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**CATPRN**

Canadian Agricultural Trade Policy Research Network

# **THE TRADE POLICY JUNGLE: A SURVIVAL GUIDE FOR ACADEMIC ECONOMISTS**

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### **Abstract**

The rules of the trade policy arena differ from those in academia. How can an economic researcher survive, let alone thrive, in what may appear to be a trade policy jungle? The purpose of this paper is not just to offer guidance in this respect but also to think through the factors that determine the supply and demand for timely, relevant policy-relevant insights into commercial policy matters. Understanding the latter provides much of the rationale for the former. Advice follows analysis, as it should do. Economic researchers have certain advantages that they can make immediate use of in the jungle and maybe some baggage that they would do well to shed.

## 1.0 Introduction

Leading trade negotiators invoke facts and research findings in support of their positions an awful lot. Seminars and conferences on commercial policy matters are held in Washington, D.C., Brussels, and Geneva on a regular basis and typically feature one or two academic speakers. In the run up to important summits and deadlines for trade negotiators, newspapers publish plenty of op-ed articles and letters on the pros and cons of various trade policy options. These observations suggest there is considerable scope for disseminating the policy recommendations of academic research on trade, especially during an era where empirical international trade research has grown in profile. But the rules of the policy arena are different from those in academia. How can an academic survive, let alone thrive, in what may appear to be a trade policy jungle? The purpose of this paper is not merely to offer tips in this respect--much like a glorified "how to" guide--but also to think through the factors which determine the supply and demand for policy-relevant insights into commercial policy matters. Understanding the latter provides much of the rationale for the former.<sup>1</sup> Advice follows analysis, as it should do.

The remainder of this paper is organised into three more sections: an account of the supply and demand for policy-relevant insights into commercial policy options; ten tips on substance and form for newcomers concerning surviving (and hopefully thriving) in the trade policy jungle; and then some closing remarks.<sup>2</sup>

## 2.0 The Supply and Demand for Insights into Commercial Policy

The metaphor "trade policy jungle" is deliberately used here so as to distinguish what goes on in trade policy-making (broadly conceived) with what happens in academia. Presumably we know how the latter place works (or after, at most, a couple of years as an assistant professor in the United States one ought to know). How should one begin to think about the trade policy jungle? Surely the right place to start is to examine the demand and supply side of the market for the product in question, the product here being **timely, relevant insights into the efficacy of different**

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<sup>1</sup> It occurs to me that many of the arguments that follow may be unduly influenced by my own experience in the United States and in Europe. Of course, I have travelled much more widely but there is still the lingering doubt that I may not understand how things work in other places as well as I might in my own backyard.

<sup>2</sup> The reader may be wondering what the author knows about the trade policy jungle. Definitely less than some and probably more than most academic trade economists. He certainly has not been a trade negotiator or, thank heavens, a lobbyist. Instead, over the last 10 years since getting his Ph.D. in economics he has made numerous forays into the trade policy jungle returning, more or less in one piece, to the warm hearth of academia. For ten years he held fellowships at the Brookings Institution in Washington, D.C., where he set up and ran the Brookings Roundtable on Trade and Investment Policy (an off-the-record forum for discussions among Washington trade policy apparatchiks), undertook two stints at the World Bank (where anyone serious about understanding the relationships between international trade and developing countries should spend some time), acted as rapporteur of numerous OECD and WTO events, and has finished more policy-relevant writings and edited volumes that he cares to remember. (For your information a "rapporteur" is a glorified conference secretary who gets to sum up the main findings of the event in question. The rapporteur is often asked to write up the principal report on the conference, which forms part of the public record.) Moreover, he has spoken at over 125 public policy events (ostensibly on trade policy and related matters), often giving more than one presentation. Those are my credentials. Make of them what you want.

**commercial policy options.**<sup>3</sup> I will start by analysing the incentives faced by each type of supply-side participant. As you'd expect "incentives matter" in the trade policy jungle, just as they do in many other areas of life.

The supply side of this market comprises some academics, certain non-governmental organisations (NGOs), think tanks and research institutes, lobbyists and industry associations, a number of international organisations, and some researchers in government departments or independent state offices or commissions. The location of these market participants is geographically concentrated in Washington, D.C., Geneva, and Brussels. Pockets of suppliers can be found in Paris and London. Before considering the incentives faced by these participants, I should describe what these agents tend to supply. In terms of content there are at least four types of output supplied, namely, analyses of trade policy decisions and others shocks in multiple-market (often general equilibrium) models, similar analyses in specific markets (such as agricultural markets), purpose-built models and empirical approaches to assess a specific commercial policy problem, and the collection, organisation, and presentation of relevant data. This content is presented in many forms, including academic papers, shorter briefing notes, reports (official and others), pamphlets, op-ed pieces in newspapers, on-line blogs, and is disseminated through many different media.

Starting with academia we know (as our American friends say) "what the deal is" with respect to public policy relevant research, at least in international trade. By and large there is a strong dislike for this research because, in part, it is seen as being "lightweight" compared to the "depth" that one can apparently reach with theoretical and econometric tools. This reluctance to write papers with direct policy relevance has at least two important consequences, the first of which is that there are few people who can referee papers with substantial policy content because either the policy instruments themselves or the decision-making processes surrounding them are not well understood by the "representative" trade economist. The second result is that fewer and fewer doctoral candidates have been trained how to undertake policy-relevant research. This, in turn, has led to fewer economists being appointed to the better research institutes or think tanks with a strong interest in trade policy. For example, from 1993 to 2003 only three freshly-minted Ph.D.s in international economics (not just international trade) from first-tier U.S. universities were offered posts at serious Washington D.C.-based think tanks. This has contributed to a reduction in the supply of decent policy-relevant papers on trade policy. More generally, academia's steady retreat from policy-relevant work on international trade has created a vacuum that others have been all too happy to fill.

