



Paul J.J. Welfens: Editorial - New Research and UN Policy Perspectives

■ 2018 has been one of the most productive years of the EIIW and I appreciate very much the excellent research of many EIIW members, including Fabian Baier, Samir Kadiric, Arthur Korus, Tian Xiong, Kaan Celebi and David Hanrahan. Their contributions in the Deutsche Bundesbank-sponsored research project "**EU28 Capital Market Perspectives in the context of BREXIT**" as well as my own papers were presented at two workshops, namely in Wuppertal and Frankfurt; papers can be downloaded as EIIW papers and are forthcoming in a Special Issue of the journal **International Economics and Economic Policy** (March, 2019), a first paper on FDI gravity analysis and BREXIT was already published by WELFENS/BAIER in early 2018 ([LINK](#)) in the **International Journal of Financial Studies**. Participation by discussants and panelists is appreciated as well as the hosting of the Frankfurt event by IHS Markit.

A first major workshop in 2018 took place in Bangkok and was organized by Prof. Natthanan Kunnamas as well as by Prof. Supthipand Chirativat at the Chulalongkorn University. The perspectives on ASEAN-EU economic cooperation in a period of declining multilateralism stand for new challenges in a period of a rise of China's role in the world economy and of growing protectionism under the Trump Administration (see the subsequent program). An important paper related to President Trump's populism and his contradictory economic policy is Welfens, [EIIW paper 253](#) which suggests that there is a structural US populism which is related to the combination of rising inequality in the US – considered as unfair by a majority of voters – and the view of a relative majority of voters that the



Prof. Dr. Paul JJ Welfens

correction of inequality should be made by big companies: this is wishful thinking and is bound to produce a permanent frustration of the lower half of income earners in the US income pyramid whose share in market income has reduced from 21% in 1981 to 13% in 2013 (in Western Europe that share reduced from 22% to 20%) and it will further decrease in the long run. The EU Social Market economies are coping better with key challenges from economic globalization, digitalization (to some extent) and China's export growth which brings considerable wage polarization; not to mention the challenge of the health care system where the US spends almost twice as much as Western Europe on health – relative to GDP – while life expectancy is 2-3 years higher in Europe.

Two other highlights concern a paper presentation at CIFA in Monaco on May 21 and the participation at the UN workshop on inequality: The joint WELFENS/UDALOV paper can be downloaded as [EIIW paper 250](#) (International Inequality Dynamics: Issues and



EIIW Team, October 2018

Evidence of a Redistribution Kuznets Curve)

The book *An Accidental BREXIT & the German title: BREXIT aus Versehen* have about 65 K downloads. It's also noteworthy that the book *Energiewende nach Fukushima* by Peter Hennike (Wuppertal Institute for Climate, Environment and Energy) and Paul Welfens on the U-turn after Fukushima has been translated into Japanese. As regards the journal *International Economics and Economic Policy* I should express my gratitude for three years of excellent work as an editorial assistant to Vladimir Udalov who has successfully completed his PhD project. Fabian Baier will be the new editorial assistant.

EIIW is grateful for the technical support by Mrs. Christina Wiens who also has been active in organizing the workshops in the Deutsche Bundesbank-sponsored workshops. Projects in 2019 will focus on international capital market dynamics, EU-ASEAN economic relations and the digital world economy.

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Forthcoming

Professor Welfens will speak at a Brexit seminar at Princeton University on April 17th, 2019.

BREXIT Monitor:

■ Since the June 2016 EU referendum in the United Kingdom and the UK's triggering of the Article 50 process, considerable uncertainty has surrounded the entire withdrawal process. This uncertainty about the type of deal the UK would secure in EU-UK negotiations and indeed the prospects of no deal being reached whatsoever, has increased over 2018. The uncertainty may have delayed any significant reaction to the disintegration dynamics brought about by BREXIT as economies on both sides of the English Channel prepare for an outcome that is as (as of mid December 2018) yet unknown.

