

Econ 340 Review: Terms and Acronyms

Terms:

Absolute advantage	The ability to produce a good at lower cost, in terms of real resources, than another country.
Accountability	The requirement that recipients of development aid be held accountable for how it is used.
Ad valorem	Per unit of value (i.e., divided by the price).
Adjustment assistance	Government program to assist workers and/or firms whose industry has declined, either due to import competition trade adjustment assistance) or from other causes.
Aggregate demand	The total demand for a country's output, including demands for consumption, investment, government purchases, and net exports.
Aggregate supply	The total supply of a country's output of all industries combined, usually assumed to be an increasing function of its price level in the short run but independent of the price level in the long run.
Anti-dumping duty	Tariff levied on dumped imports, i.e., imports that are sold for an unfairly low price.
Appellate body	The standing committee of the WTO that reviews decisions of dispute settlement panels.
Appreciate / depreciate	For a country's currency to rise/fall in value.
Arbitrage	A combination of simultaneous transactions designed to profit from an existing discrepancy among prices, exchange rates, and/or interest rates on different markets without risk of these changing.
Asian Crisis	A major financial crisis that began in Thailand in July 1997 and quickly spread to other East Asian countries.
Asymmetric shock	An exogenous change in macroeconomic conditions affecting differently the different parts of a country, or different countries of a region.
Auction of quota	An import quota that is allocated by selling the rights to the highest bidder.
Autarky	The situation of <i>not</i> engaging in international trade; self-sufficiency.
Bail-in	With the same purpose as a bailout, a bail-in writes off a portion of the borrower's debt, forcing creditors to bear some of the cost.
Bailout	The provision, usually by a government, of funds to a firm or to another government in danger of insolvency so as to prevent it from defaulting on its debt.
Banking union	The integration and centralization, across a group of countries, of bank regulation, oversight, and protection against bank runs and default.
Beggar they neighbor	For a country to use a policy for its own benefit that harms other countries.

Big Mac Index	An index of PPP exchange rates based solely on the prices of the Big Mac sandwich in McDonald's restaurants around the world, published regularly by <i>The Economist</i> .
Bilateral rate	The exchange rate between two countries' currencies, defined as the number of units of either currency needed to purchase one unit of the other.
Brain drain	The migration of skilled workers out of a country.
Bretton Woods	A town in New Hampshire at which a July 1944 conference of 44 countries launched the IMF and the World Bank.
Brexit (& No Deal Brexit)	The exit of the United Kingdom from the European Union, called "No Deal Brexit" if it turns out to happen without any agreement on how it will occur.
Buy American	The idea, sometimes written into law or executive orders, that governments in the US should give preference in their purchases to US producers.
Cap and trade	A mechanism of regulation that sets upper limits (caps) on levels of action or production for individual entities and then allows them to form a market to exchange (trade) these rights.
Capital controls	Policies intended to restrict the free movement of capital, especially financial capital, into or out of a country.
Capital flow	International capital movement.
Capital-intensive industry	An industry that relies relatively heavily on inputs of capital, usually relative to labor, compared to other industries or sectors
Carbon leakage	The possibility that environmental policies such as a carbon tariff that are intended to reduce carbon emissions in one country may cause production to move to other countries with less stringent policies and thus increase carbon emissions there.
Carbon tariff	A tax on imports levied on the basis of carbon dioxide that an import's production emits into the atmosphere.
Chapters 11	The portion of NAFTA that deals with foreign direct investment, including a provision for investor-state dispute settlement.
Chapter 19	The portion of NAFTA that provides for review by an independent panel of anti-dumping and countervailing duty determinations.
Chicken tax	The U.S. 25% tariff on light trucks that is a remnant of a dispute between the U.S. and the E.E.C., which had increased the tariff on imported chickens.
Columns 1 and 2	Column 1 is the MFN tariff rates applied to countries with whom the US has normal trade relations. Column 2 is the usually higher rates that are charged on some other countries.
Common Agricultural Policy	The regulations of the European Union that seek to merge their individual agricultural programs, primarily by stabilizing and elevating the prices of agricultural commodities.
Common market	A group of countries that eliminate all barriers to movement of both goods and factors among themselves, and that also, on each product, agree to levy a common tariff on imports from outside the group.