The second group of suppliers are those holding posts at think tanks and research institutes. It is important to differentiate between two (almost distinct) groups here: the former senior trade negotiator or trade policy official and those who have pursued primarily research throughout their careers. Members of both groups are, in principle,

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<sup>3</sup> As in any market, the parameters influencing the supply and demand sides of the market may well change over time. It would be wrong, therefore, to read the following account as implying that there is a static market for timely, relevant insights into the efficacy of different commercial policy options. I thank Bob Wolfe for reminding me to remind readers of this important point. A different matter raised by Prof. Wolfe is whether a form of Says Law applied to this market. That is, could an entrepreneurial academic create the demand from policymakers for their recommendations? There may well be intertemporal relationships between the past decisions on one side of the market and the incentives faced by current and future participants on the other side of the market.

capable of producing what could pass muster as good applied international research in academia, although the latter group tends to produce such work more often. The former tend to have large networks of national and international contacts, which has a pro and a con as far as their writings on trade policy is concerned. The pro is that their analyses tend to be better attuned than most to the policy-related priorities of the day and the actual mechanics of trade policy decision-making. The con is that, perhaps so as not to jeopardise their networks of contacts (which are one of their major sources of information), they tend to articulate middle-of-the-road policy recommendations. Overall, this type tends to produce informative but not particularly path-breaking trade policy research.

The never-ending search for funding can influence the topics researched at think tanks and research institutes. For a long time no Washington-based think tank touched economic development matters, but a slew of funding has altered this state of affairs in the past seven years. Perhaps more pertinently for trade policy, financial support for research projects and conferences on regional initiatives tends to be stronger than for international/multilateral initiatives, manifesting itself in many more books being published by think tanks on preferential trade agreements than on the WTO.

Incentives appear to shape the trade policy-related activities of NGOs too.<sup>4</sup> The search for funding, and the implied need to differentiate any given NGO from the pack has, given the longstanding governmental and "establishment" support for multilateralism and freer trade, left NGOs only with the "critical" end of the spectrum of commentary on trade policy open to them.<sup>5</sup> It is hard to find newspaper articles for NGO reports that support the status quo, and without evidence of media impact, many funding sources dry up. Incidentally, it is worth bearing these considerations in mind when deciding whether to respond to a piece of NGO work that you disapprove of.

The international organisations are an important source of supply of policy-relevant research on commercial policy. The World Bank stands out in this respect, having a dedicated group of very active researchers producing lots of papers every year. That, plus one or two flagship annual publications to market their research, gives the World Bank a formidable advantage in the jungle. The OECD probably comes second in terms of the quantity of research produced, although the latter's policy recommendations are more finely drawn. UNCTAD, the IMF, and the WTO have some economists who contribute papers and reports that, from time to time, get a lot of attention.

At their best researchers at international organisations capitalise on three advantages that they have over most other players in the jungle, namely, access to more and better quality data, better knowledge of the institutional processes for decision-making at the national and the international level, and ample<sup>6</sup> support for research assistance and travel. When their research falls short usually it is because of partisan bureaucratic entrepreneurship or self censorship, the latter results in

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<sup>4</sup> Note the word "shape" was used in this sentence, and not the phrase "entirely determine".

<sup>5</sup> Perhaps this should be thought of as a form of locational competition!

<sup>6</sup> Relatively speaking, of course.

certain subjects not being researched at all or certain policy implications not being drawn.

International organisations acquire reputations, parts of which are specific to their output of trade policy research and parts are broader and institution-related, and this colours how their staffs' papers are received in the jungle. The OECD, for example, has acquired an excellent reputation for documenting, monitoring, and quantifying agricultural trade barriers. In contrast, it is unclear how over the last five years the World Bank's substantial revisions to its Computable General Equilibrium (CGE)-generated estimates of the benefits of completing the Doha Round have advanced its reputation as a reliable source of trade policy advice.<sup>7</sup> Incidentally, such have been the changes to the magnitudes of these estimates that the Director-General of the World Trade Organization, Mr. Lamy, now balks at referring to CGE estimates in his speeches. Credibility matters in the jungle.

Institutions also acquire broader reputations that, rightly or wrongly, colour how their trade policy research and its associated policy recommendations are received. It has to be said that the backlash against the Washington Consensus, which accelerated after the East Asian financial crisis in 1997-98, has made readers in many developing countries more cautious of any policy recommendations to further liberalise trade policy in research authored by World Bank and IMF staff. All of these observations have a bearing on deciding with whom, and under what circumstances, you might want to collaborate in the trade policy jungle.

