

Research Statement

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My research currently focuses on International Trade, with a particular interest in the formation of Preferential Trade Agreements (PTAs) and Economic Integration Agreements (EIAs). I am committed to advancing our understanding of the economic implications, institutional design, and policy implications of PTAs in the context of contemporary global trade dynamics.

My work aims to investigate the economic effects of PTAs on participating countries, including changes in trade patterns, market access, and overall economic welfare. I employ rigorous empirical methods to evaluate the causal impact of PTAs on trade flows, economic growth, and income distribution, considering both short-term and long-term effects.

Publications

“Geopolitical Risk and Globalization” (with Nachiket Thakkar) – Journal of Applied Business and Economics

In this paper we examine the effect of geopolitical risks on globalization using Pseudo-Poisson Maximum Likelihood (PPML) methodology for gravity trade model. As a measure for globalization, we use bilateral foreign direct investment (FDI) data from 2001 to 2012 and bilateral trade data from 1948 to 2019. Ours is the first paper making use of the recently created geopolitical risk (GPR) dataset using text analysis to test its effect on globalization. For the univariate model, we find a significant decline in FDI by 3.6% and 0.5% in trade for 10% increase in geopolitical riskiness, but for multivariate model we only see a significant increase in trade by 0.04%. We test the robustness of our results by doing more granular analysis by using individual country GPR measures as well as using KOF Globalization Index instead of FDI and Trade flow. Here also we see a significant negative effect of geopolitical risk on globalization.

“External Debt Default and Foreign Direct Investments” (with Nachiket Thakkar) – Bulletin of Applied Economics

We analyze the effect of a country's defaults and restructuring its' official and private external debt on its ability to attract foreign direct investment. We use different types of foreign direct investments: FDI Flows, Horizontal FDI, vertical FDI, cross-border mergers & acquisitions, and greenfield FDI. Using the Poisson-Pseudo Maximum Likelihood (PPML) estimation method, which has never been used in the literature to do a similar analysis, we find that external debt default decreases all types of FDIs. Furthermore, we also conduct a more granular sensitivity analysis by analyzing the effect of political risk ratings, effect on non-advanced economies, and effect on highly indebted poor countries (HIPC). We find that cross-border mergers and acquisitions (M&A) decrease as corruption risk decreases and increases as law and order improve. For HIPC countries, official external debt restructuring increases greenfield FDI.

Papers Under Review

“Product Differentiation, Interdependence, and the Formation of PTAs” (with Peri DaSilva) – Review of World Economics (Revise and Resubmit)

We consider the role of trade in differentiated inputs in the country-pair decision to form a PTA in goods, and in their decision to expand it to trade in services with varying degrees of coverage,

which transforms a preferential agreement into an Economic Integration Area (EIA). Our baseline model is very successful in predicting the formation of preferential agreements. Our model correctly predicts 82.6 percent of the country-pairs with PTAs in our dataset and can successfully predict the 83.1 percent of the country-pairs that do not form a PTA. Moreover, among those country pairs with a PTA, our model successfully predicts 66 percent of the observations involving country pairs belonging to an EIA when a PTA exists.

“Effect of Fintech on Sustainable Development Goals: An Empirical Analysis” (with Nachiket Thakkar and Rafiqul Bhuyan) - Applied Economics (Under Review)

In this paper we empirically test the impact of the advent of financial technology (FinTech) and financial inclusion on the sustainability development goals (SDGs). The acceptance of the financial technology (FinTech) does have some desirable impact on some of the important SDGs in the developing nations. We observe that due to the presence of FinTech, there is a decline in income inequality and poverty, an increase in gender equality, access to basic sanitation, clean fuel, and education. We also observe that the overall economic growth is positively affected with increasing adoption of FinTech.

Work in Progress

I am currently working on two papers: The first one looks at the effects of PTA and EIA formation on trade flows using a modern gravity model of international trade. We investigate the effects of the formation of preferential trade agreements in goods and services on the level and type of bilateral imports. The results are drawn from the estimation of gravity equations using bilateral imports, including all products, inputs, differentiated inputs, and manufactured-differentiated inputs.

The second paper studies the heterogeneous effects of Preferential Trade Agreements that are also Economic Integration Areas. We create dummy variables for each agreement (MERCUSOR, NAFTA, EU), focusing mainly on the direct effects controlling for the fact that some of them have services. We look at the average effects of four groups (CU, FTA, CU-EIA, and FTA-EIA), then at the average effect within each group, and then within each agreement. Doing this will allow us to look at the effect of the PTAs which we believe are statistically significant.

Future Work

In future I would like to continue my research related to sustainable development goals (SDGs) investigating how PTAs incorporate and promote sustainable development goals along with analyzing the effectiveness of sustainability provisions in different agreements. Through a combination of quantitative and qualitative methods, I aim to contribute to both academic scholarship and policy discussions surrounding the role of PTAs in shaping the future of international trade.

Teaching and Research

In addition to my research, I am dedicated to mentoring students, fostering a collaborative research environment, and engaging with the broader academic and policy communities to ensure the relevance and impact of my work. I am excited about the opportunity to contribute to the

intellectual vibrancy of the economics department, to mentor the next generation of scholars, and to advance our understanding of the complex issues surrounding international trade and Preferential Trade Agreements. My research in International Trade can be incorporated into undergraduate studies as well. For instance, I plan on using “International Economics” by Krugman and Obstfeld for undergraduate courses focusing on trade since chapters 1, 8 and 9 of this book align well with my dissertation chapters.