Comparative advantage	The ability to produce a good at lower cost, relative to other goods, compared to another country.
Connectivity	Openness to international trade and other international interactions, this term is used by some development economists to capture the need for this in development.
Consensus	Unanimous agreement
Consumer surplus	The difference between the most that consumers would be willing to pay for a good and what they do pay, used to measure the benefits or costs to consumers from a price change.
Contagion	The phenomenon of a financial crisis in one country spilling over to another, which then suffers many of the same problems.
Convergence	The process of becoming quantitatively more alike. In international, it often refers to countries becoming more alike in terms of economic variables such as inflation, interest rates, etc.
Copenhagen Consensus	A series of conferences in which scholars are asked to quantify the costs and benefits of various means to address the world's economic problems.
Countervailing duty	A tariff levied against imports to offset a subsidy by the exporting country's government.
Crawling peg	An exchange rate that is pegged, but for which the par value is changed frequently by small amounts and in a pre-announced fashion in response to signals from the exchange market.
Credits	Transactions in the balance of payments that correspond to payment into the country.
Currency manipulation	The use of exchange market intervention to keep the exchange rate above or below its market-clearing rate. The term is most likely to be applied to a country that keeps its currency undervalued for the purpose of making its goods more competitive.
Currency risk	Uncertainty about the future value of a currency, especially for someone who holds an asset or financial commitment denominated in another currency.
Currency war	Efforts by multiple countries to influence exchange rates to their own perceived advantage, at the expense of others.
Current account	A country's international transactions arising from current flows, as opposed to changes in stocks, which are part of the financial account. Includes trade in goods and services (including payments of interest and dividends on capital) plus inflows and outflows of transfers.
Current account surplus	An excess of credits over debits in the current account.
Customs procedure	The practices used by customs officers to clear goods into a country and levy tariffs.
Customs union	A group of countries that adopt free trade on trade among themselves, and that also, on each product, agree to levy the same tariff on imports from outside the group.

Dead-weight loss	The net loss in economic welfare that is caused by a tariff or other source of distortion, defined as the total losses to those who lose, minus the total gains to those who gain.
Debits	Transactions in the balance of payments that correspond to payment out of the country.
Debt forgiveness	Debt cancellation
Demand-pull vs. supply-push	Causes of international migration: factors in the receiving country that attract migrants vs. factors in the sending country that they seek to escape.
Demographic transition	The change that typically takes place, as a country develops, in the birth and death rates of its population, both of which tend eventually to fall as per capita income rises.
Devaluation	A fall in the value of a currency that has been pegged.
Developing country	A country whose per capita income is low by world standards.
Dirty float	Same as a managed float, this is an exchange regime in which the exchange rate is determined in the exchange market, but where authorities do intervene at their discretion to influence the rate.
Dispute settlement	In the GATT, the adjudication of disputes among parties.
Doing Business	A project of the World Bank that rates and ranks countries by several indicators of the ease of doing business.
Dollarization	The official adoption by a country other than the United States of the U.S. dollar as its local currency. Or more generally the adoption by a country of another country's currency rather than issuing its own.
Doom loop	The negative feedback effect experienced in Europe when weak banks had made loans to their weak governments, and the weakness of each then destabilized the other.
Dumping	Export at a price that is "unfairly low," defined as below either home market price or cost.
Economic freedoms	Freedoms to engage in economic transactions, without government interference but with government support of the institutions necessary for that freedom, including rule of law, sound money, and open markets.
Economic populism	Economic policies that emphasize growth and redistribution while ignoring the associated economic risks and constraints.
Economic sanction	An economic measure used by a nation or group of nations against another, as a penalty for violating international law or international norms, or to coerce them into changing their behavior.
Effective protection	The concept that the protection provided to an industry depends on the tariffs and other trade barriers on both its inputs and its outputs, since a tariff on inputs raises cost.
Emerging market	A developing economy that whose per capita income is rising into the low-to-middle levels.
Escape clause	The safeguards clause of US law (section 201) that permits imports to be restricted, for a limited time and on a nondiscriminatory basis, if they have caused injury to US firms or workers.

