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Annual Research Report

**The Relationship between Trade Strategies
And Employment Growth**

Contract No. AID/otr-C-1323

September 27, 1978

6 p.

The Relationship Between Trade Strategies and Employment Growth
Project Title

Contract Number: AID/otr-C-1323

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July 1, 1974 to Feb. 28, 1979
Contract Period (as amended)

July 1, 1977 to June 30, 1978
Reporting Period

Total Expenditures and Obligations
Through Previous Contract Year

\$235,218.98 (ended June 30, 1977)

Total Expenditures and Obligations
For Current Contract Year

\$93,836.10 July 1, 1977 - June 30, 1978

The past year started with a meeting in New York at which Jere Behrman, James Henderson, Paul Schultz, Robert Lipsey, Hal Lary and Anne Krueger reviewed progress on the project to date and discussed plans for winding up the research and publishing the output. It was recognized that September 30, 1978, would not be feasible as a terminal date, given the delays encountered in receiving acceptable manuscripts from country authors, and that an extension of the contract would be needed. AID subsequently agreed to an extension until the end of February 1979.

The output of the project will consist of three parts: 1) a country studies volume containing condensed versions of the work of the individual country authors; 2) a special studies volume containing the results of the research of Schultz, Behrman, Henderson, Lipsey, plus some additional articles of interest arising from the country authors' work (and, it is hoped, the India study, which has unavoidably been delayed too much to be included in the country studies volume); and 3) the synthesis by Krueger.

The year ended June 30, 1978, and indeed the summer of 1978 were devoted almost entirely to completion of the country studies volume. Narongchai Akrasanee came to Minnesota for the spring of 1978 and collaborated with Krueger in editing the volume. Hal Lary has also served as a co-editor. An editor, Ann Waters, was engaged to help improve the drafting and to systematize the individual presentations. At the time of submitting this report, the country studies volume is in near-final form, and a copy is being sent herewith. The only remaining uncertainties are whether the Kenya study will be revised in time to include in the published version and whether the India study will be in satisfactory condition for inclusion in the special studies volume. It is anticipated that the National Bureau's review procedures will take approximately two to three months, and that the manuscript of the country studies volume will be submitted to the University of Chicago Press (for the National Bureau) by the beginning or middle of December.

Meanwhile, the special study authors have been working on their papers. A complete draft of the Schultz paper is already at hand, and it is expected that other authors will complete their drafts by the beginning of October. Jose Carvalho and Claudio Haddad will contribute a short piece, drawn from their longer manuscript on Brazil, on the export supply response in Brazil, while Patricio Meller and Vittorio Corbo will contribute an article on production function estimates and their implications for employment. These articles have already been received in draft form and are currently being revised.

Finally, it is anticipated that Krueger will begin full-time work on the synthesis volume this fall. The editing of the country studies has generated useful ideas for this work, and it is expected that a manuscript will be available by the terminal date of the project.

Please see previous annual reports to AID on the project for statements regarding other topics such as the projects' objectives and the involvement of minority personnel and women.

A statement of expenditures on the project from its inception is attached.

**Statement of Expenditures by N.B.E.R.
7/1/74 through 6/30/78
under Contract No. AID/otr-C-1323**

Item	Total Budget (1)	Expenditures		
		Cumulative 7/1/74-6/30/77 (2)	12 months 7/1/77 6/30/78 (3)	Cumulative 7/1/74 6/30/78 (4)
Salaries	\$166,366.00	\$51,840.25	\$23,354.23	\$75,194.48
Fringe Benefits	8,104.00	5,211.91	2,527.22	7,739.13
NBER Consultant Fees	19,244.00	11,358.83	7,895.62	19,254.45
Honoraria for Outside Studies	95,098.00	47,200.90	29,973.47	77,174.37
Advances for Outside Studies		4,788.10	(4,522.00)	266.10
Travel	54,132.00	48,555.48	3,939.63	52,495.11
Supplies	3,000.00	2,270.05	421.84	2,691.89
Miscellaneous	43,587.00	33,274.77	16,011.28	49,286.05
Dissemination	<u>20,000.00</u>			
Total Direct Costs	409,531.00	204,500.29	79,601.29	284,101.58
Overhead	<u>67,083.00</u>	<u>30,718.69</u>	<u>14,234.81</u>	<u>44,953.50</u>
Grand Total	\$476,614.00	\$235,218.98	\$93,836.10	\$329,055.08