

Firms and their “architecture”

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- ▶ Process involves important changes in the *architecture* of economic activity—the links (broadly, relationships) that connect
 - ▶ firms to other firms
 - ▶ firms and the state
 - ▶ firms and workers

1. Firm-firm relationships

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- ▶ ..are sometimes porous. Extensive sharing of machines and production equipment in Uganda and India (Bassi et al. 2022, Caunedo Kala 2022). Anderson Mckenzie 2022: beneficial to in/outsouce core functions in Nigeria
- ▶ ..depend on firm's objectives. Hansman et al. 2020: integrate suppliers if quality-upgrading; buy inputs on the market if not
- ▶ ..are subject to substantial frictions (Acampora et al. 2023, Hardy et al. 2024)

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- ▶ ..are subject to substantial frictions (Acampora et al. 2023, Hardy et al. 2024)
- × Do cooperatives spur development? How or why not?
- × Why don't cooperating firms steal each other's business? Which "entity" to model?

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- x What forms of production do firm-to-firm networks facilitate and hinder?

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- ▶ Doesn't always "work" (Boehm Oberfield 2020, Hansman et al. 2020), and can be collusive (Bernasconi et al. 2023). Depends on market structure/conditions (Macchiavello Morjaria 2021, Ghani Reed 2022)?

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- ▶ Opportunity to supply large, growth-conducive (domestic and international) buyers appears highly "rationed": many counterfactual suppliers fully capable (Atkin et al. 2017, Ferraz et al. 2021, Carillo et al. 2023, Hjort et al. 2024)

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- × Can public procurement be used to spur development?
- × Where do the (socially) valuable relationships come from?

2. Firm-state relationships

- ▶ New work on industrial policy more nuanced and positive (Lane 2022, Juhasz et al., 2023a+b)
- ▶ Carefully documented corrupt favor-exchange relationships between some states and firms (e.g. Szeidl Szucs 2021). Assortative matching?
- ▶ Some evidence on large firms fulfilling state functions (e.g Mendez Van Patten 2022), need more on causes and consequences

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- × How to do industrial policy well in today's world?

- × More on MNEs in developing countries, beyond wages (see e.g. Tanaka et al. 2022)

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- ▶ Growing understanding of “bilateral” relationships between employers and employees in small(er) firms (Macchi Stalder 2023, Hardy et al. 2023, Bassi et al. 2024). Profit-maximizing?
- ▶ And of *power* in firm-worker relationships in larger, mass-producing firms
 - ▶ Working conditions (Harrison Scorce 2010, Tanaka 2020, Akerlof et al. 2022, Cai Wang 2022, Boudreau 2023, Bossavie et al. 2023)
 - ▶ Wages (Magruder 2013, Felix Wong 2023, Sharma 2023, Amodio et al. 2024)

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- × How to promote good working conditions through local institutions?

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