The EIIW, with its focus on European economic integration, naturally has an extensive interest in (dis-)integration dynamics in Europe. During 2018, the EIIW has produced the second edition of the German-language *Brexit aus Versehen* book, numerous working papers and other contributions on BREXIT and BREXIT-related topics – in particular capital market perspectives. If you are an academic or researcher interested in the field, and in feedback and discussion, the EIIW invites you to submit English-language papers. Papers of a high scientific quality may also be accepted for publication as an official EIIW discussion paper.

On the right, you can see an overview on the EIIW's Brexit research and publication activities.

<http://www.eiiw.eu>



Paul J.J. Welfens,
Brexit aus Versehen -
Europäische Union zwischen Desintegration und neuer EU, 2. Edition
Stuttgart: Springer

Elements of EIIW Brexit Monitor

BREXIT Monitor

Books

An Accidental BREXIT <http://bit.ly/2rYZcku>
BREXIT aus Versehen, 2. Auflage
<https://bit.ly/2Phl8nW>

Summary

<http://bit.ly/2yfimgl>

Welfens, P.J.J.; Baier, F.J. (2018), BREXIT and Foreign Direct Investment: Key Issues and New Empirical Findings, *Int J Financial Stud*, 6(2), 46
OPEN ACCESS: <https://bit.ly/2OxfMj6>

Welfens, P.J.J.: Macprudential Risk Management Problems in BREXIT, *Intereconomics*, Volume 53, September/October 2018, Number 5 · pp. 281-286
<https://bit.ly/2JO4s1n>

EIIW-TV for Video Commentary on BREXIT
<http://bit.ly/2FJA99D>

Baier, F.J./Welfens, P.J.J.: The UK's Banking FDI Flows and Total British FDI: A Dynamic BREXIT Analysis
<https://bit.ly/2DqQguM>

Kadicic, S.; Korus, A.: The Effects of Brexit on Corporate Yield Spreads: Evidence from UK and Eurozone Corporate Bond Markets, *EIIW Paper No. 251* <https://bit.ly/2Dtu03l>

Welfens, P.J.J.: Lack of International Risk Management in BREXIT?, *EIIW Paper No. 246* <https://bit.ly/2OunPgX>

Korus, A.; Celebi, K.: The Impact of BREXIT on the British Pound/Euro Exchange Rate, *EIIW Paper No. 243*
<https://bit.ly/2rb1lw0>

Welfens, P.J.J.: International Risk Management in BREXIT and Policy Options, *EIIW Paper No. 242*
<https://bit.ly/2rb7Fz0>

Welfens, P.J.J./Hanrahan, D.: BREXIT: Key Analytical Issues and Insights from Revised Economic Forecasts, *EIIW Paper No. 235* <https://bit.ly/2Dr0riR>

Top Links:

[Welfens, P.J.J.; Baier, F.J.: BREXIT and Foreign Direct Investment: Key Issues and New Empirical Findings, *Int J Financial Stud*, 6\(2\), 46](#)

[Brexit: The Economics of International Disintegration \(Sampson, 2018\)](#)

[Mayer, Vicard and Zignago: The Cost of Non-Europe, Revised \(Banque de France Working Paper\)](#)

[European Parliament: The Institutional Consequences of a Hard Brexit](#)

[Rabobank: The permanent damage of Brexit](#)

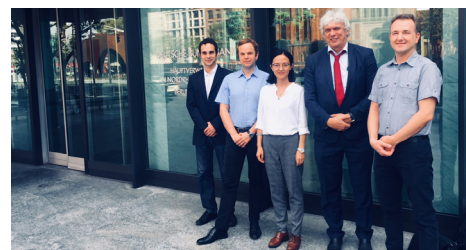
[HM Treasury: the long-term economic impact of EU membership and the alternatives](#)

[HM GOVERNMENT: The United Kingdom's exit from and new partnership with the European Union](#)

[OECD: The Economic Consequences of Brexit: A Taxing Decision](#)

Visit to Deutsche Bundesbank

The Düsseldorf offices of Deutsche Bundesbank offers access to an innovative database which has been used by EIIW researchers for the first time within our Deutsche Bundesbank-sponsored project. This newly accessible database is quite useful for empirical research and is also available to other researchers in North Rhine-Westphalia. In June 2018, Prof. Welfens and four of his researchers visited the NRW branch to be introduced to the database.