Eurozone	The countries that are members of the EMU (Economic and Monetary Union) and that therefore have adopted the euro as their currency.
Exchange-rate anchor	The use of a pegged exchange rate as a means to discourage monetary expansion and therefore inflation.
Exchange-rate crisis	A speculative attack on a country's currency, both caused by and causing loss of international reserves.
Export platform	The use by firms from one country of a 2nd country or region as a place to produce for export to a 3rd country.
Export promotion	A strategy for economic development stressing exports, often through policies such as export subsidies.
Export tax	A tax on exports.
Externality	An effect of one economic agent's actions on another, such that one agent's decisions make another better or worse off by changing their utility or cost.
Factor intensity	The relative importance of one factor (labor, capital, etc.) versus others in production in an industry, usually compared across industries.
Factor of production	An input that exists as a stock providing services that contribute to production, most commonly labor, capital, and land.
Fast Track	A procedure sometimes adopted by the U.S. Congress, at the President's request, committing to simple majority vote on trade agreements without amendment.
Finance Committee	The committee of the U.S. Senate that deals with taxation, including tariffs and other international trade policies.
Financial Account	A country's international transactions arising from changes in holdings of real and financial capital assets (but not income on them, which is in the current account).
Fiscal discipline	Management of the government budget so as to avoid excessive fiscal deficits; thus restraint of government spending and/or willingness to tax.
Fiscal policy	Any macroeconomic policy involving the levels of government purchases, transfers, or taxes, usually implicitly focused on domestic goods, residents, or firms.
Fiscal restraint	Restraint of government spending and/or willingness to tax.
Flight to safety	The tendency of holders of financial assets to respond to uncertainty and disruption in the international economy by shifting their holdings to assets that they view as safe. These tend to be assets in the United States and denominated in U.S. dollars, even when the disruption has originated in the United States.
Food aid	Foreign aid provided in kind, as shipments of agricultural products from the donor country to the recipient country. Such aid may be motivated more by the needs of donor-country farmers than by needs of recipient-country consumers, and may actually be harmful to recipient-country farmers.
Foreign direct investment	Acquisition or construction of physical capital by a firm from one (source) country in another (host) country.

Forward rate	The forward exchange rate; the exchange rate agreed upon today for a transaction in the forward market, where participants make contracts today for exchange of currencies at a date in the future.
Four Tigers	The four Asian economies that were the first to show rapid economic development after the success of Japan: Hong Kong, South Korea, Singapore, and Taiwan.
Free trade area	A group of countries that adopt free trade (zero tariffs and no other policy restrictions) on trade among themselves, while not necessarily changing the barriers that each member country has on trade with the countries outside the group.
Fundamental labor standard	Any of the eight Fundamental Conventions of the International Labor Organization spelling out the most basic labor standards that are viewed as rights of workers.
Globalization	The increasing world-wide integration of markets for goods, services and capital that began to attract special attention in the late 1990s.
Gold standard	A monetary system in which both the value of a unit of the currency and the quantity of it in circulation are specified in terms of gold.
Great Recession	The world-wide recession that began with the Global Financial Crisis of 2008-9.
Gross domestic product	The total value of new goods and services produced in a given year within the borders of a country, regardless of by whom.
Guest worker	A foreign worker who is permitted to enter a country temporarily in order to take a job for which there is shortage of domestic labor.
Haircut	The loss of asset value for a creditor when a debtor defaults and then renegotiates downward the value of the loan.
Hard border	In the context of Brexit, this refers to the possible re-establishment of customs and immigration checks at the border between Ireland (part of the EU) and Northern Ireland (part of the U.K. and intended to be no longer part of the EU after Brexit).
Harmonization	The changing of government regulations and practices, as a result of an international agreement, to make those of different countries the same or more compatible.
Heckscher-Ohlin Theorem	The proposition of the Heckscher-Ohlin Model that countries will have comparative advantage in, and therefore export, the goods that use relatively intensively their relatively abundant factors.
Heterogeneous firms	Firms in an industry that are not all the same, as in the New, New Trade models of Melitz and others.
Homogeneous product	The product of an industry in which the outputs of different firms and/or countries are indistinguishable.
Host country	The country into which a foreign direct investment is made. Contrasts with source country.
Human capital	The stock of knowledge and skill embodied in an individual person as a result of education, training, and experience, that makes the person more economically productive.
ILO Conventions	The list of labor standards drawn up and ratified by members of the International Labor Organization.

Imperfect competition	Any departure from perfect competition, usually referring to monopoly, oligopoly, or oligopolistic competition.
Import license	The permit, or license, to import under an import quota or under exchange controls.
Import quota	A government-imposed restriction on quantity, or sometimes on total value, or an import per year.
Import substitution	A strategy for economic development that replaces imports with domestic production.
Income elastic	Having an income elasticity greater than one, meaning that as income rises, demand rises more than in proportion.
Increasing returns to scale	A property of a production function such that changing all inputs by the same proportion changes output more than in proportion.
Industrial policy	Government policy to influence which industries expand and which contract, achieved via subsidies, tax breaks, and other aids to favored industries.
Infant industry	A newly established domestic industry that is less productive than foreign producers.
Infrastructure	The facilities that must be in place in order for a country or area to function as an economy and as a state, including the capital needed for transportation, communication, and provision of water and power, and the institutions needed for security, health, and education.
Intangible capital / wealth	Features of an economy and its institutions that increase the productivity of its workers and firms beyond what can be accounted for by human and physical capital. These features include trust among people, an efficient judicial system, clear property rights, and effective government.
International reserves	Foreign-currency assets and gold, held by a central bank.
Intervention	Usually done by a country's central bank, this is the purchase and sale of the country's own currency on the exchange market in order to influence or fully determine the exchange rate.
Intra-firm trade	International trade conducted within a firm, as when a subsidiary of a company exports to or imports from another subsidiary or the parent company in a different country.
Intra-industry trade	Trade in which a country both exports and imports in the same industry.
Investment position	The net of a country's international assets and liabilities.
Irish backstop	A provision of the Brexit deal negotiated between the EU and the UK under Prime Minister May in 2017 that would avoid a hard border between Ireland and Northern Ireland by keeping the UK in the EU customs union and single market until a suitable trading arrangement has been negotiated.

