



Takeaways

More
critical

More con-
structive

Inequality
and Online
trade

Future
WTRs

Trade and Development: recent trends and the role of the WTO

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Launch of World Trade Report 2014
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- Four trends:
 - Developing countries are catching up
 - Rising importance of global value chains
 - Agricultural boom
 - Synchronization of macroeconomic shocks



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- Great analysis of current trends
- Unparalleled synthesis of the literature
- But
 - A bit too macro in terms of role played by the WTO
 - A bit too positive in its assessment
 - Timid in identifying challenges for the negotiating agenda
 - Could have been more critical and constructive



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- Recent study on WTO effectiveness is critical of the existing literature (Chaudoin, Hays and Hicks, 2014):
 - Do we really know that the WTO cures cancer?
 - Membership in CITES and WTO equally promote trade
- More interdisciplinary micro-evidence is needed



More critical on protectionism during the crisis

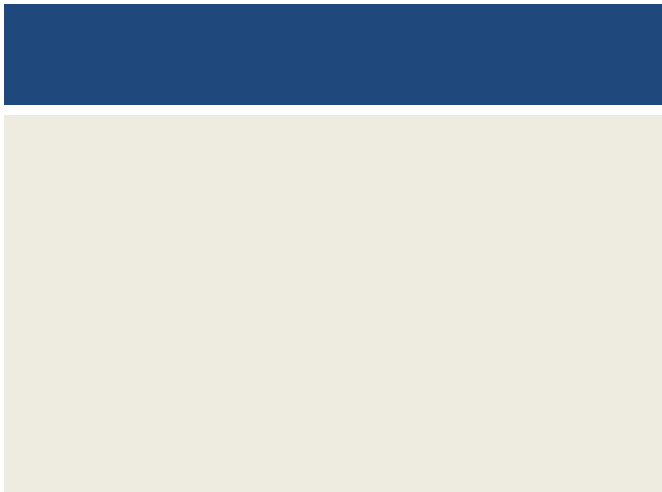
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More critical on the role of the WTO

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- Boffa and Olarreaga (01) find no evidence of tit-for-tat games
- Rather evidence of chicken games among TO players....
- But the same is true for non- TO members during the crisis
- Can we attribute the absence of escalation in protectionism to the TO?



More constructive

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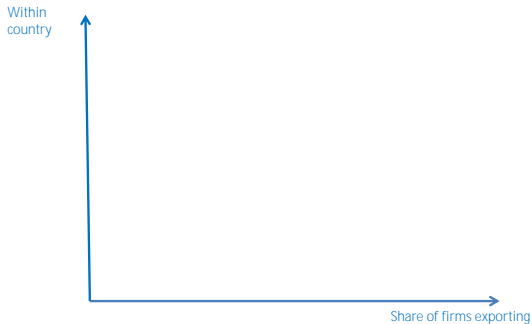
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- Report identifies topics for a negotiating agenda
 - Trade and the environment: is XX(h) all the WTO can offer?
 - Trade and labor standards: should we leave these to RTAs?
 - Trade and income inequality: shall we ignore it?
- TO members need to tackle big issues
- Maybe the mistake of the past was to focus on low-hanging fruits....



Inequality and new trade theory

As the share of exporters grows:



Source: Helpman, Itskhoki, Mundler and Redding (2014)

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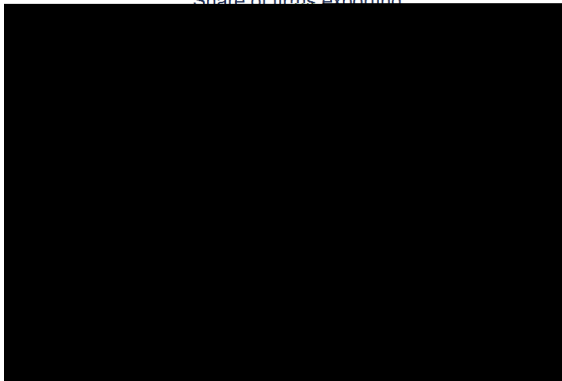
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Share of e porters online and offline

Share of firms exporting



Source: Lendle, Olarreaga, Schropp and Vezina (2013)

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