f.l.t.r. Fabian Baier, Arthur Korus, Tian Xiong, Prof. Welfens, and Samir Kadicic at Deutsche Bundesbank, Düsseldorf

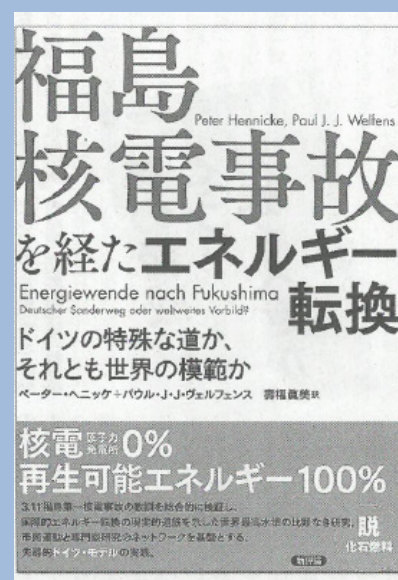
Publications 2018



Paul J.J. Welfens,
BREXIT aus Versehen -
Europäische Union zwischen Desintegration und neuer EU, 2. Auflage
Stuttgart: Springer



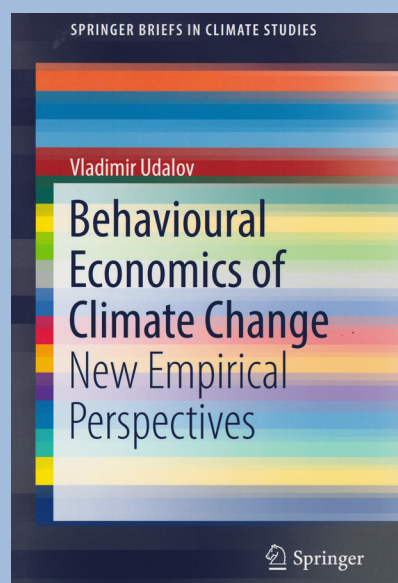
Paul J.J. Welfens, Samir Kadiric
Bankenaufsicht, Unkonventionelle Geldpolitik und Bankenderegulierung
Berlin: DeGruyter



Peter Henricke, Paul J.J. Welfens
Energiewende nach Fukushima - Japanese Edition

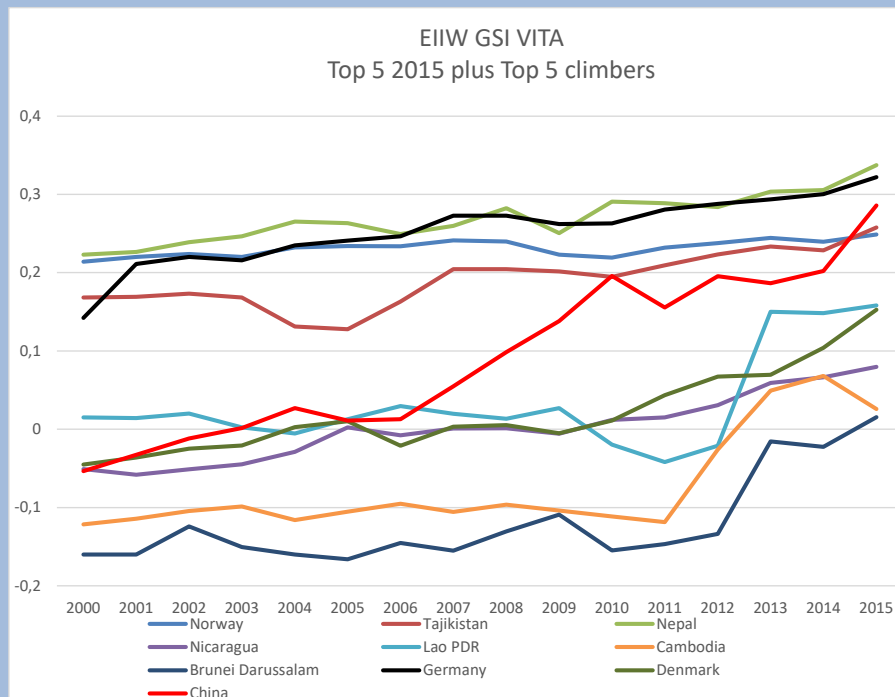
Publication 2019

Dissertation by Dr. Vladimir Udalov



Vladimir Udalov,
Behavioural Economics of Climate Change -
New Empirical Studies
Stuttgart: Springer