Joint venture	An undertaking by two parties for a specific purpose and duration, taking any of several legal forms. Two corporations, for example, perhaps from two different countries, may undertake to provide a product or service that is distinct, in kind or location, from what the companies do on their own.
Large country case	Economic analysis of a policy such as a tariff used by a country that is large enough in the targeted sector to have an effect on world price.
Latin American debt problems	The default on government debt, and subsequent rescheduling, by more than two dozen less developed countries including many in Latin America, in the early 1980s.
Law of one price	The principle that identical goods should sell for the same price throughout the world if trade were free and frictionless.
Leaning against the wind	Use of exchange market intervention to try to slow the movement of the exchange rate under a managed float, and/or to reduce the amplitude of its fluctuations.
Leontief Paradox	The finding of Leontief that U.S. imports embodied a higher ratio of capital to labor than U.S. exports.
Leverage	The use of borrowing achieve larger holding of assets than could be afforded with existing funds.
Liquid capital	Assets that can be exchanged quickly for cash
Live Aid / Live 8	A pair of concerts performed in 1985, in London and New York City to raise money for famine relief in Africa, especially Ethiopia. Organized by singer Bob Geldof, it was repeated years later as Live 8, in July 2005 in 11 countries, to raise awareness of global poverty.
Loan rescheduling	Renegotiation of the terms of a loan, reducing payments by extending them over time and/or forgiving a portion of the principal.
Logistics	The process of getting products from where they were produced to where they will be used, including transportation, warehousing, and all of the information management that must accompany them.
Lost decade	There is, sadly, no single meaning for this term, as it has been applied to many episodes of economies that stagnated for most of or more than a decade. The most common example was Argentina and other Latin American countries in the 1980s.
Maastricht Treaty	The 1992 Treaty among members of the European Community that created the European Union, and also launched the Economic and Monetary Union that ultimately resulted in adoption of the euro in 1999.
Made in the world	The view said to be held by many multinational corporations that products are no longer made in specific countries but are made wherever in the world they can be produced most efficiently and conveniently.
Managed float	An exchange regime in which the exchange rate is determined in the exchange market, but where authorities do intervene at their discretion to influence the rate.
Maquiladoras	The 1992 Treaty among members of the European Community that created the European Union and also launched the Economic and

	Monetary Union that ultimately resulted in adoption of the euro in 1999.
Market-economy status	Under the rules of the WTO, when a country with market economy status is the target of an anti-dumping or countervailing duty investigation, the target country's own prices should be used for comparison with export prices. Without market-economy status, prices from substitute countries may be used.
Mercantilism	An economic philosophy that international commerce should primarily serve to increase a country's financial wealth, especially of gold and foreign currency. Exports are viewed as desirable and imports as undesirable unless they lead to even greater exports.
Mercosur	A customs union in South America, known as the "Common Market of the South," whose full members are Argentina, Brazil, Paraguay, and Uruguay.
Ministerial meeting	In the context of the GATT and WTO, a meeting of the trade ministers from the member countries.
Monetary expansions / contraction	Expansionary/contractionary monetary policy; thus increasing/decreasing the money supply.
Montreal Protocol	The agreement, signed in 1987, that limited trade in products containing CFCs (chlorofluorocarbons), which were destroying ozone in the atmosphere.
Moral hazard	The tendency of individuals, firms, and governments, once insured against some contingency, to behave so as to make that contingency more likely.
Multilateral rate	An index of the value of a currency relative to multiple other currencies, most commonly calculated as a trade-weighted average.
National security	The safety of a nation's people, property, and interests. Also the basis a request for a tariff under Section 232 of US trade law. As such, the concept has not yet been well defined.
National treatment	The principle of providing foreign producers and sellers the same treatment provided to domestic firms.
Natural rate of output	The level of national output at the long-run aggregate supply curve.
Nixon Shock	The policies announced by US President Richard Nixon on August 15, 1971: cutting the link of the US dollar to gold, a 10% import surcharge, and a freeze on wages and prices.
Non-monetary expansion / contraction	An exogenous increase in aggregate demand that is not due to an increase in the money supply. May be due to fiscal policy (a tax cut or increase in government spending or to underlying changes in sources of aggregate demand (changes in desire to consume or invest)..
Odious debt	Debt incurred by a government without the consent of, and without benefiting, the people of the country, as when the government is a dictatorship that is later replaced by a democracy. It is argued that the democracy should not have to repay that debt.

