

# **GTFA**

## **The Global Trade and Financial Architecture Project**

DFID – The World Bank

### **Final Report**

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### **Table of contents**

#### **Introduction**

#### **1. Increasing Transparency in the Global Trade and Financial System**

- Monitoring Protectionism
- Monitoring Trade Remedies
- Assessing Barriers to Trade in Services
- Measuring the Impact of Regional Trade Integration

#### **2. Analysis of Policy Responses to the Crisis**

- Global Supply Chains and Measurement of Trade
- Promoting the Successful Conclusion of the Doha Development Agenda
- Development and Doha
- The services negotiations

#### **3. The WTO and the Doha Round**

- The value of trade policy disciplines and trade rules
- Trade Preferences Erosion
- WTO accession
- The political economy of trade policy in the BRICS
- From the G8 to the G20

#### **4. Aid for Trade**

- Engaging the Private Sector on Aid for Trade
- Monitoring and Evaluating the Impact of Aid for Trade
- Duty free quota free access for LDCs

#### **5. Identifying Global Solutions to Global Issues**

- Addressing Global Imbalances
- Adjusting to Trade Opening
- Improving Food Security and Developing Agriculture
- Addressing the Employment Challenge
- The Trade and Climate Change Interface

#### **6. Conclusions**

##### **Annex 1: Activities and Outputs**

##### **Annex 2: Participants**

## The Global Trade and Financial Architecture Project, June 2008—June 2011

### Introduction

The GTFA was launched in June 2008. The main goal was to support work that would help identify options to reinforce and reinvigorate multilateral economic cooperation in ways that makes globalization more inclusive and sustainable. The project built on the achievements of a prior program supported by DFID with a similar structure and the same co-chairs – Ernesto Zedillo (Yale) and Patrick Messerlin (SciencesPo) – that was focused on identifying options for concerted action and initiatives to enhance the ability of developing countries to make use of international trade opportunities and benefit from market access liberalization by the major trading nations. Members of the steering group are listed in an Annex.

The lifespan of the project coincided with a period in which there were dramatic developments in the global economy. Following a period of steady and high rates of growth in global output and trade, starting in the second half of 2008 the world was hit by the disintegration of the subprime mortgage market in the US and the subsequent global financial crisis, recession, and collapse of world trade. Whereas before the crisis the focus of trade and development policymakers was on sustaining growth, improving the distributional outcomes of the process of globalization (across countries and within countries), and identifying ways to conclude the Doha Round, as of 2009 the focus of attention was on getting out of the crisis and ensuring that national efforts to boost economic activity and stimulate employment creation did not result in nationalism and the types of beggar-thy-neighbor policies used in the 1930s.

As a result of the crisis the activities supported by the GTFA project were adjusted, with a substantial effort being brought to bear on an area of work that had already been identified as a priority in the design stage of the project: enhancing transparency of trade policies and collecting and providing cross-country datasets as a public good. In fact, investments made under the GTFA and its predecessor that had generated up-to-date and comprehensive information on the use of antidumping and related instruments of “contingent protection” proved their value during the crisis. They became a frequently cited source of data to monitor the use of trade policy responses by governments to the crisis. In 2009 the GTFA complemented the ongoing and already established effort to compile data on antidumping and safeguards – in what is now called the Temporary Trade Barriers Database – with support for the Global Trade Alert (GTA), in collaboration with a number of other donors and partners. The GTA helped mobilize attention on the trade-related policy responses to the crisis and illustrated that the focus of the GTFA on filling gaps in the available databases and information on trade-related policies – which by its nature is a longer term effort – is an important one. The crisis revealed that up-to-date, detailed information on trade and industrial policies is an important ingredient in generating the transparency that is needed to support multilateral cooperation and the open trading system. While a number of such gaps have been addressed and there is an increasing focus by international organizations such as the WTO in undertaking a much more active data collection and reporting role than before the crisis. The GTFA-supported data projects and joint ventures have demonstrated that compilation of data on policies is feasible and generally not very costly. However, ensuring that the data collection efforts are sustained remains a challenge given the public good nature of such data.

Data are of little value if not used (and useful) for policy-relevant analysis. The types of monitoring of policies that were undertaken with support from the GTFA can be useful in themselves by raising awareness through reporting via the media of trends and recent developments, but from an economic policy perspective these data need to be inputs into analysis of the determinants and incidence of the instruments that are used by governments, including their effects on trading partners. The GTFA supported a significant number of such analyses directly, but arguably more important is the use that is made by analysts and researchers around the world of the data that was collected. As described in this report, the use of both the TTBD and the GTA by analysts has been significant.

Another major focus of attention of the GTFA has been on the multilateral trading system – the WTO and the Doha Round. The Doha Development Agenda remains deadlocked and prospects for an eventual deal remain cloudy. Work supported by the GTFA and undertaken by people affiliated with the GTFA has focused on analysis of “what is on the table” in Doha and assessing the likely value of a potentially feasible deal from both a global welfare and a development perspective. A theme emerging from the analysis that was undertaken is that complementary actions are an important part of the “development dimension” of international cooperation on trade – especially “aid for trade” and action to reduce trade costs in low-income countries. It remains to be seen whether the major players and country groups will be able to craft a minimally acceptable Doha deal. A precondition for any such deal is likely to be a revised approach towards negotiations and re-focusing of attention on issues that are of importance to key stakeholders – especially the business community. The GTFA generated a number of papers and proposals on ways forward and these have been inserted into the policy debate through policy briefs, presentations to the negotiating community in Geneva and elsewhere. Substantial attention was devoted to the potential payoffs of focusing greater attention on services policy reforms. The project’s co-chairs and a number of steering committee members were particularly active in public engagement to make the case why Doha matters – not just in and of itself but for the trading system.

The first incarnation of the project helped play an advocacy role in launching the aid for trade initiative in 2005. The focus of the more recent GTFA activities on aid for trade has largely been on the private sector dimension of trade capacity building and more rigorous evaluation of aid for trade. Large enterprises with international operations often undertake significant capacity building activities in developing countries and the private sector more generally is a key beneficiary of aid for trade projects that reduce trade-related costs. One of the achievements of the GTFA has been to start a process of engagement with large multinational firms of aid for trade, starting with an effort to collect information on what such firms already do to strengthen trade capacity in developing countries. The GTFA was also instrumental in developing several pilot projects with industry associations that are being implemented in developing countries and launching a dialogue between the World Bank and the express industry on using internal transactions data on international shipments to monitor the performance of border posts and ports.

Research on adjustment costs, on the labor impacts of the crisis, including through adjustments in supply chains, the impacts of food price increases on the rural poor in low-income countries, and the determinants of sustaining supply responses to agricultural policy reforms in Sub-Saharan Africa comprise another set of outputs supported by the GTFA. These are embodied in two books published by CEPR, reports and working papers, and led to a number of joint projects/events with several organizations, including the ILO and the OECD, as well as inputs into G20 discussions.

What follows first briefly summarizes the broad contours of the work program that was established under the GTFA and how this was adjusted in 2009 to respond to the crisis. Subsequent sections then discuss the projects major outputs and achievements. The approach is not comprehensive in that not all of the various activities, events and products are discussed. A comprehensive listing of all outputs and activities is contained in the Annex.

## **The Work Program**

The GTFA steering group held its first meeting in June 2008, with discussion informed by background notes and written contributions prepared by several steering group members. Ultimately, the group agreed on a number of specific themes that have a direct bearing on the over-arching question that motivates the project: identifying options to reinforce and reinvigorate multilateral economic cooperation in ways that makes globalization more inclusive and sustainable. Recurring themes included: trade and trade-related policy dimensions of climate change and commodity price shocks; the domestic and international political economy of sustaining and expanding international trade and investment, including through preferential trade agreements (PTAs) and/or the unilateral policy agenda; enhancing inclusion/expanding trade-linked job creation through economic and social upgrading; recognizing, assessing and addressing the political economy of domestic adjustment costs; IFI reform and strengthening surveillance, including regulatory regimes and the impact of sovereign wealth funds; the impact of emerging players (“BRICS”) and their likely approaches/preferences re: international cooperation (bilateral/regional arrangements; WTO); and liberalization of international movement of people/workers.

Projects that were subsequently launched included the following:

- the collection and publication of a global antidumping and safeguards database;
- the collection and publication of a database on policies affecting trade in services;
- the assessment, through a business survey, of the impact of the Pan-Arab FTA on changes in cross-border trade costs;
- research on the political economy of trade and financial policies in the BRICS;
- research on the impact and policy responses to commodity price fluctuations, with a particular focus on poverty effects in low-income countries;
- research on adjustment costs of trade reforms and trade shocks;
- research on the trade and investment consequences of crisis policy responses;
- research on the employment effects of off-shoring;
- research on the political economy of trade policies in Africa;
- research on the value of trade rules embodied in trade agreements;
- research on global finance and responses to the financial crisis;
- research on trade policy and the climate change agenda, including “green protectionism”; and
- a series of policy notes on these and related topics.

It was recognized that to undertake analysis on a number of the questions identified an effort was needed to collect/compile information. Two priority areas for data collection were better information on implementation of regional/preferential trade agreements (PTAs) and compilation of comparable information across countries on applied policies affecting services trade and investment. A third area that was discussed concerned non-tariff measures – in particular subsidies, an area where we have little comparable data.

There was general agreement that in moving forward it made sense to target two types of outputs: (i) policy papers that can be prepared in a relatively short time frame and that draw on or synthesize and apply existing bodies of knowledge and data collection; and (ii) research with a longer gestation period. It was also recognized that a premise of the modus operandi of the group is that members represent an international network of policy makers and researchers, who will draw on existing and on-going analysis. The intention was not to achieve a consensus or to draft “commission style reports” but to generate research to help formulate evidence-based policy and foster international cooperation, and to generate data on specific issues that would constitute public goods.

Following the launch of the GTFA-2, the financial crisis hit the world economy, affecting the economic prospects of both developed and developing economies, and threatening both the globalization process and the global trade and finance architecture. The threat of economic nationalism and protectionist pressures greatly increased the attention being given by the policy and research community to the questions that are central to the GTFA. The GTFA was responsive to these developments, shifting priorities and expanding ongoing as well as commissioning new projects centered on data collection relevant to monitoring and analyzing policy responses to the crisis.

A scaled-up work program was agreed that expanded/revised the initial set of activities to focus on various dimensions of the crisis and targeting the G8 and G20 agendas. Specifically:

- With respect to work on adjustment costs, expand the focus to span employment impacts of the trade collapse and adjustment policies;
- With regard to responses to the crisis, greater focus on the systemic impacts affecting developing countries and their upgrading strategies and prospects within GVCs;
- Regarding multilateral rules, ensure greater focus on extent to which policy responses to the crisis imposed negative externalities on trading partners and abided by international disciplines; and
- Data collection – an expanded focus on collection of information on applied trade policies to better inform policy making in those sectors and to measure the effects of the crisis, raise awareness about the negative impacts of uncoordinated crisis policy responses.

As was stressed in the first GTFA progress report, economic developments (financial crisis; credit crunch; global slowdown) greatly increased the attention being given by the policy and research community to the questions that were central to the GTFA. One result was that the group was able to benefit from and draw on parallel efforts and analysis to a much greater extent than was anticipated when designing the project. In fact many relevant papers, reports and analyses were generated during the 2009-11 period that were either co-funded with others, or did not require any financial contribution from the project as work was undertaken on a pro bono basis by steering committee members and analysts affiliated with the project, or implemented as part of the regular work programs of organizations to which people are (were) affiliated as part of their response to the crisis.

What follows describes the project’s outputs and activities under three broad headings: (1) increasing transparency in the global trade and financial system; (2) improving global economic governance; and (3) identifying global solutions to global issues.