A final group of suppliers worth noting are those based in independent state commissions or offices that advise governments or the legislature on trade policy matters. As is often the case, such arrangements have been formalised and implemented more transparently in the United States, where the U.S. International Trade Commission, the General Accounting Office, and the Congressional Research Service frequently provide informative research on pressing trade policy matters. Admittedly, this research tends not to have sharp policy recommendations, but skilful drafters know how to guide the reader (and newcomers to the jungle should be aware of this). In Europe the comparable arrangements are more *ad hoc* or informal. For example, the European Commission inevitably commissions from outside experts a Sustainable Impact Assessment of each trade negotiation that it undertakes (and sometimes those assessments are updated after the negotiation is completed). The scope of these assessments are normally so broad (recall the "sustainability" label) that they are undertaken by teams of academics, NGO staff, and think tank experts. These assessments are another vehicle for making policy recommendations on pressing negotiating matters.<sup>8</sup>

Looking across the suppliers of such work, with a few noticeable exceptions, the analysis of border measures (such as tariffs and quotas) is far better developed than that for the so-called behind-the-border measures that are found increasingly in trade agreements. The empirical tools used in the jungle are, by and large, drawn from those developed in academia or developed in collaboration with those in academia, which is valuable to those operating in either milieu. There are of course differences,

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<sup>7</sup> I accept that there can be perfectly good reasons why CGE estimates of the same trade reform may change (such as improved underlying data etc.)

<sup>8</sup> Although the breadth of these Assessments is such that economic arguments can get drowned out by other (potentially legitimate) considerations.

perhaps the most obvious being that there are many more analyses of trade negotiating strategies written in the jungle than in economics academia.<sup>9</sup>

On the demand side for relevant insights on commercial policy options, it may be useful to pose the following questions: Who? What? When? and Where? Of course, the deeper question underlying all these questions is Why? That is, why do trade policy decision-makers and their advisers seek such insights in the first place? I will touch on this latter question towards the end of this section. As to "Who?" let me make one brief point before moving on. Not surprisingly, many of the academic economists who teach public policy-related courses often assign research papers with policy implications to their students, creating one form of demand. My focus in what follows, however, is on the demand emanating from outside of academia.

With respect to the other potential demanders of policy-relevant insights, the ultimate source of demand is the fact that trade policymakers have to make large numbers of different and often controversial decisions. Those decisions relate not just to the World Trade Organization and associated negotiations, ministerial meetings, and trade disputes, but also to national debates over trade reform, bilateral relations with other countries, regional and plurilateral commercial policy initiatives. For sure, some of these decisions will be determined entirely on non-economic grounds, including political expediency and legal considerations. However, there are many trade policy discussions where the effects of a possible decision are of interest and, to the extent that those effects are economic in nature, then this **in principle** provides the entrée for trade economists.<sup>10</sup>

The need to take decisions creates a demand for advice, which is principally provided by officials, lobbyists, NGOs, and commentaries in the media. This, in turn, generates a derived demand for economic research findings that speak precisely to the matter at hand.<sup>11</sup> Officials play an important role in sorting through the disparate claims made and selecting which findings get distilled into the advice given to decision-makers, such as trade ministers.<sup>12</sup>

Concerning "What?" it is important to recall that trade policy decision-makers, and by implication the derived demanders of policy-relevant economic research, are often interested in a wider set of effects than those stressed during a conventional training in neoclassical economics. For example, trade policymakers are often interested in the extent of adjustment in the labour and product markets (that is, in plain English,

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<sup>9</sup> As far as the analysis of actual trade negotiating strategies is concerned, scholars in the fields of international relations, international policy economy, and political science have given these matters far more attention than economists.

<sup>10</sup> This includes not just assessing the effects of any one potential action but also to assess the merits of different options available to a decision-maker.

<sup>11</sup> One trade official pointed out that some of the demand for economic analysis comes from policy-makers seeking to justify decisions that they have already made. One successful academic trade economist, who has made plenty of policy-relevant contributions, argued that this particular "validation function" of some academic research, which essentially caters to certain pre-conceived notions of some policymakers, is what occasionally puts him off forays into the jungle. There are for sure no guarantees that academic research findings won't be misinterpreted or otherwise abused in the trade policy jungle.

<sup>12</sup> There are limits to this derived-demand argument for economic analysis. The fact that policymakers need to make decisions does not automatically imply that they (directly or indirectly through their officials) will seek economic analysis and advice.



the magnitude and location of job losses, lost output, and any associated spending by government) caused by a trade reform, the likely speed of adjustment, as well as who gains, who loses, and over what time frame. A necessary condition for success in the jungle is listening to "what" is being demanded and identifying the metrics by which policy options are really evaluated. This is much more preferable to parroting statements about consumer surplus, producer surplus, and deadweight losses.<sup>13</sup>

With respect to the question "When?", timing is not everything but it is extremely important. By and large, trade policy decisions and the preparation of advice for decision-makers follow established processes, associated with which are approximate timetables. Judging when to circulate a piece of research, so that it is read and considered while advice is being compiled in advance of a decision, is a skill worth acquiring. Some examples may be instructive. The first half of 2006 would have been an excellent time to circulate an innovative piece of research on Aid for Trade. Why? Because at the WTO Ministerial Meeting in December 2005 trade ministers launched a six month-long WTO process to consider this matter.<sup>14</sup> Here is another example: the Doha Ministerial Declaration, issued in November 2001, made clear that WTO members (in effect, their trade ministers) would decide at the following Ministerial meeting whether to launch negotiations on the four so-called Singapore Issues.<sup>15</sup> The interval between these Ministerial meetings is typically one-and-a-half to two years which gave me time to assemble an accessible and (hopefully informative) edited volume on these matters for distribution three months before the latter (the Cancun) Ministerial Conference.<sup>16</sup> In sum, while not everything in the trade policy calendar is planned and set in stone, the institutional and official processes associated with decision-making on trade policy creates enough predictability for informed researchers to plan ahead.<sup>17</sup>

The question of timing has another implication. Beware of trade policy matters, however apparently important and systemic, that do not have a major reform decision which many senior trade policymakers will have to focus on in the foreseeable future. Two important examples come to mind. The first is the WTO's accession process which has determined the terms upon which over twenty countries have joined the multilateral trading system since 1995. As we are learning, not least by watching China's negotiating tactics during the Doha Round, the terms upon which countries are acceding to the WTO are so out of line with those obligations taken on by existing WTO members at similar levels of development that the former are demanding that

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<sup>13</sup> In the jungle you might want to refer to these as customer savings, firm competitiveness (if appropriate), and waste, respectively.