Official reserve assets	The reserves of foreign-currency-denominated assets (and also gold and SDRs) that a central bank holds, sometimes as backing for its own currency, but usually only for the purpose of possible future exchange market intervention.
Offshorable vs. not offshorable	Offshorable is a productive activity that can be done at a distance from the production process to which it contributes, including in another country.
Offshoring	Movement to a location in another country of some part of a firm's activity, usually a part of its production process or, frequently, various back office functions.
One-sided intervention	Exchange-market intervention that is only intended to push the exchange rate in one direction, such as to keep a currency undervalued.
Openness	The extent to which an economy is open to trade, and sometimes also to inflows and outflows of international investment.
Opportunity cost	The cost of something in terms of opportunity foregone. The opportunity cost to a country of producing a unit more of a good is the quantity of some other good that could have been produced instead with the same resources.
Optimal externality	The level of an externality that equates the marginal benefit of changing it to the marginal cost of changing it.
Optimal tariff	The level of a tariff that maximizes a country's welfare. In a nondistorted small open economy, the optimal tariff is zero, but in a large country it is positive, due to its effect on the terms of trade.
Outsourcing	Performance outside a firm or plant of a production activity that was previously done inside.
Overvalued / undervalued	The situation of a currency whose value on the exchange market is higher/lower than is believed to be sustainable.
Panel	A three-person committee assembled by the WTO to hear evidence in disputes between members, as part of the WTO dispute settlement mechanism.
Par value	The central value of a pegged exchange rate, around which the actual rate is permitted to fluctuate within set bounds.
Parity	Equality
Partial equilibrium	Equilibrium in only a subset of an economy's markets -- usually just one -- taking variables from other markets as given.
Pass-through	The extent that an exchange rate change appears in the prices of imported goods.
Pauper labor	Low-wage labor. Usually applied to labor in another country with wages so low that a potential trading partner fears that trade will lower its own wages to theirs.
Pegging	Maintenance of a pegged exchange rate; thus setting a currency's value within a narrow range by exchange-market intervention.
Perverse loop	The feedback effect that might undermine a currency union such as the eurozone, if fear that a country will exit the union causes capital outflow that makes exit more likely.

Petrodollars	The profits made by oil exporting countries when the oil price rose, profits that they preferred holding in U.S. dollar-denominated assets. A portion of these were in turn lent to oil-importing developing countries that used them to buy oil.
Plaza Accord	An agreement reached in 1985 among the central banks of France, Germany, Japan, US, and UK to bring down the value of the U.S. dollar, which had appreciated substantially since 1980.
Plurilateral agreement	Agreements that are signed by, and apply to, only those countries that choose to do so.
Political economy	The part of economics that concerns the interactions between political processes and economic variables, especially economic policies.
Pollution haven	A country that, because of its weak or poorly enforced environmental regulations, attracts industries that pollute the environment.
Pollution tax	A tax on a firm or industry based on the amount that it pollutes.
Population pyramid	A graph plotting, as horizontal bars on both sides of a vertical axis, the numbers of people in a country in different age ranges, with females on one side and males on the other.
Predatory dumping	Dumping (exporting at an unfairly low price) for the purpose of driving competitors out of business and then raising price.
Primary income	In the current account of the balance of payments, primary income is payment for factor services between residents and non-residents, including especially labor income flows and investment income.
Primary product	A good that has not been processed and is therefore in its natural state, specifically products of agriculture, forestry, fishing, and mining.
Principal supplier / demander	The exporting/importing country that supplies/demands the largest share of a good.
Private aid	Assistance given to developing countries other than by governments or international institutions.
Privatization	The conversion of a government-owned enterprise to private ownership.
Procurement regulation	A law or rule restricting government purchases, such as a requirement that preference be given to domestic suppliers.
Producer surplus	The difference between the revenue of producers and production cost, measured as the area above the supply (or marginal cost) curve and below price, extending from the vertical axis out to the quantity supplied, and net of fixed cost and losses at low output.
Product differentiation	When a firm's product that is not identical to products of other firms in the same industry.
Productivity	Output per unit input in a production process.
Property rights	The legally defined and enforced rules of ownership, specifying who has the right to use and to sell anything, especially a piece of land and whatever may be situated on, above, and below it.
Protection	Restriction of imports by means of tariffs and/or NTBs, and thereby insulating domestic producers from competition with imported goods.