## 1. Increasing Transparency in the Global Trade and Financial System

Lack of transparency –especially in the financial sector– contributed to the 2009 global economic crisis. Since then, political leaders issued numerous calls for increased transparency in the global economic system. This has resulted in several concrete initiatives and responses by international organizations. A recent example is the launch by the G20 of an Agricultural Market Information System to increase transparency on food stocks (September 2011). The GTFA has made significant contributions on this front and developed a number of “public good” databases and monitoring instruments. The objectives have been (i) to fill in information gaps –e.g. absence of data on obstacles to services trade, impact of bilateral/regional trade agreements or Aid for Trade, and (ii) to discourage beggar-thy-neighbor type of policies –e.g. monitoring of protectionism and trade remedies. Media coverage, inputs into policy making, and use by the public at large of GTFA-supported outputs (as reflected in downloads and use of databases by analysts) all confirm the existing need for such instruments.

### ***Monitoring Protectionism***

When leaders of the G20 met in London on 2 April 2009, they reaffirmed their commitment to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO-inconsistent measures to stimulate exports. They also committed to minimize any negative impact on trade and investment of their domestic policy actions including fiscal policy and action in support of the financial sector. One of the major focus areas of the GTFA was to support an effort to monitor the respect of this commitment – through the Global Trade Alert, an independent global database on trade restrictive measures; the Temporary Trade barriers Database; and the collection of data on services trade and investment policies.

- **The Global Trade Alert database**

Launched in London during World Trade Week UK (8 June 2009), the Global Trade Alert project ([www.globaltradealert.org](http://www.globaltradealert.org)) is aimed at identifying and analyzing in real time the potential effects of measures taken by governments during the current global economic crisis that are likely to discriminate (de jure or de facto) against foreign commerce. This project is a joint venture involving a number of think tanks and institutes around the world and was supported financially by a number of governments and organization.

Since its June 2009 launch in London, Global Trade Alert (GTA) has provided detailed information on state measures taken during the global economic downturn that are likely to alter the treatment of foreign commerce.

- Approximately 1,800 state measures have been investigated and reported on the GTA website ([www.globaltradealert.org](http://www.globaltradealert.org))
- Nine periodic GTA periodic/regional reports have been produced, which included comprehensive coverage of all the government measures contained within the GTA database, as well as a range of papers and essays on regional perspectives and analyses.
- The website has been used by tens of thousands of users. 8,200 users have returned to the website 15 times or more since its creation.
- GTA’s work has been reported in at least 200 newspaper articles worldwide and in many other periodicals (a detailed summary of press reportage is available on request) – from *Xinhua* in

China to the *Financial Times* (which stated that without GTA “things might be much worse”) and *The Economist*, as well as speeches of Leaders.

- GTA has become the major independent repository of information on policy measures that affect trade, a fact acknowledged in the speeches of many senior policymakers and business leaders around the globe. Academics and institutions alike are now customary users.
  - The GTA has brought together an independent worldwide network of trade policy analysts, in doing so supporting one developing country research institute and several individuals to rapidly establish their trade policy expertise; has developed strong informal connections to private sector associations and leading firms; all reinforced by a growing group of GTA supporters inside governments, international organizations, the media, and civil society.
  - Analytical studies have been undertaken, which provided analyses of the trade policy-related choices taken by governments and commercial policy options going forward – including possible paths to unwind the measures taken.
- **Monitoring Trade Remedies: Temporary Trade Barriers Database**

Formerly known as the Global Antidumping Database, the GTFA-sponsored Temporary Trade Barriers Database (TTBD) has been an initiative supported by the GTFA and its predecessor. The latest version provides detailed data on the use of the antidumping (AD) by twenty-five different national governments, as well as all WTO members’ use of safeguard (SG) measures, China-specific transitional safeguard (CSG) measures, and most of the global users of countervailing duties (CVD). The information provided in this detailed data base covers over 95% of the global use of these particular import-restricting trade remedy instruments.

This data collection effort is the first attempt to use original source national government documentation to organize information on *products* (HS codes), *firms*, the *investigative procedure* and *outcomes* of the historical use (since the 1980s) of the antidumping policy instrument across most of the WTO system’s users. Data on SG investigations includes information on *products* (HS codes), the *investigative procedure* and *outcomes* as well as details on the *structure* of measures (including *exempted* countries) of the policy’s use from 1995 to 2009 by all WTO members. It also reports more and recent data on a number of smaller users of AD, and provides matching information for data on challenges to AD, SG and CVM via the WTO’s Dispute Settlement Understanding (DSU).

The TTBD has become the leading reference on trade protection policy for scholars and the media. In addition to the Global Antidumping Database, the TTBD includes data on other contingent trade protection policies such as countervailing duties, and global and China-specific safeguards. The database now includes more than thirty national governments’ use of these policies as well as disputes among these governments in the WTO Disputes Database within the TTBD. The data is updated regularly with frequent monitoring reports that examine the evolution of these trade remedies—monitoring reports have been issued that can be downloaded on the TTBD dedicated website.

The underlying data was featured, among others, in *The Economist*, *Business Week*, *The Wall Street Journal*, and *Reuters*. The TTBD is widely used in policy research as well, including the Economic Report of the President authored by the Council of Economic Advisors. A complete description and access to the data, reports and press or scholarly articles are available [here](#).

## ***Assessing Barriers to Trade in Services***

Services trade plays an increasing role in the global economy. Permitting foreign firms to compete in services markets is potentially a powerful channel to reduce costs and raise the quality of services as well as a mechanism for technology diffusion. Although the importance of services trade is increasingly recognized, policymakers and analysts have not had access to data on how open countries are to international transactions in services (under all four modes of delivery). The lack of data has made it difficult to examine the relationship between policies and performance, and to identify priorities for domestic reform and international cooperation. It has also impeded negotiations on market opening. By collecting policy information for services trade, the project aims to remedy the gap in our knowledge of services policies, and to facilitate research that will lead to more informed policy-making and negotiations, including at the regional and multilateral levels.

In 2007 the project team developed a questionnaire on “Impediments to Services Trade and Investment”. The surveys focus on five key sectors: financial services (banking and insurance), telecommunications, retail distribution, transportation, and professional services. In each sector, the survey covers the most relevant modes of supplying the respective service: cross border trade (mode 1 in WTO parlance) in financial, transportation and professional services; commercial presence or FDI (mode 3) in each service sector; and the presence of service supplying individuals (mode 4) in professional services. Since 2007, the questionnaire has been revised and improved significantly.

Using this questionnaire, surveys have been conducted in 76 developing countries and comparable information obtained for 24 developed countries to date. The results of the initial round of surveys have been analyzed and compared with the GATS commitment and Doha Round Offers. This analysis has been disseminated through a World Bank Policy Research Working Paper and been presented at the WTO, OECD and other international and national policy fora. The team is building a comprehensive database on services trade policies and obtaining the country clearances needed for public posting of the data.

There is significant interest in and demand for the data, including by regional organizations that want to use the methodology and the database to monitor progress in the implementation of regional integration of services markets and establish benchmarks for policy and future policy reforms. Such expressions of interest have been received by the team from ASEAN, APEC, PAFTA, and CEFTA. The data have also been used for analysis of the potential impacts of services policy reforms at the country level, particularly in East Africa and Central Asia.

## ***Monitoring the Implementation of Regional Trade Agreements***

The effects of RTAs on the multilateral trading system and global trade integration remain controversial but it is clear that RTAs are here to stay and have become an important element of the global trade architecture. Ex ante reviews of RTAs in the WTO have become more informative and comprehensive, but remain focused on the language of agreements, whereas trade policy reviews of countries involved in RTAs are limited to customs unions. Very little is known about the extent to which RTAs are implemented and what effects they have in driving trade and regulatory reforms. At the start of the GTFA-2 it was agreed to allocate resources to a pilot effort to assess implementation of several RTAs. The presumption was that more regular monitoring and assessment of implementation performance

would help to engage the private sector in holding governments accountable, and to identify priority areas for action, at both the national and the sub-regional levels.

- **Changes in the cross-border trade costs in the Pan-Arab free-trade area, 2001-2008**

A first pilot study was implemented in the MENA region with a firm-level survey of smaller trading companies in nine Arab countries. This survey was used by Bernard Hoekman and Jamel Zarrouk to assess the implementation and effects of the Pan-Arab Free Trade Area (PAFTA). It concludes that, for a majority of respondent companies, tariffs on intra-regional trade have largely been removed, and that there has been a marked improvement in customs clearance-related procedures. Costs associated with administrative red tape and weaknesses in transport-related infrastructure services are now ranked as the most important constraints to intra-regional trade. This suggests that from a policy perspective, efforts to reduce real trade costs deserve priority, including transportation and logistics services.

A brief [<download here>](#) and a longer version [<download here>](#) of the study were posted on the GTFA website. The results of the survey and the study have been presented to Ministers at the World Bank/IMF Annual Meetings, and led to a dialogue with the Arab League/PAFTA secretariat on replicating the effort. The World Bank is currently engaged with the Arab League to provide technical assistance on collecting information on border policies (non-tariff measures).

- **Regional Trade Integration Portal**

The result of a GTFA nurtured project that started with a conference at the University of Sussex held in September 2009, support was given to the development of an interactive, knowledge-sharing platform that links and consolidates existing knowledge on regional trade agreements. Although started under the GTFA, it was subsequently taken over by the Multi-Donor Trust Fund (MDTF) for Trade and Development with a more ambitious set of objectives, including a comprehensive handbook/toolkit on good practices. This move allowed both a scaling-up of the activity and capturing synergies with other work on RTAs that was already funded by the MDTF.

This regional integration portal (RTIP) includes selected comparative searchable web-based databases, analytical papers and notes on selected topics or RTAs, toolkits and indicators on RTAs. The RTIP is a source of information for policymakers and trade negotiators in developing countries on the legal, economic, and development implications of alternative types of commitments on behind the border policies that are increasing on the table in RTA negotiations.

## **2 Analysis of Policy Responses to the Crisis**

The World Bank and the London-based Centre for Economic Policy Research (CEPR) jointly organized a conference on the trade implications of policy responses to the crisis (Brussels, 26-27 May 2009), with the financial support of the GTFA and the European Commission. The conference offered the first “reality check” on the implementation of London Summit commitments.

Leading academic experts and staff of the World Bank, EU, AFD, DFID, IMF, ITC, OECD, UNCTAD and the WTO focused their presentations and papers on reviewing domestic policy responses to the crisis

(category by category, or sector by sector), with a particular emphasis on cross-border (trade and investment) effects and slippages toward increased discrimination against foreign firms or products.

The main conclusions of the conference were summarized in an e-book (*The Fateful Allure of Protectionism: Taking Stock for the G8*) that was released in time for the Aquila G8 <[download here](#)>. The more fully developed papers by the contributors to the E-book were subsequently edited and compiled in a volume jointly published by the World Bank and CEPR (*Effective Crisis Response and Openness: Implications for the Trading System*), complemented by a number of papers that were commissioned separately. The unedited versions of all the papers are available on the GTFA website <[here](#)>.

The E-book has been downloaded over 10,000 times, and was widely cited in various media (including the *Financial Times* and *The Economist*). The contribution on exchange rate policies by Charles Wyplosz and Sebastian Weber was the most frequently downloaded paper of the series <[download here](#)>. The contribution on FDI protectionism by Karl Sauvant was re-published in the October 2009 *World Bank Research Digest* on the basis of its high quality, relevance for policy, and usefulness for the development community <[download here](#)>.

While not directly financially supported by the GTFA, Chad Bown, the manager of the effort to compile the GTFA funded Temporary Trade Barriers Database, organized a series of country studies focusing on the use of temporary trade barriers by countries, which were published by CEPR in 2011 in *The Great Recession and Import Protection, The Role of Temporary Trade Barriers*. This is available for download [here](#).

These various analyses are complemented by a number of papers and assessments of trade policy actions taken by G20 countries. These are listed in the Annex. A number of these were published in one of the GTA reports, others are available as working papers. Work is planned to compile the best of these papers into a volume (E-book).

