

Multinationals and Foreign Investment in Economic Development

Edited by

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The International Economic Association

A non-profit organization with purely scientific aims, the International Economic Association (IEA) was founded in 1950. It is a federation of some sixty national economic associations in all parts of the world. Its basic purpose is the development of economics as an intellectual discipline, recognizing a diversity of problems, systems and values in the world and taking note of methodological diversities.

The IEA has, since its creation, sought to fulfil that purpose by promoting mutual understanding among economists through the organization of scientific meetings and common research programmes, and by means of publications on problems of fundamental as well as of current importance. Deriving from its long concern to assure professional contacts between East and West and North and South, the IEA pays special attention to issues of economies in systemic transition and in the course of development. During its nearly fifty years of existence, it has organized more than a hundred round-table conferences for specialists on topics ranging from fundamental theories to methods and tools of analysis and major problems of the present-day world. Participation in round tables is at the invitation of a specialist programme committee, but thirteen triennial World Congresses have regularly attracted the participation of individual economists from all over the world.

The Association is governed by a Council, composed of representatives of all member associations, and by a fifteen-member Executive Committee which is elected by the Council. The Executive Committee (2002–5) at the time of the Lisbon Congress was:

President:	Professor János Kornai, Hungary
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General Editor:	Professor Michael Kaser, UK

Sir Austin Robinson was an active Adviser on the publication of IEA Conference proceedings from 1954 until his final short illness in 1993.

The Association has also been fortunate in having secured many outstanding economists to serve as President:

Gottfried Haberler (1950–3), Howard S. Ellis (1953–6), Erik Lindahl (1956–9), E. A. G. Robinson (1959–62), Ugo Papi (1962–5), Paul A. Samuelson (1965–8), Erik Lundberg (1968–71), Fritz Machlup (1971–4), Edmund Malinvaud (1974–7), Shigeto Tsuru (1977–80), Victor L. Urquidi (1980–3), Kenneth J. Arrow (1983–6), Amartya Sen (1986–9), Anthony B. Atkinson (1989–92), Michael Bruno (1992–5), Jacques Drèze (1995–9) and Robert M. Solow (1999–2002).

The activities of the Association are mainly funded from the subscriptions of members and grants from a number of organizations. Support from UNESCO since the Association was founded, and from its International Social Science Council, is gratefully acknowledged, particularly for specific help for the Lisbon Congress.

Acknowledgements

As Editor I wish to make a personal acknowledgement of gratitude to John L. Marshall, MD, who has kept me alive long enough to complete the task (and, one hopes longer) and to Professor Robert Solow, who stood by me as choice of editor even when it was not clear I could finish the job.

* * *

The Congress was held from 9–13 September 2002 in the Centro Cultural de Belém, Lisbon, at the invitation of the Ordem dos Economistas de Portugal, and was attended by 1,100 registered participants.

The Opening Session was addressed by the President of the Republic of Portugal, HE Senhor Jorge Sampaio, and by the newly-appointed Minister of Finance, HE Senhor Manuela Ferreira Leite; the IEA President, Professor Robert M. Solow, delivered a paper, 'Is Fiscal Policy Possible? Is it Desirable?' The programme comprised twenty invited lectures and three invited panels – on 'Growth in Developing and Transition Economies' (arranged by the Global Development Network); on 'Poverty Dynamics and Insurance' (organized by the European Development Research Network); and on 'The Turkish Financial Crisis' (prepared by the Turkish Economic Association). There were 198 contributed papers, a selection of which have been included with Invited Lectures in the four volumes of the Congress proceedings:

Bina Agarwal and Alessandro Vercelli (eds) *Psychology, Rationality and Economic Behaviour: Challenging Standard Assumptions*;

Alan V. Deardorff (ed.) *The Past, Present and Future of the European Union*;

Edward Graham (ed.) *Multinationals and Foreign Investment in Economic Development*;

Robert M. Solow (ed.) *Structural Reform and Macroeconomic Policy*.

Studies generated by the Global Development Network are published in Gary McMahon and Lyn Squire (eds) *Explaining Growth: A Global Research Project* (IEA Conference Volume No. 137).

The scientific responsibility for the selection of papers was in the hands of an International Programme Committee chaired by Robert Solow, with the following members:

Bina Agarwal, India	Gene Grossman, USA
Maria Augusztinovics, Hungary	Seppo Honkapohja, Finland
Victor Becker, Argentina	Peter Howitt, Canada
Miguel Beleza, Portugal	Andrea Ichino, Italy
Enrique Bour, Argentina	Fiorella Kostoris Padoa Schioppa, Italy
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Jacob Frenkel, UK	Hans-Werner Sinn, Germany
Hans Gerbach, Germany	Kotaro Suzumura, Japan

A National Scientific and Organizing Committee was convened by the Ordem dos Economistas de Portugal, under the chairmanship of its President, António Simões Lopes, who, with Amílcar Theias, Carlos Queiroz and Luisa Ahrens Teixeira (Executive Director of Mundiconvenius) formed an Executive Committee:

Mário Abreu	José Freire de Sousa
Luis Miguel Beleza	José Silveira Godinho
Daniel Bessa	Manuela Ferreira Leite
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particularly (in alphabetical order) of the Banca d'Italia; the Bank for International Settlements; the European Central Bank; UNESCO; and the World Bank. Cultural events were supported by the Fundação Calouste Gulbenkian for a concert at its Headquarters; by the Casino do Estoril for a Gala Dinner at the Casino; and by the SECIL Corporation for a Dinner for speakers at the Convento da Trindade. A Welcome Cocktail was offered on the opening evening at the Maritime Museum, Belém, and the publishers of the IEA conference volumes, Palgrave Macmillan, gave a reception on the second evening to commemorate the Fiftieth Anniversary of the series, hosted by Amanda Watkins and Pooja Talwar. The Instituto Vinho do Porto provided a lecture and a tasting of port wines. Day tours in the region around Lisbon were arranged in the three days after the Congress for participants and accompanying persons. The logistics of the Congress were handled efficiently by the staff of Multiconvenius, co-ordinated by Luisa Ahrens Teixeira, its Executive Director. The staff of the Ordem dos Economistas do Portugal furnished additional assistance under the management of Carlos Quiroz.

The President of the IEA, Robert Solow, was Congress Editor. The IEA editorial team comprised Maureen Hadfield and Michael Kaser; the latter was responsible for the present volume.