EIIW Vita Indicator



Funding Acknowledgements

We gratefully acknowledge support by the **vita Foundation** on the Global Sustainability Indicator. New results can be found on the website as well as in the Welfens/Debes EIIW discussion paper (No.231).

This acknowledgement also concerns funding of a survey on environmental preferences in Germany.

Conferences and Workshop Participations

March 2018

26.-28. March 2018 - Prof. Welfens attended the 2018 **Royal Economic Society Annual Conference** held at the University of Sussex in Brighton.

May 2018



On May 14th as well as 17th, Prof. Welfens was invited as a speaker in the annual **University lecture series** hosted by the Remscheider General Anzeiger and the Solinger Tageblatt. He talked about his book *Brexit aus Versehen* and new developments in the Brexit negotiations.

On May 22nd, Prof. Welfens was again an active participant at the **XVIth International CIFA Forum** in Monaco. He was part of the panel discussion on *Destabilisation of the Traditional Economic/Social/Political System Threatened by the Sharing Economy/Uberization Model*. Prof. Welfens also held an individual presentation with the topic: *How different economic systems are being impacted by automatization: examples of China, USA, Germany? What issues might result from the transition towards the new economic model?*

June 2018

Between 18-20th of June 2018, Tian Xiong presented her paper *The Effects of Foreign Direct Investment on Regional Innovation Capacity in China* (EIIW paper No.247) in Peking at **The 12th China goes Global Annual Conference**. She also attended The 4th Mainz Workshop on Foreign Direct Investment and Multinational Corporations in November.



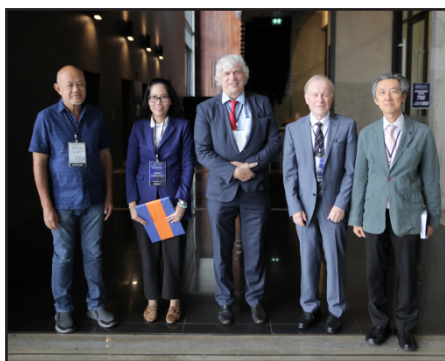
Tian Xiong (center, black dress) at the 12th Annual China Goes Global Conference in Peking.

July 2018

From 6th to 11th July, Prof. Welfens co-organized the international conference *Sustainability of Regional Integration in the EU & ASEAN: In a Period of Weakening Multilateralism* at the Chulalongkorn University in Bangkok, Thailand. He himself was active speaker in Section IV: Effects of Weakening Multilateralism. His contribution was titled: *Trump's Trade Policy, BREXIT and Declining Multilateralism: New Theoretical and Policy Insights*. Former EIIW researchers Zornitsa Kutlina-Dimitrova and Tony Irawan (see picture) were also invited speakers.



Tony Irawan from Bogor University, Indonesia, Paul Welfens and Zornitsa Kutlina-Dimitrova from the European Commission



Prof.res. Nattanan Kunnamas, Paul Welfens, Frank Knipping and Sutthipand Chirivat.

September 2018

On 10th of September, Prof. Welfens presented his book *Brexit aus Versehen* at the IHK Saarbrücken. It is now available in its second edition.



Prof. Welfens presenting at the IHK Saarland in Saarbrücken.

From September 11th to 13th, Prof. Welfens followed the invitation of the United Nations to participate in an expert group meeting on inequality in New York City titled *New Research on Inequality and Its Impacts*. (program see opposite page).



