Dr. Raveendra Chittoor

This research considers three types of institutional resources: government policy, access to industry clusters (such as a number of textile mills grouped in a single location) and affiliation with business groups.

The first study will document government and policy supports in more than a dozen countries that are active participants in the global textile industry, resulting in a comprehensive model of potential institutional resources and their effect on firms’ competitive advantage.

At a firm-specific level, a second study will undertake large-scale data collection among Indian textile firms, documenting outcomes such as export performance, financial performance, firm capabilities and human development indicators.

A third and final study will test the conceptual model developed in study one, synthesizing the institutional- and firm-level results to create a comprehensive discussion of how firms’ competitive performance is impacted by the institutional resources available to them. Using global databases, the third study collects data from textile firms around the world and documents differential performance before and after the abolition of the Multi-Fibre Agreement.

“The recent removal of an international trade policy makes the textile industry an ideal entry point for our research,” says Chittoor. “The Multi-Fibre Agreement was abolished. Our documents differential performance before and after the abolition of the Multi-Fibre Agreement.

Grant: Global Institutional Change, National Policy Interventions and Firm Strategies: Evidence from the Textile Industry

Researchers: Chittoor, R., Gustavson School of Business (Principal Investigator); Aulakh, P. (Co-Investigator), York University

Granting Body: Social Sciences and Humanities Research Council

How do governments influence firms’ competitive advantage? This is the question Dr. Raveendra Chittoor and his research partners have set out to answer by examining firms in the textile industry in India as they adapt to changes in global trade agreements, Chittoor’s work seeks to understand how national government institutions influence firms’ ability to compete on an international stage.

The research, supported by a Social Sciences and Humanities Research Council Insight grant, will undertake two studies and create a conceptual model measuring the impact of government support initiatives on the international textile industry. “In 2005 there was a major disruption in the global textile industry,” says Chittoor. “The Multi-Fibre Agreement was abolished. Our study looks at what happens in the vacuum created by this major global trade quota system being removed. How do firms perform when this support is taken away, and how is their competitive advantage influenced based on their government’s response and other institutional factors?”

Dr. Basma Majerbi

Grant: A New Framework for the Study of Financial System Structure and Macro-Financial Stability

Researchers: Majerbi, B., Gustavson School of Business (Principal Investigator); Enisuenu, V., Desautels Faculty of Management (Co-Investigator); Ayadi, R., IIEC School of Business (Partner). Sy, A., International Monetary Fund (Collaborator). Noumon, N., International Monetary Fund (Collaborator). Chaisid, I., Geneva School of Economics and Management (Collaborator).

Granting Body: Social Sciences and Humanities Research Council

Dr. Basma Majerbi has a vision of where the conversation on global financial stability could go next, and it involves a big-picture perspective. “You can read ten papers on financial stability and the authors will be using ten different measures and looking at ten different aspects of the picture,” says Majerbi. “They might be looking just at risk in banking, or the bond market, but there are many other players, like the housing market or non-bank financial institutions, that are contributing to the overall financial system stability, and these factors are not discussed in the same conversation. It’s a limitation on how accurate we can be in assessing macro-financial risk, currently.”

Majerbi’s ambitious three-year project proposal on this topic was recently awarded an approximately $200,000 Social Sciences and Humanities Research Council Insight grant. The project has several intended outcomes, one of which is a brand-new, comprehensive framework to assess the many diverse factors influencing financial system stability around the world.

Another characteristic that sets this research apart is its potential to affect the well-being of populations around the world. “Financial stability has far-reaching consequences on our lives and societies in ways that we don’t necessarily think about,” says Majerbi. “Think for example of the global financial crisis in 2008. The crisis leads to an economic recession, and at this stage governments will typically intervene to bail out the major financial institutions with the taxpayers’ money—because the failure of these institutions can lead to even more severe economic consequences. This is taxpayer money which then can’t be spent on healthcare, education, or social programs, however, so in addition to the economic and job losses from the initial financial crisis, the pressure is felt in other ways as well. Having financial systems that are stable and resilient to shocks is critically important to our wellbeing as a society.” Majerbi and her co-authors hope the findings from this project will prove valuable to policymakers and businesses alike, and enable further advances in research on macro-financial stability.

It is by no means an unexplored topic—experts have been seeking an understanding of what makes financial systems fail, and what the warning signs look like, for generations. What is new about Majerbi’s proposed research, however, is its very integrated and comprehensive approach. Another characteristic that sets this research apart is its potential to affect the well-being of populations around the world. When analysts and policymakers make their ability to predict instability in a country’s financial system, it has the potential to avert major economic downturns.

“Financial stability has far-reaching consequences on our lives and societies in ways that we don’t necessarily think about,” says Majerbi. “Think for example of the global financial crisis in 2008. The crisis leads to an economic recession, and at this stage governments will typically intervene to bail out the major financial institutions with the taxpayers’ money—because the failure of these institutions can lead to even more severe economic consequences. This is taxpayer money which then cannot be spent on healthcare, education, or social programs, however, so in addition to the economic and job losses from the initial financial crisis, the pressure is felt in other ways as well. Having financial systems that are stable and resilient to shocks is critically important to our well-being as a society.” Majerbi and her co-authors hope the findings from this project will prove valuable to policymakers and businesses alike, and enable further advances in research on macro-financial stability.