectives*](#). Critical Perspectives on International Business. (In Press)
- Ado, A., Su, Z., Wanjiru, R. (2017) [*Learning and Knowledge Transfer in Africa-China JVs: Interplay between Informalities, Culture, and Social Capital*](#). Journal of International Management, 23 (2). pp. 166-179. ISSN 1075-4253
- Prime, K., Wanjiru, R. (2017) [*Comparing institutional determinants of economic growth in developing regions*](#). In: Great Regional Awakening: New Directions: RSA Annual Conference 2017. Regional Studies Association. ISBN 978-1-897721-60-5
- Wanjiru, Roseline (2013) [*Free Trade Zones and the Attraction of FDI to New Locations in Peripheral Regions: Perspectives from Sub-Saharan Africa*](#). Regions, 291 (1)
- Phelps, N., Stillwell, J., Wanjiru, R.(2009) [*Broken Chain? AGOA and Foreign Direct Investment in the Kenyan clothing industry*](#). World Development, 37 (2). pp. 314-325.
- Phelps, N., Stillwell, J., Wanjiru, R. (2008) [*Missing the GO in AGOA? Growth and constraints of Foreign Direct Investment in the Kenyan clothing industry*](#). Transnational Corporations, 17 (2). pp. 67-106. ISSN 1014-9562
- Phelps, N., Power, M. , Wanjiru, R. (2008) [*Learning to Compete: Communities of Investment Promotion Practice in the Spread of Global Neoliberalism*](#). In: Neoliberalization. Wiley-Blackwell, pp. 83-106.