

In the News

Chinese Incentives

If China were to cede to intense political pressure from the United States to slash its controversial export subsidies, China's own welfare would actually improve while the welfare of its trading partners would suffer. This is the key conclusion drawn from the first in-depth analysis on the effects of the incentives that the Chinese government offers its exporters, carried out by Nottingham School of Economics.

Earlier this year, Washington accused Beijing of providing at least \$1 billion in illegal subsidies to Chinese car companies between 2009 and 2011, in apparent violation of World Trade Organization rules.

The accusation centres on China's policy of offering subsidies that are

conditional on firms exporting all or the majority of their output. The issue became a political football in the US presidential race, with Mitt Romney accusing the Democrats of 'failing to confront China's unfair trade practices'.

The study by Dr Alejandro Riaño and Dr Fabrice Defever, both lecturers at Nottingham School of Economics, found that pure exporter subsidies not only boost exports but, unlike regular export subsidies, also protect China's domestic firms from foreign competition.

They explain: 'Shielding domestic firms from the tougher competition exerted by exporting firms allows smaller, low-productivity domestic firms to remain in business. Ultimately, Chinese consumers are faced with higher prices while at the same time foreign consumers reap the

benefits of cheaper subsidised goods in the form of cut-price smartphones and the like.

'Eliminating these subsidies would improve welfare in China by 3 per cent while reducing welfare in the rest of the world by 1 per cent.'

Washington has accused Beijing of providing at least \$1 billion in illegal subsidies to Chinese car companies

Politics in the Boardroom

The recent furore over 'generals for hire' – where ex-military top brass were caught boasting that they could use old Whitehall contacts to secure deals for arms companies – highlights the awkward dilemma raised by the revolving door between politics and business. But the expertise and contacts that former top public officials bring can be a considerable



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resource for firms, says a new research paper published in *Political Studies*.

In a study of the recruitment of former ministers and civil servants to the boards of FTSE-listed companies, Sandra Gonzalez Bailon, Will Jennings and Martin Lodge found that a very small but distinct group of politicians and officials make it into the boardroom. This group is largely found in non-executive roles.

The more than 100 board directors identified by the study included a former head of defence sales, a former head of defence procurement and eight former senior commanders of the armed forces – a substantial number given these are individuals with little training or experience in corporate governance.

Three departments – the Treasury, Foreign Office and Ministry of Defence – provide the greatest opportunities for access to the corporate world. The research uses a database of more than 7500 directors of companies listed on the FTSE ‘All-Share’ index.

‘This is likely just the tip of the iceberg. Given public scrutiny of the earnings of both former politicians and senior civil servants, directorships are less attractive in comparison with less transparent earning possibilities such as consulting roles, where public disclosure is not required,’ the authors said.

Balkan Justice

Improving the general public’s understanding of what happened in the Balkans in the 1990s remains crucial to the future of the region, writes *Marija Ristic of the Balkans Investigative Reporting Network*. Earlier this year, the Balkan Transitional Justice online portal, the only news portal dedicated to the coverage of post-war issues that crosses Balkan national boundaries, was launched.

The ongoing trials at the Hague of Ratko Mladic and Radovan Karadzic underline the pressing need for clear and impartial coverage of the wars that tore apart the former Yugoslavia. However, the media in the Balkans continues to show a clear national bias.

‘By providing impartial news and analysis we hope to improve the general public’s understanding of transitional justice issues in the former Yugoslav countries. Facing the past in a thoughtful and honest way is crucial to ensuring a peaceful future for the region,’ says Andrea Doder, editor of Balkan Transitional Justice.



Press Association

Speaker John Bercow is among the supporters of an innovative new project that will give politics students a detailed knowledge of how Parliament works

The Balkan Transitional Justice website covers stories relating to war crimes from six ex-Yugoslav countries – Serbia, Croatia, Bosnia and Herzegovina, Montenegro, Kosovo, and Macedonia. The website is presented in English and six regional languages.

Doder says that the joint regional approach makes sense when addressing post-war issues, since almost every issue is cross-border and involves at least two countries.

‘Some of the core issues of transitional justice – issues like reparations for the victims of the war, the search for the missing and the treatment of refugees – are all cross-regional. The wars did not happen in a vacuum, so the solutions to the issues the wars generated can only come through building a cumulative picture of the beliefs and concerns of the region as a whole.’

For more details visit <http://www.balkaninsight.com/en/page/balkan-transitional-justice-home>

From Student to Politician

A new initiative could prove invaluable for students considering a career in politics. The Parliamentary Studies undergraduate module at the University of Sheffield was launched in September and is the first to be officially approved and co-taught by the Houses of Parliament.

The module, developed in partnership with Parliament’s Outreach Service, gives

students a detailed knowledge of how the UK Parliament works through seminars delivered by senior parliamentary staff and MPs.

‘Having a succession of parliamentary clerks and members of both House of Parliament coming up to Sheffield as guest lecturers will provide insights and opportunities that are simply not available to most students of politics,’ said Professor Matthew Flinders from the university’s Department of Politics.

Students have visited the Palace of Westminster, received talks from parliamentary clerks about everything from the legislative process to the role and reform of the House of Lords, and written a mock Submission of Evidence to a Select Committee inquiry.

Parliament’s Outreach Service has recently welcomed other universities to follow the path launched by Sheffield by inviting applications for a select number of Higher Education Institutions (HEIs) to deliver the module from 2013/14.

Naomi Kent, Parliamentary Outreach Officer, said: ‘This innovative project has the support of Mr Speaker and the Clerk of the House of Commons, and the Lord Speaker and the Clerk of Parliaments in the House of Lords. We are committed to expanding the roll out of Parliamentary Studies to boost the study of Parliament and engage students with the work of the House of Commons and House of Lords.’

Parliament’s Outreach Service offers a range of resources and services for higher education. It can be found at www.parliament.uk/universities.