<sup>14</sup> Andrew Charlton and Joseph Stiglitz wrote a report on Aid for Trade for the Commonwealth Secretariat that received considerable attention during this period.

<sup>15</sup> The four matters in question were the interaction between trade and investment policy, the interaction between trade and competition policy, transparency in government procurement practices, and trade facilitation.

<sup>16</sup> The initiative was arguably a success. One measure of this success is that the four chapters of that edited volume were downloaded more than 25,000 times from one website alone in the twelve months after that volume was released.

<sup>17</sup> None of this discussion on timing, and what follows, is meant to suggest that the only socially valuable policy-relevant research is dictated by the timetables for decision-making by trade policymakers. For example, the development of theoretical and empirical tools that allow for more accurate estimates of trade policy instruments could have important long-term payoffs for policymaking and for society. Economists operating in the jungle are downstream users of some of the tools developed in academia and should certainly welcome advances in this regard.

little be asked of them during the current multilateral trade negotiation. This, in turn, suggests the fallout from the WTO accession process is not limited or time-bound as some would like to think. Suppose that one considers this to be a systemic issue, as far as timing is concerned it is important to remember that there are no high-profile decisions concerning the organisation and terms of the WTO accession process that senior trade policy makers are scheduled to take in the near future.<sup>18</sup> The result: a small demand for policy-relevant insights into this matter. The second example is **reform** of the WTO's Dispute Settlement Understanding.<sup>19</sup> This subject, it seems, attracts endless comment from practicing and academic international trade lawyers and public international lawyers, but given there are no major decisions scheduled to be taken on this subject, where is the real demand from decision-makers for policy-relevant insights on DSU reform?

The question "Where?" indicates the need to think about the fora in which to make policy-related interventions. Undoubtedly getting an op-ed published in the *Financial Times* or some newspaper of comparable repute will get some attention for a set of policy recommendations.<sup>20</sup> However, in terms of impact little beats giving presentations at events where (ideally) lots of decision-makers, or more likely those who advise them, are in attendance. Fortunately, international trade policy has a large number of such events devoted to it in Washington, D.C., Geneva, Brussels, and Paris. The WTO, OECD, some of the regional development banks (such as the Inter-American Development Bank) and bodies such as the Commonwealth Secretariat organise events in other locations, typically in developing countries. Prominence in the jungle, therefore, requires a willingness to travel to these events and to participate in these events on policymakers' terms. The latter means, often, making short (sometimes very short) clear presentations that focus on the findings and relevance of your work for current policy discussions. Knowledge of those discussions and how the associated decisions will be taken is, therefore, a prerequisite for successful dissemination.

Finally, I come to the question of "Why?" or motive. No doubt, having studied the models of political economy of trade policy, the cynic in you might argue that decision-makers and advisers are only interested in research findings to the extent that they support their pre-determined positions. Undoubtedly there are situations when this is true.<sup>21</sup> However, there are plenty of trade policy matters where decision-

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<sup>18</sup> This is not to say that decisions on an individual country's accession to the WTO do not get attention from policymakers, rather that the process for negotiating accession is not scheduled for reform anytime soon.

<sup>19</sup> As opposed to commentary on the rulings of the relevant Panels and Appellate Body.

<sup>20</sup> With the rise of the internet, both as a place to post research findings as well as a means for dissemination, the domination of the traditional media over policy commentary has weakened considerably. Moreover as many senior policymakers appear to read far less than their predecessors, then oral presentations and pithy articles have grown in importance as dissemination devices.

<sup>21</sup> An important activity of trade policymakers is negotiation with counterparts from other jurisdictions. Bob Wolfe pointed out that political scientists have usefully made the distinction between negotiations in which the parties "bargain" and those in which they "argue". If I have understood this distinction correctly, in the former each party knows with certainty its interests and position and, presumably therefore, policymakers will be looking for research findings that corroborate their position and refute the position of others. "Arguing," on the other hand, involves negotiations when there is some dispute or uncertainty as to what is really in each party's interests. In this situation, research findings can contribute to a discussion of the relative efficacy of different options before negotiators, and may well add to the number of options before negotiators. Some of the so-called behind-the-border provisions (or

makers (or their advisers) have instincts as to what the right approach to take is, but are unclear as to the specifics. Alternatively, when it is widely accepted that a current aspect of trade policy is not working, then there may be a greater willingness to listen to innovative and relevant ideas. This is not to say that officials are necessarily willing to go back to the drawing board and conceive of completely changing their priors--instead, that there is an openness to new ideas so long as they fall within certain parameters. Here the academic's role of "informing" policymakers comes to the fore. I would argue that many, not all, of the behind-the-border matters in trade agreements are ones where policymakers have a broad sense of what they want to achieve but the specific details, and sometimes even options, in that regard are not something they have necessarily fixed their views on.

