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Essay A) *

In about 500-1,000 words, please tell us about your intellectual development and future plans. This statement should address:

1. your interest in the intellectual and institutional foundations of a free society and how you expect to contribute to a better understanding of these foundations, and
2. your career goals, with particular emphasis on where you expect to be in 5, 10, and 20 years.

When people hear the word “libertarian” or “conservative”, they generally associate such words with an abandonment of any sense of equality and a delegation of economic responsibility to some nebulous concept of “the free market”. Often I have encountered those in my daily experience who assume that my beliefs are based on a conservative family upbringing, where somehow I was brainwashed into thinking the way that I do. All of these associations are disheartening, because they provide the people who use them with an “easy way out”, where they can label ideas and sort them into categories, relegating their implications into the background of academic inquiry.

The principles of a free society, however, stand squarely in opposition to many of the stereotypes used by these critics. It is from an initial goal to help others that my belief in the principles of freedom is grounded. Growing up in an incredibly liberal household, I was taught to believe in equality for all, helping those in need, saving the environment, and the opportunity for every American to receive a quality education. When I began my studies in economics, however, I realized that the way my parents had taught me to pursue these goals was counterproductive in many respects. Not only is it possible to attain these goals by using the ideas of individual liberty, but doing so is necessary to create long-term solutions for our world. Contrary to what some may assume, I have not abandoned the lessons of my childhood in the pursuit of materialistic success. Rather, I have used my education to pursue these goals in a more focused and efficient way.

It is with such ideals in mind that I have decided to pursue a career in academia. Nowhere are the lessons of a free market economy more necessary than in the developing world. The public provision of curative healthcare in lesser-developed countries has led to both a drastic decrease in the ability of the public to receive care, and a dramatic disparity between those forced to use public services and those with the ability to seek private care. By using the tools of the market in the health sector, resources can be devoted to the areas where they are needed most, and governments will enable their citizens with the freedom to make their own choices about treatment. It is for these reasons that I plan to use my education to assist developing nations to improve their infrastructure for the benefit of their citizens.

Another reason for my decision to pursue a career in academia is to enable others with the opportunity to learn what I have about the benefits of a free society. Too often, people with good intentions get bogged down by poorly designed policies or unnecessary

government intervention. Now that I have seen what a free society can achieve, it is my responsibility to share that learning with others. The written and spoken word are both powerful tools for change. As a teacher and as a contributor to my field, I will be able to incorporate both into my future career.

In this light, my future plans for intellectual development become clear. In five years, I will have completed my doctorate and hope to have obtained a tenure-track position at a university that places at least a partial emphasis on research. After ten years, I sincerely hope that my research has contributed substantially to economic thought, and enabled me to receive tenure at my institution of choice.

In twenty years, I want to be able to look back on the work that I have done and be proud of what I have accomplished. There are several ways in which I will know that I can be proud of my work. If a student lets me know that I affected his or her life in a way similar to the impact I felt from certain professors in my life, I know that I will have made a difference. If someone lets me know that a piece that I have written changed their outlook on the world in some small way, I know that I will have succeeded. Though these may seem like tiny things, it is through these tiny successes that the entire world can be changed for the better.

Essay B

A 1,000 to 2,000 word essay discussing a research paper, presentation, dissertation, or other intellectual project that you are either working on now, or have recently completed. This statement should address:

1. Any difficulties you encountered, and how you dealt with them.
2. Criticisms you have faced, or are likely to face, and how you have responded or plan to respond to them; and
3. Some mention of how this project fits in with your larger career goals.

My research generally focuses on the application of market principles to the health sector of developing countries. Recently I have been using this idea in the area of trade policy, focusing on the impacts of intellectual property on the pharmaceutical sector. This issue is especially relevant in the case of India, where a large pharmaceutical sector, proficient in the production of generics, competes nationally with the multinational enterprises of the developed world. As a country that has experienced rapid economic growth in recent years, India is a terrific illustration of the way in which institutions and the rule of law contribute to rising standard of living.

The Trade-Related Aspects of International Property Rights (TRIPS) agreement of the WTO provides a timely lens through which to view the impact of intellectual property protection. Since India has not been required to fully comply with TRIPS until 2005, the country has been required to undergo a dramatic change in its patent laws, changing from a system in which pharmaceutical patents receive a maximum of 3 years of protection to one in which all patents require a minimum of 20 years of such protection to be applied. Generally, the economics literature has been less than sympathetic to the importance of these rights. Using simulations to estimate the overall increase in price and subsequent loss in consumer surplus, these studies tend to overlook the dynamic benefits to increased incentives for research and development that patents are known to provide. I hope that my research will be able to shed some light on these benefits, in order to create a more informed arena in which the impacts of patent rights on developing countries can be discussed.

