

Questions for PubPol/Econ 541
Sep 25-27

Policies and Institutions: International

KOM, Ch. 10, pp. 260-269:

- What reasons may motivate countries to use tariffs on imports?
- Why is the Prisoners' Dilemma relevant for understanding trade negotiations?
- By how much were US tariffs reduced from the 1930s to just after World War II, just before the GATT? How was this accomplished?
- In what ways is the WTO intended to resolve the problem of the Prisoners' Dilemma?
- What do KOM mean by the "levers" and the "ratchets"?

Jackson, Ch. 1, pp. 1-11:

- What is the date of the Jackson book? Was it written before or after:
 - The expansion of world trade?
 - The appearance of global supply chains?
 - The creation of the WTO?
 - The creation of the internet / web?
 - The proliferation of Free Trade Agreements?
- Jackson lists 11 important achievements of the Uruguay Round in its creation of the WTO. Are any of them flawed or incomplete in his view or others'?
- The WTO comprises three agreements: GATT, GATS, and TRIPS. What do each of these deal with?

Jackson, Chap 2, pp. 49-58:

- What are the two principles that promote nondiscrimination?
 - Are there exceptions to these principles?
- Does the WTO permit export subsidies? Why or why not?

Rodrik, Dani, "What Do Trade Agreements Really Do?" *Journal of Economic Perspectives* 32(2), Spring 2018, pp. 73-90.

- Rodrik proposes an alternative to the standard political economy explanations of trade policy. What group plays the main role in the explanations of others, and what group plays the main role in his?
- Why are these two sets of interests different in terms of the welfare effects of the trade policies that result?
- The two stories also differ, although Rodrik doesn't say much about this, in that the old story involves government pushing against the special interests, while his story is about government helping the (different set of) special interests. Why, in your opinion, might governments think their actions in the two cases are consistent?
- Why are today's trade agreement so much longer, in pages, than earlier ones?

- What are the four issue areas that Rodrik addresses specifically, and why does he argue that including these in trade agreements is undesirable?
- What groups of companies does Rodrik criticize specifically?
- When and why did trade agreements shift from resisting import protection to promoting the interests of exporters?

Geneva Trade Platform, “Multi-Party Interim Appeal Arbitration Arrangement (MPIA),” Geneva Graduate Institute, Konrad Adenauer Stiftung, undated. [4p]

- What does MPIA stand for?
- What country’s actions prompted the creation of the MPIA? How?
- How many countries are members of the MPIA?
- What important countries are not members?
- Who will decide appeals?
- What objections to the Appellate body are mentioned?

Alden, Edward, “Free Trade is Dead. Risky ‘Managed Trade’ Is Here,” *Foreign Policy*, July 20, 2021. [5p].

- Is it really “free trade” that the author is saying we once had and now are losing?
- Why are countries departing from nondiscrimination?
- If the concerns that are motivating these policies are valid, why is he concerned?
- What principle does the WTO already enforce that he thinks should be given more emphasis in dealing with these forms of managed trade?

Beattie, Alan, “The WTO’s marathon exercise in staying alive,” *Financial Times*, June 17, 2022. [3p].

- Where did this ministerial meeting take place?
- Did it address important issues? Did it make progress on them?
- Does the author fault the leaders of the WTO?
- What countries are criticized? Why?

White, Edward, Demetri Sevastopulo, and Eleanor Olcott, “China Hits Back at US Chip Sanctions with WTO Dispute,” *Financial Times*, December 13, 2022.

- On what basis did the US claim it was restricting chip exports to China? **hamper China’s ability to use high-end US technology for military applications.**
- What has China now done, and what is likely to happen?
- Does the US accept that the WTO has jurisdiction on this?
- Aside from this complaint, how is China responding to these restrictions?
- Are any other countries involved?

Optional to Read:

Jackson, Chap 2, pp. 31-49, 58-78:

- What country was the major advocate of an International Trade Organization after World War II? What country prevented it from coming into being?
- The Uruguay Round included what Jackson calls the “single package” idea (which has more recently been called a “single undertaking”). What is that, and how did it differ from the previous trade round (the Tokyo Round)?
- What grandfather rights, if any, are included in the WTO?
- Does the WTO restrain anti-competitive practices (e.g., monopoly)?
- Why does the WTO (and the GATT before it) rely on “consensus” for most major decisions, rather than some sort of majority voting? How is consensus interpreted, and why does it give richer countries more say than poorer ones? Is there an alternative to consensus for making decisions?
- Did the GATT lower tariffs substantially?
- How are WTO rules enforced, if a country is found to violate them and does not change its behavior?
- What were, under GATT, the two methods by which a customs territory could become a signatory? Do both of these methods still apply under the WTO?

Schlesinger, Jacob M., “How China Swallowed the WTO,” *Wall Street Journal*, November 2, 2017.

- What are some signs of the success of the GATT/WTO since the GATT was formed?
- Why and in what ways has the WTO fallen behind in keeping its rules up to date?
- Since joining the WTO, to what extent has China made use of his dispute settlement mechanism? Has it been able to win most cases over the US?
- Why does China want market-economy status, and why does it feel it deserves it?
- How and when has the US interfered with the functioning of the WTO’s Appellate Body?