### ***Global Supply Chains and Measurement of Trade***

To complement the policy monitoring efforts and related research, the GTFA also supported projects aimed at analyzing the potential effects of the crisis on global value chains and whether and how the organization of global production has been changing. Many of the working papers that were produced are available on the GTFA website. <[here](#)>

A set of papers on global value chains were pulled together by Olivier Cattaneo, Gary Gereffi and Cornelia Staritz and published in a World Bank volume <[here](#)>. This GTFA book concludes that the organization of global trade and production in GVCs has been resilient and will remain a crucial structural feature of the world economy. However, two important trend shifts in global production and demand are likely to have been accelerated by the crisis. First, the consolidation of GVCs at both the country and firm levels. Second, the shift of markets to the South. While these changes create opportunities for development, there are also new challenges, as the benefits and barriers are unevenly distributed among developing countries. A conclusion of the volume is that these developments may result in greater inequalities among developing countries.

The book was launched at the OECD in Paris in September 2010 and the World Bank in October 2010. It was reprinted in India by Academic Foundation in 2011 and led to a follow-up publication in Brazil of a special issue (vol. 4, issue 1/2/3, 2011) of the International Journal of Technological Learning, Innovation and Development dedicated to *Shifting End Markets and Upgrading Prospects in GVCs*. This volume further explored the link between GVCs, end markets, and upgrading prospects and strategies in developing countries. <[download here](#)>

Many of the GVC papers were discussed at a workshop at the ILO in 2011, as part of a joint effort of international organizations to define a work program on global value chains, in coordination with the “Capturing the Gains” project sponsored by DFID. The work has also been used for operations in Kazakhstan in the context of the largest current World Bank transport lending operation.

The research centering on GVCs also proved to be relevant for a question that has gained prominence in policy circles in the last year or so—the extent to which measuring global trade on a gross value basis is a misleading indicator of the value added that is produced in a country. Some have argued that trade data as it is collected today does not properly reflect the relative weight of economies, but rather the positioning of individual countries in global value chains (see e.g. Financial Times article by WTO Director General Pascal Lamy “Made in China tells us little about global trade”, January 2011, [here](#)). This has mobilized work in the WTO and OECD as well as other institutions. The GTFA contributed to some of these efforts, including through a jointly sponsored workshop with the OECD in September 2010, where a number of GVC papers were presented.

- **The political economy of trade policy in the BRICS**

A number of research papers focusing on a number of major emerging countries analyzed, for each country: (1) its current trade investment policy and its evolution over the last twenty years, (2) an assessment of the political economy of domestic trade policy making in the each of the countries, and (3) a discussion of the political economy of international strategies. A conference organized in New Orleans by Doug Nelson (Tulane University) in March 2009 brought the authors together to discuss their respective findings. Several of the contributions and a number of additional papers analyzing the political economy of trade policy in the BRICs that were commissioned as part of the Global Trade Alert were published in several of the regional GTA reports so as to reach a broader audience. <[here](#)>

- **From the G8 to the G20**

GTFA work and members have influenced several G20 debates and outcomes. Since the London Summit, a feature of the GTFA program has been to respond/contribute to G20 mandates and discussions. Many GTA reports were timed ahead of G20 summits. In addition, the program has provided some analysis of the governance and functioning of the G20 process.

The emergence of the G20 has changed the global trade and financial governance landscape. It is unclear what the implications and effects of this development are for multilateral cooperation and institutions. Articles in *The Globalist* ([here](#)) and *Les Echos* ([here](#)) reviewed the challenges facing the Seoul G20. In a Yale Global article ([here](#)), GTFA co-chair Ernesto Zedillo commented on the Seoul G20 meeting that concluded without a serious plan for coordinating macroeconomic policies. While global leaders recognized that inconsistent, poorly coordinated policies spurred the global economic crisis,

Zedillo warned against the danger of mercantilist, unilateral approaches that could negatively affect trading partners and result in trade and currency wars, and offered a number of recommendations to prevent such outcomes.

### **3. The WTO and the Doha Round**

- **Promoting the Successful Conclusion of the Doha Development Agenda**

The future of the DDA has been the topic of lively discussions at each GTFA steering committee meetings: a consensus emerged that, while new issues of crucial importance to global trade were not discussed in the current round of multilateral negotiations, it was necessary to successfully conclude Doha before moving to the next agenda. The questions then became: how to get there? What really matters and why? A number of GTFA outputs have tried to bring answers.

In November 2009, the GTFA released a paper by Hoekman, Martin and Mattoo that looked at the benefits of concluding the Doha Round afresh, pointing at the need to create greater security of market access in times of crisis and protectionist tensions (See November 2009 edition of the *GTFA Newsletter*). First issued as a *World Bank Policy Research Working Paper* ([pdf](#)), it has been subsequently published by the *World Trade Review* (see abstract and download [here](#)). The authors argued that what was on the table in Doha would constrain the scope for tariff protection in all goods, ban agricultural export subsidies in the industrial countries and sharply reduce the scope for distorting domestic support—by 70 per cent in the EU and 60 per cent in the US. Average farm tariffs that exporters face would fall to 12 per cent (from 14.5 per cent) and the tariffs on exports of manufactures to less than 2.5 per cent (from about 3 per cent). There are also environmental benefits to be captured, in particular disciplining the use of subsidies that encourage over-fishing and lowering tariffs on technologies that can help mitigate global warming. An agreement to facilitate trade by cutting red tape will further expand trade opportunities. Greater market access for the least-developed countries will result from the “duty free and quota free” proposal and their ability to take advantage of new opportunities will be enhanced by the Doha-related “aid for trade” initiative. Finally, concluding Doha would create space for multilateral cooperation on critical policy matters that lie outside the Doha Agenda, most urgently the trade policy implications of climate change mitigation. <[download here](#)>

Presented to the WTO community in Geneva and in diverse forums, the paper generated significant attention in the policy community and in the media (see e.g. Reuters article <[here](#)>). A VoxEU column <[download here](#)> and an Op-ed by Otaviano Canuto, Vice President of the World Bank, <[download here](#)> complemented the strong message in favor of the conclusion of the Doha Round. Co-chairs Patrick Messerlin and Ernesto Zedillo, through VoxEU and various policy notes and statements have played a visible and pro-active role in advocating for a conclusion of the Doha Round.

- **Development, Developing Countries and Doha**

The GTFA has supported a variety of activities aimed at identifying actions that would result in more effectively addressing development objectives through a balanced conclusion of the Doha Round.

Jointly with the Cordell Hull Institute, on 14-16 May 2010, it has convened a group of experts and policy makers to discuss the future of the round and the WTO, with a particular focus on development issues. A Chairman's Statement by Ernesto Zedillo was issued that summarized the salient features of the discussion ([pdf](#)). These included: the need for the US to reconsider its position in the negotiations; the review of the reasons for the Doha impasse; the growth of preferential trade agreements; the limits of special and differential treatment; reflections on the remaking of the multilateral system, adjustment and escape clauses. A comprehensive report on "Developing Countries and the WTO Predicament" with background materials has been circulated to the group and will be made publicly available. Following the meeting, the GTFA organized the publication of a series of policy notes on Voxeu.org that aimed to give a new impulse to academic and policy debates on the Doha round.

In a volume published by the World Bank, a series of papers focus on opportunities for developing countries in services, including analyses of a number of professional services, off-shoring of IT services, and environment services [here](#). The chapter on health services was included in the Winter 2010 edition of the World Bank Research Digest. [download here](#)

The GTFA also supported analysis of the impacts on developing countries of the different elements of what is on the table in Doha. An example is a paper by Bernard Hoekman and Alessandro Nicita [download here](#) that argues that even if a narrow market access perspective is taken, there is more on the Doha table than is suggested by many analysts. It is important to also take into account the effects of trade facilitation on trade volumes. The analysis suggests that taking relatively limited actions to facilitate trade can boost the trade expansion effects of the Doha Round by a factor of two, three or more. If one takes account of the exceptions that will be invoked in the application of the formulae, measures to reduce trade costs are likely to strongly dominate the resulting reductions in applied tariffs in terms of potential impacts on trade volume growth.

The trade facilitation dimension of the Doha negotiating agenda is narrower in scope than the totality of the policy areas that are captured by the indicators used to measure domestic trade costs. But broadly defined trade facilitation is a critical dimension of leveraging the market access dimension of Doha: if a focus on the trade costs agenda stimulated by a Doha agreement catalyzes a reform program in this area, it can have large trade effects.

- **The services negotiations**

A paper by Patrick Messerlin and Erik van der Marel suggests a new strategy for reinvigorating the otherwise stalled multilateral services trade negotiations. The authors begin by exploring the option of launching bilateral negotiations on services between the two largest world economies, the U.S. and the EC. For both economies, expected gains for consumers and opportunities for services providers are huge because the size of the services that remain substantially protected is equivalent (at least) to their respective manufacturing sectors as a whole.

The authors then examine the dynamics of such talks, and show that it would be relatively costless, and highly beneficial, to extend these talks to eight countries, a group small enough to keep negotiations manageable and large enough to ensure that more than 80 percent of world production in services would be covered in the negotiations. They analyze the reasons for which the shift from bilateral to such plurilateral negotiations would be attractive for all the participants, and conclude by revealing a

“willingness to negotiate” that can be tapped for moving ahead, especially in the growing or resilient services sectors. If successful, such extended talks ultimately could (and ideally should) be “repatriated”—explicitly or implicitly—into the Doha negotiations, giving them the final boost that was missing in July 2008 in order to conclude them successfully. <[download here](#)>

Geza Feketekuty <[here](#)> and Hoekman and Mattoo develop an argument that a precondition for making progress in services negotiations is that participants have a good understanding of what they have to gain and what they need to do to capture the potential gains. In practice this is often lacking. The propose “services knowledge platforms” as a possible mechanism to identify and build a consensus for policy reforms that will expand competition on services markets and give buyers greater choice and higher quality services. This concept emerged from discussions at the May 2010 meeting with the Cordell Hull institute hosted at Yale university, and was subsequently elaborated and discussed at a joint meeting hosted by the Australian government on the services negotiations and the WTO in December 2010. The report prepared for this meeting lays out several concrete proposals for moving forward on services, including through the implementation of knowledge platforms at regional level. The World Bank is in the process of piloting one such platform in Africa and is exploring others in cooperation with a number of regional institutions (CEFTA, PAFTA, ASEAN).

A short GTFA policy note summarized the state of the debate and provides some of the preliminary reflections on challenges ahead. <[download here](#)>

- **The value of trade agreements: policy disciplines and rules**

WTO members negotiate the rules governing state treatment of international commerce, not just the liberalization of trade barriers. However, almost all empirical economic research and much social science research on multilateral trade negotiations focuses on the impact of trade liberalization (market access improvements), both actual and proposed. Surprisingly little is known about the incentives created by—let alone the empirical impact—of fundamental trade rules such as the Most Favored Nation provision, the binding of tariffs and subsidies, provisions to promote transparency, and National Treatment obligations.