The purpose of this section was to reflect on the supply and demand factors that operate in the trade policy jungle. There are, for sure, some matters that were not addressed here such as how does the associated "market clears"--that might be taken to mean which policy recommendations are ultimately adopted and which ones are eventually ignored or discarded.<sup>22</sup> Despite its evident importance, the latter matter is a very difficult one to come to any general conclusions about, especially as political decision-making may differ markedly across countries and over time. Another unexplored issue is what constitutes "successful" activity by an academic in the trade policy jungle.<sup>23</sup> Even so, the above discussion of the demand side provided some indications as to the attributes prized in the jungle and arguably some of them differ from those honed in doctoral programmes and valued in academia. On the basis of this discussion of the factors underlying the supply and demand for policy-relevant findings on commercial policy matters, the next section provides a few tips to newcomers as to how to make more successful forays into the trade policy jungle.

### **3.0 Surviving in the Trade Policy Jungle: Some Tips for Newcomers**

Had this been a corporate strategy article in the *Harvard Business Review* (HBR) this section would probably have started by arguing that survival in the jungle is not a matter of connections or good fortune.<sup>24</sup> Picking up the tempo the *HBR* article would assert: Conscious decision-making based on a multi-step analysis of the jungle's characteristics will help the newcomer position themselves advantageously, avoiding various lions' dens and using their novelty potentially to put distance

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provisions on domestic regulations) in trade agreements may more often be the subject of "arguing" than "bargaining."

<sup>22</sup> I suppose that the ten tips outlined in the next section include various attributes, actions, and contingencies that jointly determine the chances that an academic's time in the jungle will influence the decisions taken by policymakers and their advisers.

<sup>23</sup> Leaving aside personal motivations (consulting income, paid-for international travel, etc) and potential benefits, what is the correct social metric? Is it contributing to the adoption and implementation of trade policies that are less distortionary, that enhance the overall level of support for trade reform, or that enable producers and consumers to take better advantage of the international commercial opportunities available to them? Another difficulty in evaluating success is attribution. Policymakers may listen to many sources of advice and not all of them will disagree. Moreover, not all advice is given publicly, making external assessments of an academic economist's success hard to evaluate. There may well have been many quiet victories which an academic's research findings may have contributed towards. None of this should be read as implying that success in academic circles can be unambiguously evaluated, although arguably some of the challenges in assessing the influence of academic research on fellow academics are different from those associated with the trade policy arena.

<sup>24</sup> Can you guess which corporate strategy "guru" I am imitating?

between themselves and incumbents whose room for manoeuvre are often constrained by their well known opinions and habits. And, maybe, that wouldn't be a bad way to start this section as well! In what follows are a number of suggestions on substance and on form. They come with the proviso "for what they are worth."

### 3.1 On Substance

The following tips might be useful in deciding the best topic(s) or policy question(s) to earn your spurs with in the jungle. Equally importantly if, like me, you believe one of the most important purposes of economic inquiry is to better understand human choice, then the following suggestions may not seem so alien after all. For sure, not all of the tools that economists hone in graduate school will get used if the following advice is taken on board, but that doesn't imply that the analysis of decision-making by trade policymaking is any less substantive.

i) *The most significant determinant of the demand for policy-relevant research is a looming decision by policy makers*

There are few major debates in the trade policy jungle on subjects for which no important decision is pending. Most of the jungle's inhabitants are just too busy dealing with what has to be decided here and now to have the luxury to debate other issues. For example, watch out for the yawns if someone raises the broader issue of the relative merits of bilateralism, regionalism, and multilateralism.<sup>25</sup> If exposure is what you seek, a related point is to be wary of undertaking research projects whose likely policy recommendations are unlikely to be in any major decision-maker's "in box" in the foreseeable future.

ii) *Deadlines for policy decisions determine when policy-relevant research is needed*

Surrounding most senior governmental decision-makers are officials and a bureaucratic machinery that is supposed to aid the decision-maker. That machinery often anticipates when a final decision has to be taken and works backwards in time, creating an approximate schedule for when officials prepare their advice and may be looking out for the latest insights relevant to the decision to be taken. Moreover, in trade policy matters many international organisations seek to convene meetings before big decisions are made. National governments may "reach out" to "civil society" and other "stakeholders" (forgive the descent into soft-left jargon!) All of these initiatives help determine the time-frame in which there may be demand for policy-relevant research findings. Thought given to these considerations facilitates planning on the researcher's behalf.

Given the time and energy necessary to learn about the trade policy jungle and associated actors and institutions, there is probably a strong case for specialisation at least at the beginning. In which case the number of likely decisions on a given trade policy matter will probably influence the cost-benefit analysis of specialising in a

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<sup>25</sup> One earlier reader of this paper argued that, with the suspension of the Doha Round in July 2006, perhaps the relative merits of multilateralism, regionalism, and bilateralism will receive more attention from senior policymakers. This argument may turn out be correct but I doubt it. My suspicion remains that policymakers will continue to consider this matter indirectly, probably in response to significant developments along any one negotiating track.

given area of policy-related expertise. Antidumping investigations and decisions, for example, are made on a frequent basis in many jurisdictions and may provide ample opportunities to engage with policymakers and others. Other areas of commercial policy may be far less active (but could have greater economic significance and higher profile).