Protection for Sale	The dominant political economy model explaining protection in terms of political contributions by protection-seeking firms to candidates for political office.
Quality upgrading	The phenomenon that exporters, when constrained by a foreign import quota, improve the quality of the product and sell for a higher price in order to capture greater revenue and profit from the limited quantity that they are allowed to sell.
Quantitative easing	Expanding the money supply by central bank purchases of assets other than short-term government securities.
Quota rent	The economic rent received by the holder of the right (or license) to import under a quota. Equals the domestic price of the imported good, net of any tariff, minus the world price, times the quantity of imports.
Race to the bottom	The idea that, if one country provides a competitive advantage to its firms by lax regulation (e.g., of the environment), then competing foreign firms will demand even weaker regulation by their own governments, and regulation will fall everywhere.
Real exchange rate	The nominal exchange rate adjusted for inflation in both countries.
Recession	A significant decline in aggregate economic activity. In the U.S., recession is approximately defined as two successive quarters of falling GDP.
Regional trade agreement	A preferential trade agreement among countries that are geographically close together, or as used by the WTO, any preferential trade agreement among countries regardless of their locations.
Remittances	Payments from one country to another that are not payment <i>for</i> anything (goods, services, assets, the use of capital, etc.), such as charitable contributions, gifts to family members, and government aid.
Renminbi	The name of the currency of the People's Republic of China, the principal unit of which is the yuan.
Rent seeking	The using up of real resources in an effort to secure the rights to economic rents that arise from government policies, such as import quotas.
Reserves	International reserves (foreign-currency assets and gold) of a government or central bank.
Reshoring	The reversal of offshoring.
Retaliation	The use of an increased trade barrier in response to another country increasing its trade barrier, either as a way of undoing the adverse effects of the latter's action or of punishing it.
Ricardian model	The classic model of international trade introduced by David Ricardo to explain the pattern of trade and the gains from trade in terms of comparative advantage. It assumes perfect competition and a single factor of production, labor, with constant requirements of labor per unit of output that differ across countries.
Rounds (Kennedy, Tokyo, Uruguay, Doha)	A set of multilateral negotiations, held under the auspices of the GATT and WTO, in which countries exchange commitments to reduce tariffs and agree to extensions of the GATT rules. Kennedy round was in the

	1960s, Tokyo in the 1970s, Uruguay in the 1980s and 90s, and the (failed) Doha Round was in the 2000s.
Rules of origin	Rules used by the customs authority specifying when a good will be regarded as produced within the country or a group of countries in order, in a free trade area, to cross a border duty-free.
Scalability	Capacity to be expanded to larger size and still function the same. This is a desirable feature of policies to assist economic development, without which they are limited in the good that they can do.
Scale economies	A property of a production function such that changing all inputs by the same proportion changes output more than in proportion.
Scarce factor	The factor in a country's endowment with which it is least well endowed, relative to other factors, compared to other countries.
Second best	Refers to choice of optimal policy when the true optimum (the first best) is unavailable due to constraints on policy choice.
Secondary income	In the current account of the balance of payments, secondary income consists of payments across borders that are not given for anything provided in return, such as remittances.
Section 201	The escape clause of the U.S. Trade Act of 1974, permitting safeguards tariffs.
Section 301	The provision of U.S. trade law that permits private parties to seek redress through the U.S. government if their commercial interests have been harmed by illegal or unfair actions of foreign governments.
Shallow integration	Reduction or elimination of import tariffs, quotas, and other barriers to trade in goods at the border, but not changes in policies behind the border, which would be deep integration.
Shrimp-turtle dispute	A case filed in the WTO against the United States for restricting imports of shrimp from countries whose shrimp were caught by means that endangered sea turtles. The WTO ruled against the U.S., enraging many environmentalists.
Silver Purchase Act	US legislation in 1934 that prompted the US government to make large purchases of silver. As China was on a silver standard at the time, this pushed up both the world price of silver and the value of the Chinese currency.
Smoot-Hawley Tariff	The Tariff Act of 1930, which raised average U.S. tariffs on dutiable imports to 53% and provoked retaliation by other countries.
Snake in the tunnel and floating snake	After the collapse of the Bretton Woods System, this was an arrangement used briefly in Europe in which currencies were permitted to vary $\pm 1\%$ against each other (thus the snake), but $\pm 2.25\%$ against the dollar (the tunnel).
Source country	The country from which a foreign direct investment is made. Contrasts with host country.
South-south migration	Migration between developing countries.
Specific tariff	A tariff specified as an amount of currency per unit of the good.
Speculative attack	In any asset market, the surge in sales of the asset that occurs when investors expect its price to fall.