The project sought to redress this lacuna, bringing together theoretical and empirical academic economists, trade policy officials and analysts, political scientists, and legal experts. Over 30 scholars from Europe and North America participated in a conference organized by the University of St. Gallen that took place in Pfaeffikon, Switzerland, on 17-19 June 2009. Background papers that have been presented at the conference and explored the wide spectrum of pertaining issues are available <[here](#)>. [to be added]

In another area, a paper by Terry Calvani reviewed the role of competition law in times of crisis, with a particular attention to the affect on competition agencies. It suggested that during a financial crisis, the reactive responses of competition authorities and other government agencies sometimes deviates from established rules and precedent. These authorities could also provide no explanation or rationale for their actions, but acknowledged tensions and the need for compromise in times of crisis between antitrust/competition norms and other emergency economic and foreign policy decisions. <[download here](#)> [to be added]

- **Trade preferences erosion**

Trade preferences have become a factor affecting negotiating positions in the WTO, with many developing countries concerned about the erosion of the value of preference programs as MFN tariffs are reduced. The increase in the depth of coverage of unilateral preferential regimes has increased significantly, especially for LDCs, in the last 10 years, making it much more difficult to offset erosion by deepening preferences. A Palgrave Macmillan publication on *Trade Preference Erosion* featuring GTFA work, was publicly released in London during the World Trade Week UK (9 June 2009), assesses the value of current preference programs for recipients and the key features that affect their utilization. The contributions suggest that erosion losses will be significant for only a small number of countries and sectors, in part because much erosion has already occurred as a result of past liberalization. An implication of the finding that losses are concentrated and will be relatively small is that in principle it should be feasible to compensate the negatively affected countries. Various possibilities to do so are discussed, with the editors arguing for a focus on reducing nontariff barriers and using aid for trade resources (grants) to improve trade capacity and lower trade costs in recipient nations. A significant challenge in directing more aid to these countries is that a number of the economies that will be most affected by preference erosion as a result of a successful conclusion of the Doha negotiations are not LDCs or low-income economies, making it more difficult to use “aid for trade” as a mechanism to offset erosion losses.

- **WTO accession**

Carlos Braga and Olivier Cattaneo explore the complex, long, and unique process of accession to the WTO in a working paper <here>. Referring to country case studies and sector-specific issues, the authors summarize some of the current reflections on the topic around three main themes: (1) the rationale of accession to the WTO: Why would new members join the WTO? And why would incumbent members let new members in? (2) the accession process in detail: What are the main characteristics and challenges of the accession process? Has it evolved over time, and how? (3) the implementation of WTO accession deals: Is accession the end or the beginning of the story? What are the implications for the participating countries and the multilateral trading system?

This work has been used as background material and was presented by the authors at a seminar on WTO accession organized in May 2009 by the World Trade Institute in Bern. Some of the key ideas have also been summarized in a chapter of Carolyn Deere-Birkbeck (ed.), *Making Global Trade Governance Work for Development, Perspectives and Priorities from Developing Countries*, Cambridge University Press, 2011. <table of content available [here](#)>

#### **4. The Aid for Trade Agenda**

In its first incarnation, the GTFA helped to make the case for the creation, promotion, and implementation of Aid for Trade. In spite of the global economic crisis, countries remain committed to Aid for Trade. Since 2006, there has been a 20 percent increase in Aid for Trade flows. At the London Summit, in April 2009, the G20 Leaders reaffirmed their “historic commitment to meeting the Millennium Development Goals and to achieving our respective ODA pledges, including commitments on Aid for Trade, debt relief, and the Gleneagles commitments, especially to sub-Saharan Africa”.

Scarcity of budget resources will, however, exert a serious pressure on the implementation of these commitments, and calls for greater efficiency in Aid for Trade.

Since 2005 the architecture of Aid for Trade has evolved—major examples being the establishment of the Enhanced Integrated Framework for LDCs and the greater focus by developing country governments on the trade agenda which is giving rise to rising support by development agencies. In July 2009, the WTO hosted the Second Global Review on Aid for Trade, which called for (i) the strengthening of the regional dimension of AFT, (ii) the enhancement of the private sector’s role, and (iii) the increase of monitoring efforts, in particular impact evaluation. The GTFA responded to this call with an effort to engage with the private sector to leverage what large firms already do to build trade capacity in developing nations. The results of this effort were presented to the July 2011 Third Global Review on Aid for Trade.

In a Working Paper (available [here](#)) and a policy note (available [here](#)), Hoekman and Wilson identify four options to enhance the effectiveness of the multilateral aid for trade initiative:

- (i) expanding market access for LDCs to all G20 members;
- (ii) creating a mechanism to identify good practices in domestic regulation of service markets;
- (iii) leveraging the dynamism and knowledge of the private sector to improve trade facilitation; and
- (iv) making a concerted effort to expand data collection and monitoring and evaluation of aid for trade.

These ideas were presented at a conference organized by the Government of South Korea to inform the deliberations of the G20 Development Working Group.

- **Engaging the private sector on AFT**

The GTFA initiated a process of consultation with the private sector to (i) take stock of existing efforts led or in partnership with the private sector, (ii) identify potential areas for public private partnerships and, (iii) to explore interest/shape of private sector participation to the global AFT architecture. With an initial round table organized by the Overseas Development Institute in London (September 2009), the project quickly translated into a larger scale initiative with multiple partners in the private and public spheres as well as the civil society. A short policy note summarized some of the conclusions of this consultation, challenges ahead, and prospects for an enhanced role and contribution of the private sector to AFT. It also suggested further steps to reconcile public and private sector approaches to the provision of AFT. [<download here>](#)

One result of the initial consultations was a process of engagement between the World Bank and a number of major global industry associations, including the global express industry. This process revolved around identification of concrete actions that could be taken by the private sector to address specific trade facilitation constraints in developing countries. These interactions led to several project proposals, some of which are now being piloted in a number of countries in partnership with the World Bank. For example, members of the Global Express Industry have made available software developed for their own risk assessment purposes to interested Customs agencies to allow them to use this to screen consignments before arrival so as to speed up clearance upon arrival.

Another result of the initial consultations was the organization by the GTFA of a workshop with the International Chamber of Commerce in their headquarters in Paris on the role of international business in AFT on February 28, 2011. This was followed by a second workshop with the U.S. Chamber of Commerce on March 14, 2011, in Washington. President Robert Zoellick (World Bank) and Director General Pascal Lamy (WTO) both participated in the event, along with more than 50 companies represented on each occasion. Other organizations that supported the initiative included: the Business Civic Leadership Center, the Business Council for Global Development LLC, the Evian Group at IMD, the German Marshall Fund, the Trade Aid and Security Coalition, the U.S. Global Leadership Coalition, and the World Economic Forum.

A call for business AFT case stories was launched at the U.S. Chamber event that aimed to mirror the call made for donors and public institutions. About 50 case stories were collected illustrating how firms have engaged in activities that strengthen trade capacity in developing countries. These were presented as part of the official program of the Third Global Review on Aid for Trade in Geneva on July 2011, in presence of senior executives of the private sector. The case stories are available [here](#). A booklet issued by the World Bank summarized the main findings of the exercise. [<download here>](#)

This process of engagement with the private sector has also had a positive spillover effect. It helped underpin a new approach to agricultural development that was adopted by the G20 at the Paris June 2011 meeting of the ministers of Agriculture: on the basis of the GTFA work, the World Economic Forum is now using the case stories as pilots to be presented at the Cannes G20 Summit and show the way to successful public-private partnership. The Mexican government (next Presidency of the G20) will pursue these efforts and a report will be presented at the 2012 Davos meeting. Links have also been made in this connection with the “Capturing the Gains” project sponsored by the UK government and GTFA work on GVCs.

- **Monitoring and evaluating the impact of AFT**

It is generally recognized that compared to development aid allocated to other sectors, there is much less rigorous evaluation of the results of aid for trade projects and programs. A number of initiatives have been taken to follow-up on the call emerging from the 2009 Global Review meeting for more evaluation in this area, including a meeting of the joint OECD Donor Assistance Committee and the Working Party of the Trade Committee and the effort to collect “case stories” that fed into the 2011 AFT review conference.

The GTFA supported a number of analytical papers assessing the impact of different types of aid for trade, including trade facilitation and projects targeting the performance of services sectors. [More to be added in the final version of this report]

- **Duty-free, Quota-free Market Access for LDCs**

A paper by Joe Francois, Bernard Hoekman, Mariam Manchin, Alessandro Nicita and Marcelo Olarreaga examines consequences of the removal of tariff barriers and quotas by the G20 member countries vis-à-vis the LDCs. Their analysis indicates that duty-free, quota-free (DFQF) access to the markets of G20 countries will have significant benefits for LDCs, with significant differences in terms of the relative importance of OECD markets vs. non-OECD G20 countries and much depending on the current structure

of production in LDCs. The analysis suggests that full DFQF access could increase national incomes in LDCs by some 0.5 percent of GDP on average, and that the potential gains rise further if a DFQF initiative is complemented by transparent and simple rules of origin that allow cumulation of inputs originating in other developing countries and actions by importing countries to reduce the costs of certification of compliance with such rules.

It also estimates that a G20 DFQF access initiative could lift 3 million people in LDCs above the poverty line. Independent of DFQF access, improving trade facilitation and logistics, especially for landlocked LDCs, through Aid for Trade targeting better infrastructure and border management along corridors; enhancing access to trade credit for SMEs and farmers; and, assistance to overcome non-tariff barriers that raise the cost of penetrating export markets would further increase the gains for LDCs: if such actions were to reduce trade costs for LDCs by just 2 percent, average income gains could rise by another 0.6 percent of GDP.

The results of this analysis was fed into the G20 Development Working Group and presented at a DWG meeting in Capetown in June 2011. A revised and updated version of the paper will be submitted to the G20 in the coming month.

## **5. Identifying Global Solutions to Global Issues**

The GTFA has supported a number of projects that are relevant to the G20 call for “the reforms of the global architecture that are necessary to meet the needs of the 21<sup>st</sup> Century”. Global imbalances, currency tensions and debt management were at the top of the world leaders’ agenda. But other global issues are equally if not more important. For example, global trade may be seriously affected by climate change mitigation strategies, whether they are adopted by individual countries or the international community as a whole. Industrial policy and state interventionism became more prominent as a result of the crisis, but also as a result of the success of large countries such as China in growing its economy and global trade shares. Following the crisis policy interest in how to address trade adjustment costs increased.

### ***Addressing Global Imbalances***

Reflecting the great concerns about the adverse consequences for the world economy of global current account “imbalances” G20 Leaders, meeting in Pittsburgh in September 2009, adopted a framework that contained a number of pledges to take action at the national and international level. This followed a growing body of expert opinion that took the view that large, persistent current account imbalances in the major industrialized economies and emerging markets since 2000 had, at the very least, contributed to the global financial crisis witnessed in 2007-8 and to the subsequent Great Recession.

With a view to identify and evaluate potential national and systemic responses to this challenge, GTFA members Stijn Claessens, Simon Evenett and Bernard Hoekman compiled a VoxEU eBook ([pdf](#)) that provides policymakers and their advisers with up-to-date, comprehensive analyses of the central facets of global economic imbalances. The book makes clear that the world economy has experienced substantial current account surpluses and deficits before, and several of the contributors discuss the contemporary relevance of these episodes. Most contributors focus on important recent developments, such as the pressures for fiscal retrenchment experienced in Europe during the second quarter of 2010.

Since expert opinion remains divided on critical aspects of the rebalancing question, the eBook does not seek to present a single view. Given the diversity in national economic circumstances it would be surprising if a single set of policy prescriptions was valid across the board. Consequently, drawing upon different areas of expertise concerning the international economy, the eBook assembles analyses of all the major challenges raised by global economic imbalances. Many contributors advance proposals for reform that could usefully be explored in national and international fora.

The eBook has been supplemented by a short policy note that summarizes the main findings of the work ([here](#)). A podcast (available [here](#)) also discusses why imbalances persist, what can be learned from history, and the need for a more collective responsibility in responding to the current problem. It highlights the importance of supply-side factors as well as the implications of imbalances for developing countries. Regarding the current debate on austerity versus stimulus, it maintains that the real issue is more about timing and coordination.

A theme emphasized by the editors and a number of contributors is that re-balancing will require real sector reforms, and that many of these will revolve around the service sector—which is generally much more protected than manufacturing. Thus there is a linkage to be made between global imbalances and the Doha Round (as services are on the DDA) and the aid for trade agenda – two focal points for GTFA activities.

### ***Adjusting to Trade Opening and Addressing the Employment Challenge***

The dramatic drop in world trade resulted in numerous job losses. Less trade meant fewer jobs. At the Toronto Summit (26-27 June 2010), the G20 recognized the pivotal role played by open markets in supporting growth and job creation. It also asked the OECD, the ILO, the World Bank and the WTO to report on the benefits of trade liberalization for employment and growth at the Seoul Summit (paragraph 37 of the G20 Toronto Summit Declaration).