*iii) Not every high profile discussion is a prelude to a decision*

Certain trade policy topics may well reflect the genuine concerns of some parties but are couched in such a way that their primary tactical purpose is to lay down markers that will be taken up at a subsequent stage in a negotiation. In my view, the subject of Special and Differential Treatment in the Doha Round is the perfect example of this.<sup>26</sup> At issue here is not the legitimacy of the concern, more the manner in which it is advanced. In a trade negotiation, like the Doha Round, where "nothing is agreed until everything is agreed" the resolution of uncertainty on a specific subject (which good research can sometimes facilitate) may well be the last thing that those putting down markers on that subject want; instead they want discussions on this subject to go on and on (to indicate the seriousness which they attach to the subject) until the negotiation is finalised. Other negotiators understand this, and seeing little to gain from refusing to discuss a subject, may acquiesce and let the discussion continue. The problem for the researcher is that the subject in question will look like it is getting a lot of attention, but don't be fooled. When is the decision to be taken? Only at the end of the negotiation, which is exactly when decision-makers are likely to be taking many other decisions. The effective demand for policy insights in this context is likely to be low or, at best, very brief.

*iv) Understanding policymaking processes and their consequences is a serious business--it is not for part-timers, moon-lighters, and those uninterested in institutional detail*

The foregoing remarks have hopefully persuaded you that understanding the what's, why's, how's, and when's of decision-making by trade policymakers requires paying careful and persistent attention to the behaviour of a broad range of the jungle's inhabitants. Keeping up with those agents' choices, interpreting the content of various sources of information about their actions (speeches, newspaper articles, op-ed pieces, government reports, etc.), while watching out for changes in economic and other factors that influence the behaviour of these actors is neither a trivial nor a part-time job. For one, you will have to develop a wider range of information sources than the data sets that economists typically use. Moreover, you will have to develop judgement about which sources of information are more reliable and under what circumstances. Furthermore, as the pieces of the puzzle fall in place, you should be able to gauge (certainly not perfectly) the timing of when certain matters are likely to be getting the attention of policymakers and, therefore, when the demand for policy-relevant research is likely to be higher.<sup>27</sup>

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<sup>26</sup> My experience as the rapporteur of the 2005 OECD Global Forum on Special and Differential Treatment led me to this conclusion.

<sup>27</sup> I would also argue that there are potential payoffs to academic trade economists in their traditional research activities from a greater appreciation of the trade policy-making process and its outcomes. There is considerable intertemporal and cross-sectional variation in the circumstances and frequency with which commercial policy decisions get made. Surely this variation can be better used to identify the effects of trade policies and the determinants of such policies? In a similar vein, I have been im-

To me, one of the most baffling decisions taken by some academics concerns their temporary forays into the trade policy jungle. All too often I hear sensible academic economists arguing that their latest research paper has some interesting (to them) policy implications and want to gain some attention for these findings. These supply-driven decisions to enter the jungle often prove frustrating for the academic and for their interested audience. Why? Typically, little or no attempt is made to seriously identify the origins and timing of the demand for the policy findings. When the foray into the jungle bears little fruit, the academic concerned often concludes that the policymakers and officials are distracted by other factors, that they don't want to understand or don't care about the findings, and worse of all, that the policymaking process is so (um!) political and therefore (so the argument goes) beyond the comprehension of an academic economist. Plus, the fact that ideas are not expressed in the jungle with the same (apparent) sophistication as in university seminar rooms reinforces the impression that somehow the whole exercise is for lightweights. As you can imagine I don't have much sympathy for those who haven't bothered to understand both the supply and demand for ideas in the policy arena the underlying decision-making processes, and the incentives involved. Professorial moon-lighters beware!

v) *Maskus Law: "If you can't be the smartest, be the first"*

This gem came from Keith Maskus<sup>28</sup> (University of Colorado, Boulder) and it is fair to say that he has practised what he preached. Professor Maskus is the leading expert among international trade economists on the trade-related aspects of intellectual property rights. Not long ago he identified an uninhabited part of the jungle and systematically set about marking out his territory.<sup>29</sup> There is plenty of room to repeat this strategy, and doing so in a way that satisfies one's academic colleagues as well as allowing you to develop a serious profile in the trade policy jungle. Given the importance the U.S. and the European Commission continue to attach to behind-the-border policies in the free trade agreements that they seek to negotiate and to a lesser extent in the Doha Round, and given that there is woefully little serious empirical work published on most of these matters, a carefully selected programme of research on some of these policies could well begin to payoff in both milieu after two to three years.

vi) *Believe it or not, an economics training provides some tangible advantages over many of the jungle's inhabitants*

A good Ph.D. training in economics confers on newcomers to the jungle advantages over many non-economists. The following advantages may seem to you trivial at first, but you should defer final judgement on this point until you have heard or read the

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pressed over the years how industrial organisation economists on both sides of the Atlantic have contributed to debates over competition/antitrust law as well as writing academic papers on the serious conceptual and empirical matters raised by important enforcement and court decisions.

<sup>28</sup> In the July 2006 version of this paper I inadvertently reported Maskus Law as "If you can't be the best, be the first." Professor Maskus corrected my error and stated his position thus: "If you can't be the smartest, be the first." He went on to argue (in an email to me) that the latter formulation is more accurate as "being first (even when others later improve your research, which is the natural order of things) sometimes is being the best. Goodness knows it gives you a reputation and a first-mover advantage."

<sup>29</sup> So as not to further antagonise a good friend let's stop the metaphors at this point!

mistakes made by those whose graduate educations differ from yours. These advantages are, in no particular order:

- Knowledge of available data sets and how to access them, the variables contained therein, and what the variables purport to measure. (I told you some of this was basic!)
- Avoiding the basic pitfalls associated with preparing data and charts.
- An interest in quantifying effects, not just discussing them qualitatively.
- In general, no fear of numbers.
- Thinking in models that emphasise what-causes-what and (often) parsimony in reasoning.