Spread	The interest rate spread, i.e., the difference between the interest rate on a bond issued by one borrower and that on a bond issued by another, safer, borrower.
Standing	Having the required characteristics to bring a legal action. Under US anti-dumping law, for example, petitioners must account for 50% or more of domestic production.
Statistical discrepancy	The difference between measurements of two things that should, if accurately measured, be the same. It is therefore a measure of net errors and omissions. In the balance of payments, it is thought to primarily reflect short-term capital flows, which most often escape notice.
Sterilization	The use of offsetting open market operations to prevent an act of exchange market intervention from changing the domestic money supply.
Stimulus	Any exogenous increase in aggregate demand, such as a fiscal or monetary expansion.
Stolper-Samuelson Theorem	The proposition of the factor proportions (Heckscher-Ohlin) model that protection raises the real wage of a country's scarce factor and lowers the real wage of its abundant factor.
Strategic trade policy	The use of trade policies, including in a context of imperfect competition and/or increasing returns to scale to alter the outcome of international competition in a country's favor, usually by allowing its firms a larger share of industry profits.
Subsidy	A payment by government to the private sector in return for some activity that it wants to reward, encourage, or assist.
Sudden stop	A large negative swing in capital inflows, such as emerging markets especially may experience if they have financed current account deficits with short-term borrowing.
Sunset clause	A provision within a piece of legislation providing for its expiration on a specified date unless it is deliberately renewed.
Supply chain	The sequence of steps, often done in different firms and/or locations, needed to produce a final good from primary factors, starting with processing of raw materials, continuing with production of perhaps a series of intermediate inputs, and ending with final assembly and distribution.
Swiss Formula	A formula devised during the Tokyo Round for reducing tariffs in a manner that would harmonize them, that is, reduce larger tariffs more than smaller ones.
Tariff binding	A commitment, under the GATT, by a country not to raise the tariff on an item above a specified level, also itself called the tariff binding , the bound rate , or the bound tariff .
Tariff equivalent	The level of tariff that would be the same as a given non-tariff barrier in terms of its effect, usually on the quantity of imports.
Tariff jumping	The establishment of a production facility within a foreign country in order to avoid a tariff on exports into that country.

Tariff-rate quota	A combination of an import tariff and an import quota in which imports below a specified quantity enter at a low (or zero) tariff and imports above that quantity enter at a higher tariff.
Tax reform	Restructuring of a country's tax system, most commonly to reduce marginal tax rates while increasing the size of the tax base by covering things that were previously exempt from tax.
Technical assistance	When this is part of help to countries provided by the IMF or World Bank, this may go beyond training and advice, and include insisting on institutional changes that countries may resist.
Terms of trade	The relative price, on world markets, of a country's exports compared to its imports.
Third world	Refers to all less developed countries as a group.
Tied aid	Aid that is given under the condition that part or all of it must be used to purchase goods from the country providing the aid.
Trade adjustment assistance	A program to help workers and firms in industries that have suffered from competition with imports.
Trade balance	The balance of trade: exports minus imports, either of merchandise only or of goods and services together.
Trade Commissioner	The member of the European Commission responsible for the EU's common commercial policy and thus trade.
Trade creation	Trade between members of a preferential trading arrangement (PTA) that replaces what would have been production in the importing country were it not for the PTA.
Trade diversion	Trade that occurs between members of a preferential trading arrangement (PTA) that replaces what would have been imports from a country outside the PTA.
Trade effect of depreciation	The increase in exports and reduction in imports that occurs when a country's currency depreciates, its cheaper currency making its own goods cheaper relative to foreign goods.
Trade facilitation	This refers in the expediting the movement, release and clearance of goods, including goods in transit. This includes customs procedures and other practices that may add to the cost or time requirements of trade.
Trade restrictiveness index	The level of a uniform ad valorem tariff that would have the same overall effects as the actual tariff structure.
Trade war	A period in which each of two countries alternate in further restricting trade from the other.
Transfer payments	Payments made by the government or private sector of one country to another as a gift or aid, not as payment for any good or service nor as an obligation.
Transplant	A factory located in a country other than the home country of its owner.
Triple transformation	The standards for successful aid for economic development advanced by Sachs (2005), in 1) agriculture, 2) health, and 3) connectivity.
Troika	Term used collectively for the three institutions -- European Commission, European Central Bank, and International Monetary Fund