The question of trade and employment was already part of the GTFA work program and therefore a number of outputs could be fed into this process. On June 21, just a week before the G20 Toronto Summit, the GTFA jointly organized with the ILO a conference on Globalization and Employment. A representative panel of international institutions (ILO, World Bank, OECD, UNCTAD, WTO, IOM), non-governmental organizations (Oxfam, ICTSD), and academics all discussed together the linkages between trade and employment (agenda and power point presentations are available [here](#)). On this occasion, the ILO and the GTFA respectively launched publications on “Trade and Employment in the Global Crisis” ([pdf](#)) and “Trade Adjustment Costs in Developing Countries: Impacts, Determinants, and Policy Responses” ([pdf](#)).

Otaviano Canuto (World Bank) and Jose Manuel Salazar (ILO) summarized some of the key messages of the meeting in a policy note that is available [here](#) (Voxeu.org). A series of six papers commissioned for the meeting were also published jointly with ICTSD, and addressed the issue of trade and employment in India, Mexico, Chile, and South Africa. <[download here](#)>

Another note by Bernard Hoekman and Guido Porto ([pdf](#)) summarized the findings of the GTFA-funded book on trade adjustment costs in developing countries ([pdf](#)). For the authors, unemployment is only part of the adjustment to trade story: the development community should aim to address the constraints that prevent too many households from seizing the newly available opportunities.

A second meeting was held at the World Bank in Washington, DC, on 25 October 2010 that took stock of the work done under the G20 trade and employment mandate. The meeting explored (1) the impact of the 2009 trade shock on employment, (2) structural changes of the world economy as they affect employment, (3) adjustment policies, and (4) contributions to be tabled at the Seoul Summit. The meeting associated the World Bank, the OECD, the ILO, and the WTO, and helped mainstreaming the GTFA outputs into the G20 agenda. This work gave birth to the International Collaborative Initiative on Trade and Employment (ICITE) that scaled-up research and dialogue efforts on the topic. (more details available [here](#))

### ***Improving Food Security and Promoting Agricultural Development***

With the 2008 global increase in food and commodity prices and the great increase in price volatility in recent years, food security has been put on top of the international policy agenda. In 2011, the French Presidency made food security one of the priorities of the G20 and convoked for the first time in history a meeting of the G20 ministers of agriculture. A Plan of Action for agriculture development and food security was adopted in Paris in June 2011.

GTFA supported research on the relationship between global food prices and poverty in developing countries was launched in response to heightened policy concerns regarding the effects of higher food prices. This has also become a factor in global trade talks. During much of the Doha Round many developing countries that are net importers of food have been concerned that trade policy reforms may raise food prices, adversely affecting the terms of trade and the welfare of poor households, for whom food accounts for a significant share of total spending. More recently—post 2008—concerns have centered more on the effect of high prices.

GTFA research on this subject centered on the rural poverty effects of higher global prices. Other research focused on the impact of past agricultural reforms in Africa in order to better understand the determinants of success and failure in generating a sustained supply response. Work was also done on agricultural export restrictions used by several Latin American nations including Argentina, a major user. Finally, as mentioned above, the GTFA work on aid for trade and the private sector was used as a catalyst for the G20 Action Plan on food price volatility and agriculture and inspired pilot public-private partnerships at the heart of the new approach to agricultural development. This new approach was unanimously adopted by the G20 members and the business community. The text of the Ministerial Declaration is available [here](#).

- **The poverty impact of changes in food prices**

A book edited by Ataman Aksoy and Bernard Hoekman <[download here](#)> reviews trends in international prices of key food commodities and agricultural trade patterns and balances at the country level, and assesses the evidence concerning the sources of income and consumption patterns of poor households in developing countries. The design of appropriate policies at the national or international (WTO) level is not the major object of the analysis—instead the focus is more narrowly on assessing the potential effects of food price changes on poor households in a selection of developing countries for which household survey data are available. The focus is on rural households, because these tend to be poorer than urban households, because it is already well known that the policies required to address the adverse impacts of higher food prices on the urban poor are short-term targeted transfers, and because

most of the second-round effects of agricultural price increases take place in rural areas. While there are agricultural households who live in urban areas, the bulk of food production originates in rural areas.

An important overall conclusion is that it is not possible to generalize about the impact of a food price increase on the poor—much depends on the second-order, longer-term, effects of the increase. The empirical studies suggest that for many net buyers of food, the higher consumption cost due to higher food prices may be more than offset by higher income. The poorest rural households may benefit from higher food prices both directly, if they are net food sellers, and indirectly, through increased wage income and increased sales of services that are generated by the higher returns to food production.

- **Responses by the international trade and aid community to food security**

A paper by Susan Prowse assesses the origins of the food price rises in the context of the international distorting policies of trade (including through food aid), global food markets and food price developments and trends. Recognizing that the policy response to higher food prices requires both a short and longer-term perspective, the paper looks at both the efficacy of immediate mechanisms (notably food aid both in kind and cash, including the impact on domestic production incentives) as well as medium to longer term support of agricultural development and trade. In this context, the paper also provides background to the rationale for AFT and its evolution in the international trade architecture. Finally, it reflects on whether—in light of the prolonged failure to achieve an agreement through the DDA—it is a good time to reconsider how appropriate the present agenda is to the current and future trends in the agricultural sector. [<download here>](#)

- **Agricultural policy reforms in Sub-Saharan Africa**

Work supported by the GTFA on the political economy of trade policy focused on agricultural reforms in Sub-Saharan Africa. A project led by Ataman Aksoy seeks to shed light on what kind of collateral policies and institutional reforms contribute to the sustainability and ultimate effectiveness of agricultural liberalization. Based on field studies, participants in the project prepared a number of country/commodity case studies of export crops in Sub-Saharan African countries that have implemented serious and multiple agricultural reform programs. These were complemented by comparative case studies of reforms in Africa and the rest of the world, and case studies outside Africa to place the reform processes in a global perspective. The case studies and associated synthesis paper helps to improve our understanding of the dynamics of agricultural reform processes, especially in Africa. A key conclusion is that success in sustaining reforms and realizing higher output and agricultural revenues over time is determined by the distribution of the benefits of reforms. In eight of nine country/commodity case studies that were undertaken, output responded positively in the short run to the reforms. In many cases, however, the initial supply response was not sustained in the face of subsequent shocks. The studies suggest that stakeholder consensus on the distribution of sector-specific rents is a key variable affecting the sustainability of supply responses. Agricultural sector reforms generally lead to significant changes in income distribution. The greater the acceptance of the distribution of rents that result from the reforms, the better sectors are able to accommodate subsequent shocks. In cases where the initial consensus on the distribution of rents was weak, shocks lead to reform reversals.

## ***Addressing the Climate Change Challenge***

The interface between the international trade regime and possible actions to address climate change are numerous. There are many uncertainties regarding what climate change policies may imply for trade and trade policy. Examples of the interface include border tax adjustments as an element of carbon tax or emissions trading schemes; underlying debates on green protectionism and the compatibility of “green” trade measures with WTO law; calculation of the carbon footprint of traded products, greening aid for trade, fostering needed technology transfers and dissemination of clean tech, and so forth.

The GTFA, together with the WTO and the Graduate Institute sponsored a conference on *Trade and Climate Change: Issues for the WTO*, at the WTO on June 16-18. The objective was to explore the interaction of environmental policies and WTO law and to avoid the possibility that policies adopted in the context of national programs to stem climate change – border tax adjustments, free allowances under cap and trade systems, or subsidies – might be found in violation of WTO laws, and thereby create backlash against the trading system.

The original background papers that were presented at the conference are being edited for publication in a volume. Other outputs include:

- A short policy note by Michael Jensen summarizes the key issues and challenges facing the implementation of carbon-motivated border carbon adjustment taxes. The paper addresses the following question: How accurately can we measure carbon footprints and what will the inherent uncertainty do to trade policy when it triggers political economy forces? Initial evidence suggests that carbon footprints may only be calculated with considerable uncertainty especially for complex products. Data availability is likely to be very poor for developing countries. Rent seeking interests will seek to exploit the uncertainty left by the lack of commonly accepted methodologies and readily available data sets to expand the scope of BTA schemes vertically (to include downstream products in the supply chain) and horizontally (to include new products). <[download here](#)>
- A Working Paper (available [here](#)) by Patrick Messerlin shows that the climate and trade communities have a lot in common and suggests that the climate community would enormously benefit from adopting the principle of "national treatment," which would legitimize and discipline the use of carbon border tax adjustment and the principle of "most-favored nation," which would ban carbon tariffs. That said, implementing these principles will be difficult. The paper focuses on two key problems. First, the way carbon border taxes are defined has a huge impact on the joint outcome from climate change, trade, and development perspectives. Second, the multilateral climate change regime could easily become too complex to be manageable. For the author, focusing on carbon-intensive sectors and building "clusters" of production processes considered as having "like carbon-intensity" are the two main ways for keeping the regime manageable. Developing them in a multilateral framework would make them more transparent and unbiased.
- A Working Paper by Michael Moore (available [here](#)) demonstrates that there are enormous practical difficulties surrounding plans to impose carbon adjustment taxes. The paper evaluates various carbon adjustment taxes according to WTO compliance, administrative plausibility, help in meeting environmental goals, and ability to deal with domestic pressures. The steel industry

is used as a case study in this analysis. All considered policies arguably fail to meet at least one of these constraints, bringing into question the plausibility that a carbon border tax can be a practical policy.

- A *Yale Global* article (available [here](#)) on the growing challenges of energy and environment summarizes some of the GTFA research on carbon border taxes and sends a warning signal to parliaments and implementing agencies of countries tempted to adopt such taxes. It has been reproduced in a number of papers including *The Epoch Times*, *Dainik Bhaskar* (largest Hindi newspaper with a 2.3 million diffusion) and *The Jakarta Globe*. An article in the French lead economic newspaper *La Tribune* (available [here](#)) also echoed the same messages.

## 6. Concluding Remarks and Issues for Discussion

In a number of the areas that were identified as priorities for analysis and data generation efforts, the GTFA delivered a significant amount of output. It was able to respond rapidly and flexibly to major developments in the global economy and calls for action from global leaders (G20), while delivering on most of the longer term projects that were launched in 2008. It has been an incubator of a number of ideas and initiatives that have been put forward in the G20 context and that are in the process of being operationalized by development agencies such as the World Bank. Examples include the research and workshops on services and Doha that led to the concept of services knowledge platforms, and the work on aid for trade and the private sector, which has influenced G20 activities and deliberations (e.g. food security, protectionism).

Much of what was done by the GTFA was done in partnership with other groups and entities. One result was that not all the funds that were allocated to activities were disbursed as the costs associated with implementation were borne by partners. Many inputs and final products were also provided pro bono – including much of what was generated by the co-chairs, those working for international organizations, as well as a number of steering committee members and the institutes/universities they are affiliated with. This is a strength, reflecting the network nature of the project, but also a weakness in that it made the delivery of some products “endogenous” – dependent on the time constraints and priorities of steering committee members. As a result, some of the planned projects were not completed. Conversely, a number of activities and products were generated that were not originally planned or envisaged, reflecting the ability and flexibility of the project to respond to external developments and to leverage/contribute to activities supported by partner organizations.

To be most effective, an initiative such as the GTFA which has significant flexibility and capacity to respond to and “run with” ideas and feed these into the deliberations of policymakers (G20; WTO, regional bodies) needs to be able to leverage the people that are affiliated with the project and feed findings to counterparts in government who have access to the process of policy formation (Sherpas or members of the teams serving Sherpas). In a number of instances noted in this report such access and linkages were successfully established and exploited. Doing this effectively is a challenge.