One edge that university-based academics have over many other supply-side rivals in the jungle is time. That is, time to read, time to think matters through, time to assemble information and datasets, time to prepare well for presentations and, perhaps more importantly of all, time to think about what you want to work on and when.<sup>30</sup>

These advantages are not enough to ensure survival, let alone long-term success, in the jungle. Even so, and perhaps unsurprisingly, it is useful to think through how to best capitalise on your existing training and strengths when in the jungle. Moreover, watch out for some of the bad habits that can be picked up during graduate school; according to friends and foes alike many academic economists came across as arrogant ideologues who are unworldly and do not appear to listen to others.<sup>31</sup>

### 3.2 On Form

The following recommendations concern skills or habits you ought to acquire and things to watch out for in the jungle.

#### vii) *Not everything in the jungle is written down--so learn to listen*

Although trade negotiations, trade policy decisions, and the like produce vast quantities of documentation, for very good reasons not everything is written down. Much of "how the jungle really works" can only be picked up by listening carefully, which is not something academic economists reared in a "me first" manner are often that good at. Moreover, listening to a broad range of views requires having contacts and this highlights the need to build a network in the jungle. You can't learn everything about the jungle, or even a small part of it that you are interested in, by sitting in your university office. One payoff from such a network is that it reduces the chances your research doesn't fall foul of some important policy-relevant detail--and so fail the "laugh test."<sup>32</sup>

#### vii) *Learn to write*

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<sup>30</sup> This is not to say that researchers face no time constraints (after all, there are only 24 hours in a day) but typically they are less time-pressed than most who operate in the trade policy jungle.

<sup>31</sup> I can't imagine what they are referring to.

<sup>32</sup> As Lars Brink put it to me, what appear to academics as small policy or institutional errors can make policymakers and their advisers dismiss findings, even if the academic has convinced himself or herself that the errors have no bearing on the key findings of their analysis.

Writing clearly and succinctly is a serious asset in the trade policy jungle as so much turns on being able to communicate ideas clearly to non-economists.<sup>33</sup> Many of the latter do not share the assumptions of orthodox economists and certainly don't write in the styles used by academic economists. I have four tips in this regard. First, for some excellent pointers as to how to write you really ought to read George Orwell's classic short essay titled "Politics and the English Language".<sup>34</sup> Even though this essay was published in 1946 Orwell's recommendations to writers, especially those writing for a broad audience, are still relevant today. Plus, his observations about the inter-relationship between imprecise writing and the quality of thought are worth considering in an age of sound-bites, bullet points, PowerPoint presentations, etc. Below I reproduce two of Orwell's pearls of wisdom:

*"A scrupulous writer, in every sentence that he writes, will ask himself at least four questions, thus: What am I trying to say? What words will express it? What image or idiom will make it clearer? Is this image fresh enough to have an effect? And he will probably ask himself two more: Could I put it more shortly? Have I said anything that is avoidably ugly?" (Orwell)*

*"But one can often be in doubt about the effect of a word or a phrase, and one needs rules<sup>35</sup> that one can rely on when instinct fails. I think the following rules will cover most cases: (i) Never use a metaphor, simile or other figure of speech which you are used to seeing in print, (ii) Never use a long word where a short one will do, (iii) If it is possible to cut a word out, always cut it out, (iv) Never use the passive where you can use the active, (v) Never use a foreign phrase, a scientific word or a jargon word if you can think of an everyday English equivalent, and (vi) Break any of these rules sooner than say anything outright barbarous. These rules sound elementary, and so they are, but they demand a deep change of attitude in anyone who has grown used to writing in the style now fashionable. One could keep all of them and still write bad English, but one could not write the kind of stuff that I quoted in those five specimens [of allegedly bad prose, incidentally two of which were written by professors!] at the beginning of this article" (Orwell).*

Another way to improve your written English is to read high quality English on a regular basis. Probably the only reason to read *The Economist* is because it is written so well. As to the quality of the Economist's reporting, its coverage of trade policy is often woeful. A substitute is to read Paul Krugman's earlier books for policy audiences, in particular, *The Age of Diminished Expectations*. Finally, if you can tolerate centre-right/right-wing political views and have any interest in the United Kingdom, then consider reading the magazine *The Spectator*<sup>36</sup> (where writers put a premium on clarity, good form, humour, and retaining the attention of the audience.)

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<sup>33</sup> Richard Baldwin reminded me just how difficult this can be. He rightly notes that many economic arguments involve simultaneous equations where everything-affects-everything-else. Capturing the insights, especially from general equilibrium models, is not a trivial matter. There is a risk of oversimplification, which does a disservice to the policymaking audience.

<sup>34</sup> This essay can be downloaded from the following internet site:

[http://www.george-orwell.org/Politics\\_and\\_the\\_English\\_Language/0.html](http://www.george-orwell.org/Politics_and_the_English_Language/0.html)

<sup>35</sup> Orwell was candid enough to admit that he has probably broken some of these rules from time to time!

<sup>36</sup> Not to be confused with its cousin on the other side of the Atlantic, *The American Spectator*.



The third tip is to spend some time at an international organisation where you have to write a substantial report for an audience of jungle inhabitants. Throughout this assignment your powers of exposition will improve markedly. (Mine did).