Prof. Welfens at the United Nations HQ, NYC, Sep. 2018

December 2018

Samir Kadiric attended the *International Rome Conference on Money, Banking and Finance, LUISS Guido Carli University*, in Rome from 10.-11. December and presented his paper „Effects of Brexit on Corporate Yield Spreads: Evidence from UK and Eurozone Corporate Bond Markets“ which he co-authored with Arthur Korus for the Bundesbank sponsored Brexit project (see page 6).



Samir Kadiric presenting his paper and in front of the LUISS Guido Carli University.

Expert Group Meeting - United Nations, New York City:

New Research on Inequality and Its Impacts - World Social Situation 2019

September 11th to 13th

Wednesday, 12 September

Opening session

Welcoming remarks

Elliott Harris, Chief Economist and Assistant Secretary-General for Economic Development, Department of Economic and Social Affairs (DESA)

Daniela Bas, Director, Division for Inclusive Social Development (DISD), DESA

Overview and expected outcomes of the meeting

Wenyan Yang, DISD, DESA

Session I: Income inequality trends and their measurement

Moderator: **Hamid Rashid**, Economic Analysis and Policy Division, DESA

Recent trends in income and wealth inequality

Lucas Chancel, World Inequality Lab (by videoconference)

Income inequality in developing countries
Francisco Ferreira, World Bank

Session II: Income mobility over the life course, poverty dynamics and inequality

Measuring income mobility
Hai-Anh Dang, World Bank

Poverty dynamics and opportunity
Anirudh Krishna, Duke University

Chronic poverty and inequality
Vidya Diwakar, Overseas Development Institute

Session III: Social impacts of inequality

Moderator: **Anirudh Krishna**, Duke University

Impacts of inequality on poverty and exclusion

Abigail McKnight, London School of Economics

Inequality and social mobility in OECD countries

Celine Thévenot, OECD

Thursday, 13 September

Session IV: Political impacts of rising inequality

Moderator: **Bea Cantillon**, University of Antwerp, Belgium

Cultural backlash and the rise of authoritarian populism

Pippa Norris, Harvard University

Inequality, democracy and redistribution
Robert Andersen, University of Western Ontario

Beliefs about inequality, opportunity and redistribution

Leslie McCall, City University of New York

Session V: What can be done to tackle inequality?

Promoting equal opportunity and social mobility

Miles Corak, City University of New York

The impact of fiscal policy on inequality
Stephen Younger, Commitment to Equity Institute, Tulane University

Rising inequalities, welfare generosity and social protection

Bea Cantillon, University of Antwerp, Belgium

International Equality Dynamics: a redistribution Kuznets curve?

Paul J.J. Welfens, University of Wuppertal, Germany

Conclusion and implications for the World Social Situation 2019 report

Moderator: **Wenyan Yang**, DISD, DESA

Main themes and conclusions arising from the discussions during the EGM

Suggestions regarding potential case studies and background papers

Project sponsored by Deutsche Bundesbank:

The Influence of Brexit on the EU28:

Banking and Capital Market Adjustments as well as Direct Investment Dynamics in the Eurozone and other EU Countries

First Workshop:

Friday, March 16, 2018 - Guesthouse of the University of Wuppertal



Prof. Paul J.J. Welfens welcoming participants to the workshop on March 16, 2018.

Presented Papers:

All presented papers can be downloaded at <http://www.eiiw.eu/index.php?id=3708>

Welfens, P.J.J.; Baier, F.J.:

BREXIT and FDI: Key Issues and New Empirical Findings

Welfens, P.J.J.:

Lack of International Risk Management in BREXIT?

Korus, A.; Celebi, K.:

The Impact of Brexit on the British Pound / Euro Exchange Rate

Korus, A.; Celebi, K.:

The Impact of Brexit on the British Pound / Euro Exchange Rate



Kaan Celebi and Arthur Korus presenting their paper at the first workshop, 2018.

Second Workshop:

Friday, March 16, 2018 - IHS Markit, Frankfurt/Main

Banking and Capital Market Adjustments plus Macro Perspectives



Samir Kadiric presenting his and Arthur Korus' paper at the workshop on March 16th.