The investments made in data collection have arguably been one area of high return and illustrate the importance of addressing the collective action problem that often results in inadequate resources being made available to collect statistics on a cross-country basis. It remains an open question and challenge

for the international community to make data collection efforts of the type supported by the GTFA sustainable. Even if international organizations are given the mandate to compile the requisite data and “take over” the pilot-type projects that were supported by the GTFA, there may remain a need for a complementary, independent effort that involves non-governmental entities such as those that were mobilized through the GTA. Absent a concerted push by major shareholders of international organizations to mandate/require the collection on trade-related policy data, including NTMs and services policies, the type of gaps that motivated the projects that were supported by the GTFA are unlikely to be filled consistently over time. The WTO is now doing more than it did before the crisis to monitor trade policy-related measures taken by its members, and several international organizations that are active in collection and reporting of trade related data (AfDB, ITC, UNCTAD, World Bank) are now working together more closely than in the past on NTMs. They have agreed to combine forces and to jointly seek to fill the funding gap/challenge that they confront in this area.

Measuring the impact of the public goods that were generated (data, greater transparency of policy), the various ideas and initiatives (private sector engagement on aid for trade, food/G20 agenda) and more generally the advocacy for multilateral cooperation and solutions is very difficult. Many of the initiatives are still in the start-up phases and will only develop and be implemented over time. In the case of others – such as the GTA – it is very difficult to establish an appropriate counterfactual. What can be said is that the use that has already been made of GTFA-supported analysis and data products is significant and can be expected to rise over time.

## Annex 1

### The Global Trade and Financial Architecture Project

DFID – The World Bank

#### Activities and Outputs

##### 1. Databases

- Temporary Trade Barriers Database:  
<http://data.worldbank.org/data-catalog/temporary-trade-barriers-database>
  - Dedicated web-portal.
  - Reference to the database in major economic newspapers, magazines (e.g. Financial Times, Wall Street Journal, Business Week, Economist), and television broadcasts (Bloomberg).
  - Database used and referred to in major academic work (e.g. articles in Review of International Economics, World Economy, Oxford Review of Economic Policy, Review of World Economics).
  - Database featured in flagship reports of international organizations (e.g. WTO, World Trade Report 2009) or governments (e.g. 2010 Economic Report of the US President).
  - Database presented in a number of conferences and public events.
  - List of news coverage and dissemination available [here](#).
- Global Trade Alert (co-funded activity)  
<http://www.globaltradealert.org>
  - Dedicated website – hundreds of thousands hits since its creation, and 8,200 users have returned to the site 15 times or more.
  - Featured on YouTube.
  - More than 1,800 reports on measures imposed by governments.
  - More than 100 media outlets have reported on GTA findings, including major economic newspapers, magazines (e.g. Wall Street Journal, Financial Times), and television broadcasts (BBC).
  - Referred to in speeches of major policy makers at international meetings (e.g. Lord Mandelson at the London Trade Week, Robert Zoellick at the 2<sup>nd</sup> WTO Aid for Trade Global Review) and representatives of leading business organizations.
  - Requests for policy notes from governments.
  - 9 regional/analytical reports and about 20 policy notes.
  - List of outputs, media coverage, etc. available upon request.
- Global Database on Services Trade Policies (co-funded activity)

Surveys have been completed in more than 100 countries. A website is under construction that will make the database public in the coming months.

- Preliminary features in 2009 Global Monitoring Report and presentations at the WTO and the OECD.
- Used in a number of World Bank research working papers and publications.

## 2. Books, E-books, and special issues of journals (in reverse chronological order)

- Aksoy, M. A. (ed.), 2011, *Reforms, Institutions and Supply Response: Case Studies on African Agricultural Reforms*, Completed manuscript, submitted for publication.
- Staritz, Cornelia, Gary Gereffi, and Olivier Cattaneo (eds.), *Shifting End Markets and Upgrading Prospects in Global Value Chains*, Special Issue of *International Journal of Technological Learning, Innovation, and Development*, vol. 4, issue 1/2/3, 2011.
  - Available online.
- Bown, Chad (ed.), *The Great Recession and Import Protection: The Role of Temporary Trade Barriers*, The World Bank and CEPR, 2011.
  - Free download on CEPR website.
- Cattaneo, Olivier, Gary Gereffi, and Cornelia Staritz (eds.), *Global Value Chains in a Post-Crisis World*, The World Bank, 2010.
  - Launched at the joint GTFA-OECD technical workshop on Global Value Chains, Paris, 21-22 September 2010.
  - Reprinted in India by Academic Foundation, 2011.
- Porto, Guido, and Bernard Hoekman (eds.), *Trade Adjustment Costs in Developing Countries: Impacts, Determinants and Policy Responses*, The World Bank and CEPR, 2010.
  - Launched at the joint GTFA-ILO conference on trade and employment, Geneva, 25 October 2010.
  - Summary policy note and podcast on Voxeu.org. <http://www.voxeu.org/index.php?q=node/5200>.
- Cattaneo, Olivier, Michael Engman, Sebastian Saez, and Robert Stern, *International Trade in Services: New Trends and Opportunities for Developing Countries*, World Bank, 2010.
  - Launched at the World Bank and WTO.
  - Reprinted in India by Academic Foundation, 2011.
- Claessens, Stijn, Simon Evenett, and Bernard Hoekman (eds.), *Rebalancing the Global Economy: A Primer for Policymaking*, E-book, CEPR, 2010. <http://voxeu.org/index.php?q=node/5219>
  - Launched on the occasion of the June 2010 G8 Summit in Canada.
  - Summary policy note and podcast on Voxeu.org.
  - More than 40,000 downloads as of September 1, 2011.
- Aksoy, Ataman, and Bernard Hoekman (eds.), *Food Prices and Rural Poverty*, The World Bank and CEPR, 2010.
  - Launched at the World Bank.
  - At: <http://www.voxeu.org/index.php?q=node/5655>.

- Evenett, Simon, Bernard Hoekman, and Olivier Cattaneo (eds.), *Effective Crisis Response and Openness: Implications for the Trading System*, CEPR and World Bank, 2009.
  - Launched at the GTFA Steering Committee meeting, London, 14 December 2009.
  - All papers are available on the GTFA website.
- Evenett, Simon, Bernard Hoekman, and Olivier Cattaneo (eds.), *The Fateful Allure of Protectionism: Taking Stock for the G8*, E-book, The World Bank and CEPR, 2009.
  - Launched on the occasion of the July 2009 G8 in Italy.
  - About 10,000 downloads from voxeu.org as of September 1, 2011.
  - Content featured in major economic newspapers and magazines (e.g. Financial Times, Wall Street Journal, The Economist).
- Hoekman, Bernard, Will Martin, and Carlos Primo Braga (eds.), *Trade Preference Erosion, Measurement and Policy Response*, The World Bank and Palgrave Macmillan, 2009.
  - Launched at the London Trade Week in June 2009.
  - All papers are available on the GTFA website.

### 3. Book chapters, journal articles, policy briefs and working papers (by theme)

#### *Policy Responses to the Crisis (NB: Global Trade Alert reports and outputs listed in Annex 1.1)*

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Boffa, Mauro and Marcelo Olarreaga, “Trade Retaliation and Escalation During the Recent Financial Crisis,” University of Geneva, mimeo, March 2011.

Chauffour, Jean-Pierre, and Thomas Farole, “Trade Finance in Crisis”, VoxEu.org, 2009.

Draper, P., N. Viegli and P. Kanda, “Trade Protectionism After the Crisis: Quantifying the Effect on SADC Countries,” SAIIA, February 2011.

Evenett, Simon, “The Devil is in the Details: The Implementation of Stimulus Packages and their Effects on International Commerce”, *Aussenwirtschaft*, vol. 64, n°2, 2009.

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Contributions:

Borchert, Ingo, and Aaditya Mattoo, “The Crisis-Resilience of Services Trade”

Bown, Chad, “The Global Resort to Antidumping, Safeguards, and other Trade Remedies Amidst the Economic Crisis”

Chauffour, Jean-Pierre, and Thomas Farole, “Trade Finance in Crisis: Market Adjustment or Market Failure?”

Claessens, C., “The Financial Crisis and Financial Nationalism”

Dhar, B. and Girish Srivastava, “Restrictions on Mode 4 Access: Recent Evidence”

Evenett, Simon, “The Implementation of the U.S. Stimulus Package: A Preliminary Assessment of the Consequences for International Commerce”

Foletti, Liliana, Marco Fugazza, Alessandro Nicita, and Marcelo Olarreaga, “Smoke in the Water”

Frederick, S. and Gary Gereffi, “Protectionism in Textiles and Apparel”

Irwin, Douglas. “Avoiding 1930s-Style Protectionism: Lessons for Today”

Josling, Tim and Stefan Tangermann, “Agriculture: The Dog that Did not Bark?”

Messerlin, Patrick. “A “Significant Slippage” in Protectionism? Not Yet”

Mimouni, M. Carolin Averbeck, Olga Skorobogatova and Elisa Gamberoni, “Business Perceptions of Changes in Non-Tariff Trade Measures”

Sturgeon, Timothy, and Johannes Van Biesebroeck, “Effects of the Crisis on the Automotive Industry in Developing Countries: A Global Value Chain Perspective

Sauvant, Karl, “The Rise of Foreign Direct Investment Protectionism”

Steenblik, R. “Green Growth, Protectionism, and the Crisis”

Van Aaken, A. and Jürgen Kurtz “Can International Economic Law Constrain Protectionism?”

Weber, Sebastian and Charles Wyplosz, “Exchange Rates During the Crisis”

Gorg, H. and P. Labonte, “Trade Protection During the Crisis: Does it deter FDI?,” Kiel Institute, mimeo, 2011.

Leelawath, W., “Crisis and Post-Crisis Protectionism Targeted at the GMS Countries,” ITD (Bangkok), mimeo.

Messerlin, Patrick. “A “Significant Slippage” in Protectionism?” *Policy Brief*, Groupe d’Economie Mondiale de SciencesPo, 2009.

Sauvant, Karl, “Beware of FDI Protectionism”, *Project Syndicate*, 2009.

### ***Aid For Trade***

Cattaneo, Olivier, and Leen Solleveld, “Responding to the Challenges of Aid for Trade (I): Enhancing the Role and Contribution of the Private Sector”, World Bank, mimeo, 2009.

Cattaneo, Olivier, Bernard Hoekman, and Selina Jackson, “The Role of International Business in Aid for Trade: Building Capacity to Trade in Developing countries”, World Bank, 2011.

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Hoekman, Bernard, and John S. Wilson, "Aid for Trade: Building on Progress Today for Tomorrow's Future," in S. Fardoust, Yongbeom Kim and Claudia Sepulveda (eds.), *Post-Crisis Growth and Development: A Development Agenda for the G-20*. Washington DC: World Bank, 2010.

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### ***Global Value Chains and Business Responses to the Crisis***

Staritz, Cornelia, Gary Gereffi, and Olivier Cattaneo (eds.), *Shifting End Markets and Upgrading Prospects in Global Value Chains*, Special Issue of *International Journal of Technological Learning, Innovation, and Development*, vol. 4, issue 1/2/3, 2011.

- Editorial, by Cornelia Staritz, Gary Gereffi, and Olivier Cattaneo
- What are the implications for global value chains when the market shifts from the north to the south?, by Raphael Kaplinsky and Masuma Farooki.
- Upgrading of smallholder agro-food production in Africa: the role of lead firm strategies and new markets, by Niels Fold and Marianne Nylandsted Larsen
- Upgrading and restructuring in the global apparel value chain: why China and Asia are outperforming Mexico and Central America, by Stacey Frederick and Gary Gereffi
- Value chain dynamics, local embeddedness, and upgrading in the clothing sectors of Lesotho and Swaziland, by Mike Morris, Cornelia Staritz, and Justin Barnes
- Global value chains in the electronics industry: characteristics, crisis, and upgrading opportunities for firms from developing countries, by Timothy J. Sturgeon and Momoko Kawakami
- Going mobile in China: shifting value chains and upgrading in the mobile telecom sector, by Loren Brandt and Eric Thun
- Global value chains in the automotive industry: an enhanced role for developing countries? By Timothy J. Sturgeon and Johannes Van Biesebroeck
- The offshore services value chain: upgrading trajectories in developing countries, by Karina Fernandez-Stark, Penny Bamber, and Gary Gereffi
- Labour standards and technological upgrading: competitive challenges in the global football industry, by Khalid Nadvi

Cattaneo, Olivier, Gary Gereffi, and Cornelia Staritz (eds.), *Global Value Chains in a Post-Crisis World*, The World Bank, 2010.