Finally, it cannot be stressed enough that parsimony and succinctness are real virtues in writing for policymakers. The demands on the latter's time, and on the people who advise them, appear enormous. As a result they simply don't have time to read convoluted, poorly explained papers. As a general rule, the more senior the policymaker the shorter the ideal length of a document. For experts in government agencies papers of 5,000-10,000 words in length are fine.<sup>37</sup> In the old days (that is, when I went to university<sup>38</sup>) apparently the norm was for British government ministers and senior officials to read briefing papers that were around 2,000 words long.<sup>39</sup> Apparently, nowadays many ministers prefer to read only a couple of pages and a certain Prime Minister is (I am reliably informed) only prepared to read one page-long briefing papers! The point to take away is that now you have fewer words to (i) state what the policy question is, (ii) explain its commercial, political, and other significance, (iii) describe any pertinent evidence or information that should be taken on board, including what actions other policymakers have decided to take or are likely to take, (iv) describe and assess a number of policy options available to the decision-maker, (v) make recommendations as to what to do and what not to do, (vi) state any caveats or risks involved with the recommended course of action (without undermining your case), and (vii) conclude with an informative summary of the main points made.

#### ix) *Perfect your presentational skills*

Along with maintaining an up-to-date and accessible personal website<sup>40</sup>, giving presentations is another very important means of disseminating your research findings. Policymakers and senior officials are typically bombarded with lots of information and advice, and so it is important that your presentation and associated recommendations stand out. If you are invited to give presentations to an audience of policymakers and their advisors, please observe the following rules:

- Stick to the time limit given to you. Never overrun.
- If using PowerPoint, in addition to a cover slide, use no more than one slide for every four or five minutes of presentation time.<sup>41</sup>
- If possible, have your PowerPoint slides circulated at the meeting or conference. Listeners will often write notes on the handouts and you will be able to speak (a little) faster.
- Find out in advance if your presentation is going to be translated simultaneously. If so, plan on speaking even slower than usual.
- Be prepared to give your presentation without PowerPoint slides; logistics don't always work out the way they should.

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<sup>37</sup> Except legal experts, who seem unfazed by documents that are hundreds of pages long!

<sup>38</sup> For the record 1987-1990.

<sup>39</sup> That's why (I was told) economics undergraduates at Cambridge and Oxford are made to write essays of a comparable length. It was said to be good training for a job at Her Majesty's Treasury.

<sup>40</sup> I thank Gary Hufbauer for reminding me to include this particular recommendation in the paper.

<sup>41</sup> Few people can absorb information at a faster rate than this.

- Carefully explain at the beginning of your presentation the question(s) you plan on addressing and why they are relevant to the policymakers present.
- Avoid all technical jargon.
- Avoid words such as "theory" and "models", use "concepts" and (even better) "frameworks" instead. Most non-economists in the jungle are deeply suspicious of economists' love of models.
- Be careful about how you explain the assumptions employed in your research. Don't say "We assume X" and then stop--your findings will be dismissed if the assumptions underlying it are presumed to be unrealistic or irrelevant.
- Avoid large tables of numbers (especially regression results) as many members of the jungle don't know how to interpret them quickly. Find some other way to summarise your empirical findings.
- If your findings corroborate or refute the arguments advanced by interest groups and, more generally, other participants in the policymaking process then give some thought to mentioning them. (Not every interest group's ideas are worth responding to.)
- If your findings address the merits of current proposals made by senior policymakers then be sure to mention them.
- Reiterate the policy recommendations at the end of your talk, however little time you have been given to speak. If you have the time, spelling out what your findings do not imply makes it harder for others to misrepresent your findings.
- Be prepared for an active question and answer session.
- Be careful with using humour, especially self-deprecating humour, as it is all too easily misunderstood by audiences where many different nationals are present.

#### *x) Cooperate with trade lawyers and diplomats*

The trade policy jungle has its fair share of trade lawyers and they are there for some pretty good reasons. Accept this and develop ways of explaining material to trade lawyers in terms that they understand. The payoff can be considerable as trade lawyers tend to know more institutional detail and negotiating history than trade economists, plus they read a lot more than we do.

There is also plenty to learn from trade diplomats. The best of them typically combine an excellent technical understanding of trade law and procedures with plenty of economic knowledge and an appreciation of the tactics and strategy of diplomacy; all of which are helpful in shedding light on the decisions taken by policymakers and the constraints and opportunities facing various creatures in the trade policy jungle. Some diplomats are even genuinely interested in economics and are prepared to read our papers, which is an added bonus. Having said all this, it is important to appreciate that diplomats and trade lawyers typically have different roles than researchers and consequently often have different objectives, modes of argument, and are persuaded by different evidence than we are.

## **4.0 Concluding Remarks**

Research on the implications of trade policy options has a long and distinguished pedigree. At a time when trade reform is so contested it would be a pity if

policymakers were not given plenty of opportunities to consider the findings of well-conceived economic research. Given the subject matter it is unsurprising that, from time to time, some scholars have made forays into the trade policy jungle. However, the moment they do so it probably (hopefully?!?) dawns upon them that the laws of the jungle differ from those of the faculty meeting or university senate. The purpose of this short essay has been not just to suggest what academic economists might do and look out for, but also why. This was done by examining, just as any economist surely would, the supply and demand for the product in question. A better understanding of the incentives and motives of the jungle's inhabitants may go a long way to raising both survival rates and the likelihood of success in this alternative milieu. Such an understanding might help reduce the frustrations that many academics have felt in dealing with those associated with the policy process and to dispel the impression that studying the market place for policy ideas, and the decision-making underlying it, is somehow less respectable than many other areas of economic inquiry.

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