With this in mind, I have recently completed a preliminary review of the literature surrounding the application of the TRIPS agreement in the Indian pharmaceutical market. By reading a variety of papers on the topic, I was able to narrow my focus to a few key papers that could accurately summarize the main issues of the discussion. This research is a first step in what I hope will be an overall evaluation of the importance of intellectual property in developing countries. Using this research to frame the discussion, the next step that I plan to undertake is an empirical paper that can analyze the technology aspects of TRIPS in a more systematic way. Using the empirical results, I hope to formulate a compelling argument for the increasing importance of patent protection in the developing world. With patent protection as one tool in an overall system that promotes private property and the rule of law, impoverished nations can take the necessary steps toward creating an environment that is conducive to growth and prosperity.

The timeliness of the TRIPS legislation also provides significant obstacles to its evaluation. Since the legislation has only been required to be enforced in recent years, there is limited data available to measure the impacts of this exogenous policy parameter. In ten years, enough time will have passed to be able to analyze the impacts of TRIPS more fully. This is of little

consolation, however, to someone who is interested in finding support for the agreement as soon as possible. One way in which some have attempted to overcome this setback is by using econometric simulations to forecast the potential impacts that could occur. However, anyone who is familiar with comparative statics analysis knows that changing one parameter of an economic model also tends to change the variables that are endogenous to the system. Thus, attempting to simulate the impacts of patents in a world in which they do not occur could result in problems pertaining to regressor endogeneity and omitted variable bias. This bias could lead to deficient estimates of potential impacts and faulty conclusions drawn from the data. Therefore it is crucial that any empirical analysis takes these issues into account, in order to create an accurate and compelling argument that is beneficial to further work in this area.

One way that future forecasting could overcome these issues is through proper instrumentation of any unknown effects, and the careful selection of regression models that accurately model the situation in India. In addition, as the time elapsed since TRIPS implementation increases, the more accurate a study of the legislation can become in response to the increased sample size of the available data. In essence, finding the appropriate dataset and using correct econometric techniques will be critical to overcoming technical issues that arise in the empirical analysis. By recognizing these potential issues, I hope to be able to obtain results that are as relevant and useful as possible in the examination of the influence of intellectual property protection as it pertains to the pharmaceutical sector.

In the pursuit of the goals of my research, I have faced several criticisms that I must address in order to create a persuasive and convincing argument. Others in my program, when hearing of the work that I am doing, have argued that an emphasis on private property protection merely masks the “true” story behind patent rights. They assert that TRIPS is merely another example of the imposition of western values on others, and that any long-run implications of the agreement have a timeframe that is too long to ever be fully realized. My response to these arguments is twofold. First, I contend that *any* policy proposal, regardless of country or research area, must be analyzed using as much information as possible in order to reach an informed conclusion. Simply ignoring the long-run implications of patents does nothing to create an informed environment for policy implementation. It is never harmful to a legislator or other official to have more information, even if it can be argued that such information is irrelevant. Unless one has cause to believe that increased knowledge will discredit prior beliefs, there is no reason to discard it without examination. While it is recognized that information is costly, it is important to acknowledge that the possibility of obtaining the information exists before discarding it. Only those that wish to impose their own beliefs on others have any fear of knowledge. If one is searching for the truth, he or she will embrace new information for the help it may provide in finding it.

Second, the argument that TRIPS is an example of western imperialism ignores many aspects of the agreement itself. As signatories to the General Agreement on Tariffs and Trade, developing nations like India play an integral role in the creation of agreements like TRIPS. These countries possess significant influence, developing the “Most Favored Nation” status for poor nations and other exemptions that yield preferential treatment. Additionally, there is a special 10-year exemption in TRIPS specifically tailored to the needs of the poorest nations. If growing countries like India wish to be relevant in international politics, they must be prepared to follow the rules to which large countries agree. The proper enforcement of TRIPS is one way in which India can display its relevance as an international economic power and gain credibility in future negotiations.

This project is a critical component of the goals that I have set for my future career. I have always maintained a particular interest in the developing world and its relation to known economic principles. In recent years, the health sector of poor nations has become a particularly pressing issue, as nations begin to see the contributions of a healthy workforce to long-run growth. As the world becomes increasingly interconnected, I believe that trade agreements will become a critical lens through which to view these issues. Using the production of health-related goods in India as a case study, economists can be at the forefront of current research, contributing to a rising standard of living for all. In this way, my research is crucial for the promotion of a free and prosperous world.