Contributions:

- Global Value Chains in a Postcrisis World: Resilience, Consolidation, and Shifting End Markets, by Olivier Cattaneo, Gary Gereffi, and Cornelia Staritz
- Trade, Crisis, and Recovery: Restructuring Global Value Chains, by William Milberg and Deborah Winkler (also published as *World Bank Policy Research Working Paper 5294*)
- Global Value Chains and the Crisis: Reshaping International Trade Elasticity? by Hubert Escaith, Nannette Lindenberg, and Sébastien Miroudot
- Global Value Chains, the Crisis, and the Shift of Markets from North to South, by Raphael Kaplinsky and Masuma Farooki (also published as *World Bank Policy Research Working Paper 5206*)
- The Global Apparel Value Chain, Trade, and the Crisis: Challenges and Opportunities for Developing Countries, by Gary Gereffi and Stacey Frederick (also published as *World Bank Policy Research Working Paper 5281*)

- Effects of the 2008–09 Crisis on the Automotive Industry in Developing Countries: A Global Value Chain Perspective, by Johannes Van Biesebroeck and Timothy J. Sturgeon (*World Bank Policy Research Working Paper 5330*)
- Global Value Chains in the Electronics Industry: Was the Crisis a Window of Opportunity for Developing Countries? by Timothy J. Sturgeon and Momoko Kawakami (also published as *World Bank Policy Research Working Paper 5417*)
- What Happens When the Market Shifts to China? The Gabon Timber and Thai Cassava Value Chains, by Raphael Kaplinsky, Anne Terheggen, and Julia Tijaja (also published as *World Bank Policy Research Working Paper 5206*)
- The Offshore Services Value Chain: Developing Countries and the Crisis, by Gary Gereffi and Karina Fernandez-Stark (also published as *World Bank Policy Research Working Paper 5262*).

### ***Trade Policy Dimensions of Climate Change***

Cattaneo, Olivier, “Growing Challenges of Energy and Environment”, *Yale Global*, 2010. (reprinted in the *Epoch Times*, *Dainik Bhaskar*, and the *Jakarta Globe*)

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- Chairman's summary statement available at:  
[http://siteresources.worldbank.org/INTRANETTRADE/Resources/239054-1239120299171/5998577-1244842549684/Chairmans\\_Statement\\_May2010\\_Yale\\_Meeting.pdf](http://siteresources.worldbank.org/INTRANETTRADE/Resources/239054-1239120299171/5998577-1244842549684/Chairmans_Statement_May2010_Yale_Meeting.pdf).

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- Aksoy, A. and B. Hoekman, "Introduction and Overview"
- Aksoy, A. and Aylin Isik-Dikmelik, "Are Low Food Prices Pro-Poor? Net Food Buyers and Sellers in Low-income Countries"
- Aksoy, A. and F. Ng, "Net Food Importing Countries: The Impact of Price Increases"
- Aksoy, A. and F. Ng, "International and Domestic Food Prices"
- Aksoy, A. Javier Beverinotti, and Aylin Isik-Dikmelik, "Net Food Buyers and Sellers: Switching in Vietnam"

- Aksoy, A. Javier Beverinotti, Katia Covarrubias, and Alberto Zezza, “Household Income Structures in Low-income Countries”
- Baffes, J. and Tassos Hanriotis, “Placing the Recent Commodity Boom into Perspective”
- Bussolo, M. Olivier Godart, Jann Lay, and Rainer Thiele, “The Impact of Commodity Price Changes on Rural Households: Coffee in Uganda”
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- Contributions:
  - Adjustment in global imbalances and the future of trade growth, Caroline Freund
  - On the causes of global imbalances and their persistence: Myths, facts and conjectures, Joshua Aizenman
  - Rebalancing in East Asia, Linda Y.C. Lim
  - The costs of global imbalances Richard Portes
  - External imbalances: Costs and consequences of unsustainable trajectories, Catherine L. Mann
  - International imbalances balance risk, Michael Dooley and Peter Garber
  - The history of tackling current account imbalances, Harold James
  - Surplus reversals in large nations: The cases of France and Great Britain in the interwar period, Christopher M. Meissner
  - Does the rise of the BRICs and the credit crisis make it easier to rebalance the world economy? Yes!, Jim O’Neill
  - Exchange rates to support global rebalancing, John Williamson and William R. Cline
  - Why exchange rate changes will not correct global trade imbalances, Ronald I. McKinnon
  - This time will be different? Addressing the unsound post-crisis drivers of global imbalances, Kati Suominen
  - Asia’s role in global rebalancing, Jong-Wha Lee
  - Prospects for rebalancing growth in East Asia, Yung Chul Park
  - Global rebalancing: An Indian perspective, Suman Bery
  - Rebalancing the global economy: A view from the BRICs, Ilan Goldfajn

- Rebalancing the Eurozone and national competitiveness, Filippo di Mauro, Katrin Forster
- A commercial policy package for rebalancing the global economy?, Przemyslaw Kowalski and Molly Leshner
- Rebalancing will require supply side policy changes, but pitfalls abound, Vinod K Aggarwal and Simon J Evenett
- The political economy of rebalancing, Jeffrey A Frieden
- China-US imbalances and Europe's fiscal crisis: Plus ça change?, Geoffrey Garrett
- Global governance: Pre and post crisis, Mohamed A El-Erian and Michael Spence
- Keynes, global imbalances, and international monetary reform, today, Vijay Joshi, Robert Skidelsky
- Rebalancing: A lesson from the 1940s, Ann Capling
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- Exporting Information Technology Services: In the Footsteps of India, by Michael Engman
- Accounting Services: Ensuring Good Governance, Financial Stability, and Economic Growth Through Trade, by Olivier Cattaneo and Peter Walkenhorst
- Engineering Services: How to Compete in the Most Global Professions? by Olivier Cattaneo, Linda Schmid, and Michael Engman
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- Arkolakis, C. and Olga Timoshenko Market Penetration Cost and International Trade,”
- Artuç, E. and John McLaren A Structural Empirical Approach to Trade Shocks and Labor Adjustment: An Application to Turkey
- Besedeš, T. and Thomas J. Prusa, “The Duration of Trade Relationships,”
- Bown, C., “Adjustment to Foreign Changes in Trade Policy Under the WTO System,”
- Cadot, O. Laure Dutoit and Marcelo Olarreaga, “Barriers to Exit from Subsistence Agriculture
- Casacuberta, C. and Néstor Gandelman “Reallocation and Adjustment in the Manufacturing Sector in Uruguay,”
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- Edmonds, E., “Trade, Child Labor, and Schooling in Poor Countries”
- Hanson, G. “Adjustment to Internal Migration”
- Harrigan, J. “Exporter Adjustment to the End of Trade Preferences: Evidence from the Abrupt End of Textile and Apparel Quotas”
- Hummels, D. “Transportation Costs and Adjustments to Trade”
- Javorcik, B. “New Kids on the Block: Adjustment of Indigenous Producers to FDI Inflows”
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- Krishna, P. and Mine Zeynep Senses “Trade Adjustment and Labor Income Risk”
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#### **4. Conferences and events** (all co-sponsored with partner organizations)

- July 2011, Aid for trade and the private sector, WTO, Geneva, Switzerland
  - Organization with the WTO of a session with senior business executives at the 3<sup>rd</sup> Global Review on Aid for Trade.
  - Presentation of the results of the call for business case studies on aid for trade.
  - Dissemination of publication on the role of international business in aid for trade.
- May 2011, Aid for Trade for the LDCs: Mobilizing Resources and Ensuring Effectiveness
  - Special session of the 4<sup>th</sup> UN Conference on the Least Developed Countries 2011
  - Presentations of GTFA supported work on aid for trade; high level participation by ministers and World Bank senior management.
- March 2011, Aid for trade and the private sector, US Chamber of Commerce, Washington DC, USA
  - Co-sponsored by the International Chamber of Commerce, Business Civic Leadership Center, Business Council for Global Development, Trade Aid and Security Coalition, US Leadership Coalition.
  - With participation of WBG President Bob Zoellick, WTO DG Pascal Lamy and senior executives of the private sector.
  - Official Launch of the call for business case stories on aid for trade.
- February 2011, Food Prices and Rural Poverty, World Bank, Washington DC, USA
  - Launch of Food Prices and Rural Poverty book.
- February 2011, Aid for trade and the private sector, ICC, Paris, France
  - Co-sponsored by the International Chamber of Commerce; with participation of private sector at senior executive level.
- December 2010, Aid for Trade and the Least Developed Countries: Opportunities and Challenges in Post-Crisis World, WTO, Geneva, Switzerland
  - Co-sponsored by WTO; dissemination of Aid for trade work.
- October 2010, Trade and Employment Post-Crisis: Global Shocks, Structural Change, and Policy Response, World Bank, Washington DC, USA
  - Co-sponsored by ILO; dissemination of Trade Adjustment and Global Value Chains books.

- September 2010, GTFA roundtable, DFID, London, UK
  - Roundtable with DFID/BIS staff.
- July 2010, Taking Stock of Antidumping, Safeguards and Countervailing Duties, World Bank, Washington DC
  - Brown-bag seminar – presentation of Temporary Trade Barriers Database.
- June 2010, Globalization and Employment: Global Shocks, Structural Change, and Policy Response, ILO, Geneva, Switzerland
  - Co-sponsored with the ILO.
  - Launch of Trade Adjustment book and dissemination of Global Value Chains book.
  - Additional background papers published jointly with ICTSD.
- June 2010, Trade Policy Related Exit Strategies for the G20: Rolling Back Jumbo Protectionist Measures, World Bank, Washington DC, USA
  - Brown-bag seminar – presentation of GTA data.
- June 2010, Climate Change, Trade and Competitiveness, HEID, Geneva, Switzerland
  - Co-sponsored by HEID and the WTO; participation of WTO DG Pascal Lamy.
  - Background papers to be published in a collective volume edited by Richard Baldwin.
- May 2010, Developing Countries and the WTO Predicament, Yale University, New Haven, USA
  - Co-sponsored by the Canadian government and the Cordell Hull Institute.
  - Issuance of a Chairman’s statement by Ernesto Zedillo and Hugh Corbet.
- December 2009, GTFA Steering Committee meeting, Commonwealth Secretariat, London, UK
  - Presentation of the Zedillo report on the governance of the World Bank group.
- September 2009, Aid for Trade and the private sector, ODI, London, UK
  - Roundtable with representatives of the private sector.
- September 2009, Concluding the Doha Round, DFID, London, UK
  - Roundtable with DFID/BERR staff.
- June 2009, Valuing Trade Rules, Pfaeffikon, Switzerland.
  - Background papers to be published in 2011.
  - Co-sponsored by the University of St Gallen and the Swiss National Science Foundation.
- May 2009, The Trade Implications of Policy Responses to the Crisis, Brussels, Belgium
  - Background papers edited and published in an e-book (executive summaries) and a paper book (full-length papers) – respectively with CEPR and the World Bank.
  - Podcasts of the conference available on [globaltradealert.org](http://globaltradealert.org).
  - Co-sponsored by CEPR and European Commission.
- March 2009, The Political Economy of Trade Policy in the BRICS, Tulane University, New Orleans, USA
  - Background papers published in Global Trade Alert reports.
- March 2009, GTFA Steering Committee meeting, Yale University, New Haven, USA

**5. Creation and maintenance of GTFA-dedicated web-portal**

<http://www.worldbank.org/trade/gtfa>

- Link to the GTFA webpage on the websites of the steering committee co-chairs (GEM de ScPo, and Yale Center for the Study of Globalization).