	-- that together tried to deal with the European debt and financial crises that began with the first Greek crisis of 2010.
Truce	In a trade war, a pause or delay of threatened tariff increases, usually while the warring parties negotiate a resolution to the conflict.
Tuna-dolphin	A dispute resulting from the U.S. ban of imports of tuna from countries that did not effectively prohibit tuna fishers from killing dolphins by catching them together with tuna in large nets.
Unfair trade	In the GATT this refers only to exports that are subsidized or dumped. In US law, it also includes interference with US exports. In popular understanding, it may refer to any trade the speaker objects to.
Variable levy	A tax on imports that varies over time so as to stabilize the domestic price of the imported good. Essentially, the tax is set equal to the difference between the target domestic price and the world price.
Wage insurance	A program to pay displaced workers, for a limited period of time when they become re-employed, a specified fraction of the gap between their old wage and lower new wage.
Washington Consensus	A set of ten economic practices and reforms deemed by international financial institutions (located in Washington, D.C.) to be helpful for financial stability and economic development.
Watch list	A list of countries that the US Treasury identifies as satisfying some, but not all, of its criteria for being a currency manipulator, and therefore that it will pay close attention to.
Ways and Means Committee	The committee of the U.S. House of Representatives that deals with taxation, including tariffs and other international trade policies.
Wealth effect of depreciation	The increase in value of foreign-currency denominated assets and liabilities relative to domestic ones that occurs when a country's currency depreciates. If, as is common, a country has borrowed in foreign currency to finance assets in domestic currency, this effect can turn positive net wealth to negative, causing extreme hardship.
World Bank	A group of five closely associated international institutions providing loans and other development assistance to developing countries. It tends to be regarded as a single institution.
Yuan	The principal unit of the renminbi, the currency of China.
Zero-sum game	A game in which the payoffs to the players add up to zero, so that a gain for one is necessarily equaled by the net loss to all others.

Acronyms:

(Most are actually initialisms, not acronyms)

AD	Anti-dumping
ATAA	Alternative Trade Adjustment Assistance
BIT	Bilateral investment treaty
CAFTA	Central America Free Trade Agreement
CAP	Common Agricultural Policy
CFC	Chloroflorocarbons
CIA	Central Intelligence Agency
CIAO	Customer feedback/Incentives/Accountability/Outcomes (Easterly)
CPI	Consumer Price Index
CVD	Counter-vailing duty
DAC	Development Assistance Committee
DFI	Direct foreign investment
DWL	Dead-weight loss
ECB	European Central Bank
ECU	European currency unit
EEC	European Economic Community
EMS	European Monetary System
EMU	Economic and Monetary Union
ERM	Exchange Rate Mechanism
ERP	Effective rate of protection
EU	European Union
EZ	Eurozone
FDI	Foreign direct investment
FTA	Free trade agreement (or area)
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GSP	Generalized System of Preferences
HIC	High income country
HIPC	Highly Indebted Poor Countries
IBRD	International Bank for Reconstruction and Development
IIT	Intra-industry trade
ILO	International Labor Organization
IMF	International Monetary Fund
ISDS	Investor-State Dispute Settlement
ITA	International Trade Administration
ITO	International Trade Organization
LDC	Less (or least) developed country
LIC	Low income country
LRAS	Long-run aggregate supply
MCA	Millennium Challenge Account
MDG	Millennium Development Goals
METI	Ministry of Economy, Trade, and Industry
MFA	Multi-Fiber Arrangement

MFN	Most favored nation
MIC	Middle income country
MNC	Multi-national corporation
MNE	Multi-national enterprise
MOFA	Majority-owned foreign affiliate
NAFTA	North American Free Trade Agreement
NGO	Non-government organization
NTB	Non-tariff barrier
NTM	Non-tariff measure
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OPEC	Organization of Petroleum Exporting Countries
PIGS	Portugal/Italy/Greece/Spain
PIIGS	PIIGS plus Ireland
PSI	Private-sector involvement
PTA	Preferential trade agreement
ROO	Rule of origin
RTA	Regional trade agreement
SDG	Sustainable Development Goals
SDR	Special drawing right
SGP	Stability and Growth Pact
SRAS	Short-run aggregate supply
TAA	Trade Adjustment Assistance
TNC	Trans-national corporation
TPA	Trade promotion authority
TPP	Trans-Pacific Partnership
TRIPs	Trade-Related Intellectual Property Rights
TRQ	Tariff-rate quota
UNCTAD	United Nations Conference on Trade and Development
USAID	United States Agency for International Development
USITC	United States International Trade Commission
USMCA	United States, Mexico, Canada (Trade) Agreement
USTR	United States Trade Representative
VER	Voluntary Export Restraint
WIPO	World Intellectual Property Organization
WTO	World Trade Organization