Presented Papers:

All presented papers can be downloaded at <http://www.eiiw.eu/index.php?id=3708>

Kadiric S.; Korus, A.:

Effects of Brexit on Corporate Yield Spreads: Evidence from UK and Eurozone Corporate Bond Markets

Baier, F.J.:

New Insights on Brexit from FDI Gravity Modelling

Welfens, P.J.J.:

BREXIT Perspectives: Financial Market Dynamics and Problems from Slow UK Economic Growth



Participants of the workshop in Frankfurt at IHS Markit headquarters.

Volume 16 · Number 1 · March 2019

International Economics and Economic Policy

Special Issue: Institutional Changes and Economic Dynamics of International Capital Markets in the Context of Brexit

Guest Editors: Jürgen Jerger, Andrew Mullineux and Paul J. J. Welfens

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Abstracted/Indexed in:

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 Springer

EIIW-TV

Video coverage for workshops, conferences, vidcasts and MOOCs by Elmar Strick

Elmar Strick has been working for the EIIW since 2011 and is responsible for the production of video-podcasts and e-learning content as well as so called Massive Open Online Courses (short MOOCs). Moreover, Mr. Strick is in charge of the technical planning and realization of the filming of conferences, workshops and documentations on-site. Due to his further occupation as team head of Satellite-News-Gathering-Technicians with the public service broadcasting authorities (Westdeutscher Rundfunk – WDR) stand-by duty and the professional handling of up to date media equipment are part of his everyday line of work. His expertise and high quality requirements characterize his work at the EIIW.

EIIW-TV productions are filmed exclusively with high-end-equipment. 4K-compatible XDCAM-cameras in combination with wireless clip-on microphones and state-of-the-art LED spotlights are being used for picture and movie recording.

For the production of vidcasts and MOOCs a greenscreen as well as a teleprompter is needed. Manuscripts and graphics which have been copied onto a tablet prior to filming can be projected onto a mirrored-glass installed in front of the camera lense so that the speaker won't have to lose eye contact to the camera. By using a graphics software in post-production it is possible to implement any desired background into the video via stamping technique, for example via split screen.

Furthermore an additional software makes it possible to implement the revision of tasks or multiple-choice-questions in e-learning videos. It is possible to make it a requirement for the continuation of the video that questions are answered correctly or at least partly correct. In addition it is also possible to evaluate the questions electronically. Normally, MOOCs are provided on specifically designed platforms but can also be opened and played for example in an internet browser as HTML5-file.

The recording of conferences and workshops always requires great effort. It is necessary to contact on-site housing technicians to coordinate beforehand for example camera placement, sound exposure, miking, lighting conditions, staff, set-up of lectern and round of talks

as well as presentation possibilities (slides, live-conference, video clips) to be able to guarantee fluent conference proceeding on the actual day of the conference. After shooting and cutting of the acquired footage all the work has always been worth while, though, because at the end the throughout top-quality research results will be made available to a broad publicity on the EIIW's English and German YouTube channels.

Documentations are also part of the EIIW's video range. This is exemplified by a short movie which has been filmed at the beginning of 2018 at the museum for early industrialization in Wuppertal. One year ahead of the start of the Engelsjahr 2020 (to celebrate Friedrich Engels' 200. birthday) the video describes with the aid of exhibits how the production of the textile industry has evolved between the 17th and the 19th century. Friedrich Engels, textile manufacturer as is generally known, had a large part in the economic success of the textile industrie in the Bergisches Städtedreieck (Remscheid, Solingen, Wuppertal). For Engels' 200th birthday this video wants to contribute a small part to the culture of remembrance not least because peculiarly the museum is undergoing redevelopment from the start of 2018 until the end of 2020.



1/12/18

[EIIW President Welfens on Brexit perspectives for 2018](#)

12/19/17

[EIIW President Welfens presents his new book „An ACCIDENTAL BREXIT“ in London](#)

12/12/17

[EIIW President Welfens on the past and the future of the United Kingdom concerning Brexit](#)

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[EIIW President Welfens on the sixth round of Brexit talks and the „No-Deal Scenario“](#)

1/20/17

[EIIW President Welfens on UN Climate Change conference and EIIW-vita Global Sustainability Indicator](#)

Please click the links to access the video via the EIIW website.