## **Annex 1.1. Outputs of Global Trade Alert**

### **Reports**

- *Resolve Falters as Global Prospects Worsen: The 9<sup>th</sup> GTA Report*, July 2011.
- *Tensions Contained... For Now: The 8<sup>th</sup> GTA Report*, November 2010.
- *Managed Exports and the Recovery of World Trade: The 7<sup>th</sup> GTA Report*, September 2010.
- *Unequal Compliance: The 6<sup>th</sup> GTA Report*, June 2010.
- *Africa Resists the Protectionist Temptation: The 5<sup>th</sup> GTA Report*, May 2010.
- *Will Stabilization Limit Protectionism? The 4<sup>th</sup> GTA Report*, February 2010.
- *The Unrelenting Pressure of Protectionism: The 3<sup>rd</sup> GTA Report*, December 2009.
- *Broken Promises: A G20 Summit Report by GTA*, September 2009.
- *First GTA Report*, July 2009.

### **Analytical Papers**

- *Funding Public Services in Africa and Concessions in the Mining Sector: The Case of Zambia*, Nana Amma Afari-Gyan
- *Brazil: Increased International Integration Imposes Limits on Protectionist Policies*, Sandra Polonia Rios
- *Have Long-Established Patterns of Protectionism Changed During this Crisis? A Sectoral Perspective*, Visad Aggarwal and Simon J. Evenett
- *Economic Recession and the Middle East's World Trade: Recent Policy Trends and Implications*, Samir Pradhan
- *Did WTO Membership Reduce the Collapse of Trade? Evidence from the CIS Region*, Darya Gerasimenko
- *The Impact of Trade Laws, Trade Agreements, and Recessions on the Decision to File*, Craig VanGrasstek
- *Turning Inward? Or Fighting the Crisis with Further Opening? Evidence from the Nigerian Banking System*, Dozie Okpalaobieri
- *What Can be Learned From Crisis-Era Protectionism? An Initial Assessment*, Simon J. Evenett
- *US-Japan Automotive Trade in the Reagan and Obama Administrations: Explaining the Rise and Fall of Protectionism*, Craig VanGrasstek
- *Mexican Unilateral Trade Liberalization in the Middle of the Economic Crisis: the Most Ambitious Autonomous Opening Effort in 20 years*, Sergio Gomez Lora and Ernesto Lopez Cordova

- *"Jumbo" Discriminatory Measures and the Trade Coverage of Crisis-Era Protectionism*, Simon J. Evenett and Johannes Fritz
- *The Financial Crisis, "New" Industrial Policy, and the Bite of Multilateral Trade Rules*, Vinod K. Aggarwal and Simon J. Evenett
- *State Bailouts in an Era of Financial Crisis: Lessons from Africa*, Nana Gyan and Eric K. Ogunleye  
Financial Crisis and the
- *Banking Sector's Coping Mechanisms: Evidence from Nigeria and Ghana*, N'Zue F. Fofana, Sarah Jane Danchie, and Dozie Okpalaobieri
- *An Assessment of a Job Protection Programme in Argentina*, Pablo Trucco and Diana Tussie
- *An Assessment of Selected Counter-Cyclical Fiscal Policies and the Employment Rate in Brazil*, Marcelo Boavista and Lia Valls Pereira
- *The Limitations of EC State Aids Control*, Frédéric Jenny and Alberto Heimler
- *The resort to Protectionism During the Crisis: Which Factors Mattered?*, Simon J. Evenett, Johannes Fritz, Darya Gerasimenko, Malwina Nowakowska, and Martin Wermelinger

#### **Conferences/events**

- August 2009, Launch Global Trade Alert, Bangkok, Thailand.
- August 2009, Launch Global Trade Alert, Beijing, China.
- June 2009, Launch of Global Trade Alert, Washington, USA.
- June 2009, Launch of Global Trade Alert, London, UK.

## Annex 1.2. Outputs of the Temporary Trade Barriers Database

### Academic publications

- Blonigen, Bruce A. and Wesley W. Wilson (2010) "Foreign Subsidization and Excess Capacity," *Journal of International Economics*, forthcoming.
- Bown, Chad P., (2010) "China's WTO Entry: Antidumping, Safeguards, and Dispute Settlement," in Robert C. Feenstra and Shang-Jin Wei (eds.) *China's Growing Role in World Trade*. Chicago, IL: *University of Chicago Press for NBER* (chapter 8, pp. 281-337).
- Bown, Chad P. and Rachel McCulloch (2010) "Developing Countries, Dispute Settlement, and the Advisory Centre on WTO Law," *Journal of International Trade and Economic Development* 19(1): 33-63.
- Dinlersoz, Emin and Can Dogan (2010) "Tariffs Versus Anti-dumping Duties," *International Review of Economics & Finance*, forthcoming.
- Michaels, Guy and Xiaojia Zhi (2010) "Freedom Fries," *American Economic Journal: Applied Economics*, forthcoming
- Moore, Michael O. and Maurizio Zanardi (2010) "Trade Liberalization and Antidumping: Is There a Substitution Effect?" *Review of Development Economics*, forthcoming.
- Vandenbussche, Hylke and Maurizio Zanardi (2010) "The Chilling Trade Effects of Antidumping Proliferation," *European Economic Review*, forthcoming.
- Bown, Chad P. (2009) "Antidumping, Safeguards, and other Trade Remedies," In *The Fateful Allure of Protectionism: Taking Stock for the G8*. Edited by Simon J. Evenett, Bernard M. Hoekman and Olivier Cattaneo, eds. London, UK: CEPR and World Bank (July, chapter 6).
- Bown, Chad P. (2009) "The Global Resort to Antidumping, Safeguards, and other Trade Remedies Amidst the Economic Crisis," in *Effective Crisis Response and Openness: Implications for the Trading System*. Edited by Olivier Cattaneo, Simon J Evenett , and Bernard Hoekman. London, UK: World Bank and CEPR (December, chapter 7).
- Bown, Chad P. (2009) "Protectionism Is on the Rise: Antidumping Investigations," in *The Collapse of Global Trade, Murky Protectionism, and the Crisis: Recommendations for the G20*. Edited by Richard Baldwin and Simon J. Evenett. VoxEU.org e-book (March, chapter 11).
- Bown, Chad P. (2009) *Self-Enforcing Trade: Developing Countries and WTO Dispute Settlement*, Washington, DC: Brookings Institution Press.
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- Drezner, Daniel W. (2009) "Bad Debts: Assessing China's Financial Influence in Great Power Politics," *International Security* 34(2): 7-45.

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- Hoekman, Bernard M., Henrik Horn, and Petros C. Mavroidis (2009) "Winners and Losers in the Panel Stage of the WTO Dispute Settlement System," in Chantal Thomas and Joel P. Trachtman (eds.) *Developing Countries in the WTO Legal System*, Oxford, UK: Oxford University Press.
- Hwang, Sangyeon and Hyejoon Im (2009) "Implications of the Global Financial Crisis on Korea's Trade," *Asian Economic Papers* 8(3): 46-81.
- Malhotra, Nisha and Horatiu A. Rus (2009) "The Effectiveness of the Canadian Antidumping Regime," *Canadian Public Policy* 35(2):187-202.
- Moore, Michael O. and Maurizio Zanardi (2009) "Does Antidumping Use Contribute to Trade Liberalization in Developing Countries?" *Canadian Journal of Economics* 42(2): 469-495.
- Reynolds, Kara M. (2009) "From Agreement to Application: An Analysis of Determinations under the WTO Antidumping Agreement," *Review of International Economics* 17(5): 969-985.
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- Xu, Shiteng and Yihong Tang (2009) "European Union Antidumping Investigations Against China: Characteristics and Determinants," *The Chinese Economy* 42(6): 66–80.

## Policy Research

- Bown, Chad P. (2010) "The WTO dispute settlement system would survive without Doha" *VoxEU.org*, 19 June 2010
- Bown, Chad P. (2010) "Antidumping, safeguards, and protectionism during the crisis: Two new insights from 4th quarter 2009," *VoxEU.org*, 18 February 2010.
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- Francois, Joseph and Roman Stöllinger (2009) "New Shades of Protectionism and the Role of Multinationals," Vienna: *Research Centre International Economics (FIW) Policy Brief No. 2* (November).
- Fritz, Johannes and Martin Wermelinger (2009) "Has the Crisis Changed the Use of Antidumping? A Comparative Analysis," in *The Unrelenting Pressure of Protectionism: The 3rd GTA Report*. Edited by Simon J. Evenett . London, UK: CEPR.
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- WTO (2009) *World Trade Report 2009: Trade Policy Commitments and Contingency Measures*. Geneva, WTO.

### **World Bank Working Papers**

- Working Paper 5436: Taking Stock of Antidumping, Safeguards, and Countervailing Duties, 1990-2009
- Working Paper 5301: Developing Countries and Monitoring WTO Commitments in Response to the Global Economic Crisis
- Working Paper 5291: China's Export Growth and the China Safeguard: Threats to the World Trading System?
- Working Paper 5223: Self-Enforcing Trade Agreements: Evidence from Time-Varying Trade Policy
- Working Paper 5168: Developing Countries, Dispute Settlement, and the Advisory Centre on WTO Law
- Working Paper 5102: U.S.- Japan and U.S.- China Trade Conflict: Export Growth, Reciprocity, and the International Trading System
- Working Paper 5051: The Global Resort to Antidumping, Safeguards, and other Trade Remedies Amidst the Economic Crisis
- Working Paper 4450: Developing Countries and Enforcement of Trade Agreements: Why Dispute Settlement is not Enough
- Working Paper 4014: The World Trade Organization and Antidumping in Developing Countries
- Working Paper 3737: Global Antidumping Database Version 1.0
- Working Paper 3540: Trade Remedies and World Trade Organization Dispute Settlement: Why are so few Challenged?

## **Annex 2**

### Global Trade and Financial Architecture – phase II

#### Steering Committee

##### Co-Chairs

Ernesto Zedillo Director, Yale Center for the Study of Globalisation

Patrick Messerlin, Sciences Po

##### Steering Committee - participants

Jagdish Bhagwati, Columbia University

Stijn Claessens, IMF & CEPR

Simon Evenett, University of St. Gallen & CEPR

Joseph Francois, Johannes Kepler Linz University & CEPR

Ahmed Galal, Economic Research Forum for Arab countries, Iran and Turkey

Duncan Green, Head of research, Oxfam

Bernard Hoekman, World Bank & CEPR

Mia Horn, Deputy Director General, Sida Sweden

Faizel Ismail, Ambassador to the WTO, South Africa

Merit Janow, SIPA, Columbia University

Anne Krueger, SAIS, John Hopkins University

Manmohan Singh Kumar, IMF

Robert Lawrence, Kennedy School, Harvard University

Patrick Low, WTO

William Lyakurwa, Executive Director, AERC

Petros Mavroidis, Neuchâtel and Columbia Law School

Kennedy Mbekeani, UNDP

Ricardo Melendez, ICTSD

Doug Nelson, Nottingham University, Tulane University

Dominique Njinkeu, Executive Director, ILEAP

Julio Nogués, Argentina

Jim O'Neill, Goldman Sachs

Sheila Page, ODI

Susan Prowse, DFID

Kamal Saggi, Southern Methodist University, Texas

Jose Manuel Salazar, ILO

André Sapir, Université Libre Bruxelles & CEPR, Belgium

John Sewell, Woodrow Wilson Center, Washington DC

Don Stephenson Canadian Ambassador to the WTO

Nick Stern, LSE

Stefan Tangermann, OECD

Ann Tutwiler, Hewlett Foundation

David Vines, Oxford University & CEPR

Alan Winters, University of Sussex & CEPR

Ngaire Woods, Oxford University