



# The Trade Policy Jungle

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# To Start: A Paradox

- Why is it that at a time when
  - trade policy is increasing contested,
  - trade initiatives (including RTAs) abound, and
  - empirical international trade research has grown in profile for 15 years...fewer academic economists contribute regularly to policy debates on commercial policy options and the analysis of actual trade policy is somehow faintly disreputable?
- So what? Is this paradox a concern? Yes.

# Questions raised by the Paradox

- Why has the Paradox come about?
- Why do many academics get frustrated during forays into the trade policy jungle—and what can they do to improve their performance in that arena?
- What determines the supply and demand for relevant insights into the different commercial policy options?
- Approach taken here (and in the paper) is to address the last question first and then use the ideas put forward to answer the second question.

# My Working Hypothesis

- There is much to be learnt from thinking through the demand for research findings on the efficacy of different commercial policy options.
- Most academic forays into the jungle are supply-side driven ventures with little attention to the determinants of the demand side; that frustration results isn't terribly surprising.
- Frustration at failure has several adverse knock-on effects, including the denigration of policy-relevant research.

# Analysing the Demand for Research Findings

- Who?
- What?
- When?
- Where?
- Why?

# Some pointers arising from thinking about the demand side

- Decisions by policymakers drive demand.
- Differentiate between high-level discussions and decisions—only the latter really drive demand.
- Deadlines for decisions facilitate forward planning.
- Meeting this demand is not a part-time job.
- Initial fixed and sunk costs call for specialisation.
- Maskus' Law: If you can't be the smartest, be the first.

(NB: Paper contains other tips on improving supply side performance.)

# Assessing various trade policy-related research projects

Two topics that meet the principles outlined earlier:

- Aid for Trade (Mid-2005 to Mid-2006).
- Singapore Issues (2001 to 2003).

...And two topics that don't:

- Special and Differential Treatment (2001-)
- WTO Accession (1995-)
  
- Caveats.

# Summarising my argument

- Paradoxically, just when trade policy is so “hot” so few academics regularly contribute to the policy discourse.
- The Trade Policy Jungle is not a “black box”: it can be analysed in supply and demand terms.
- Insufficient attention has been given to the demand side of the market—and probably explains why many academic forays into the Jungle end in tears.
- Some tips can help identify the more promising areas for research—and valuable attributes.