

Third Annual Compilation

World Bank Papers for
The Uruguay Round

A
Research Inventory
for the
Multilateral
Trade Negotiations,
1990

Jalaleddin Jalali
editor

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Trade Negotiations, 1990**

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PREFACE

The Uruguay Round negotiations of the GATT are coming to a close at the end of this year and, with the publication of this volume, so does the World Bank's annual series of A Research Inventory for the Multilateral Trade Negotiations. These Inventories have provided a guide to recent and ongoing research relevant to the issues under negotiation at the Uruguay Round. Their main purpose has been to make useful research available during the gap between completion and publication, although recently published works which are deemed not widely known have also been included. As such, they are meant to complement, rather than replace, the catalogues of published research which are available in major libraries. Another goal has been to identify researchers, particularly from the developing countries, whose work is related to the Uruguay Round topics.

In compiling each of these volumes, over 20,000 researchers worldwide have been canvassed. For every abstract included, several have been declined on various grounds in order to bring together a useful collection of appropriate research. Altogether, these three volumes have provided abstracts of 580 papers, 180 of them originating in the developing countries.

It is hoped that these Research Inventories have been helpful to researchers and have assisted negotiators from participating countries to reach informed decisions. It is also hoped that they have been conducive to constructive multilateral dialogues for preserving and strengthening the open international trade system.

I would like to thank my colleagues at the International Trade Division of the World Bank for their encouragement and assistance throughout the work on these volumes. Lucy Tan and Grace Ilogon have prepared the manuscript on a word processor.

Jalaleddin Jalali

January 1990

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NAME OF RESEARCHER(S): Jaleel Ahmad, et al

POSITION, AFFILIATION: Professor of Economics, Concordia University

TITLE OF REPORT: Trade, Protectionism and Industrial Adjustment: Three North American Case Studies

LANGUAGE OF MAIN REPORT: English

REFERENCE INFORMATION: September 1989

ABSTRACT: These three papers were written as part of a joint project between the North-South Institute and the Institute of Southeast Asian Studies (ISEAS) in Singapore. This project examined the impact of protectionism in three industries - clothing, vegetable oils, and consumer electronics - on trading partners in Southeast and East Asia, as well as on the North American economies themselves. The North American case studies presented in this volume consider how the different industries have adjusted to import competition. A key concern is the impact of trade policy on industrial adjustment; how government and corporate strategies have interacted; and finally, whether protectionism has enabled domestic firms to become more efficient. The papers include:

"The North American Clothing Industry" by Jaleel Ahmad;

"North American and European Community Policies: Effect on Southeast Asian Vegetable Oil Exports" by Tim Hazledine, Walter Riemann, Robert Wall and Lorena Zanette; and

"The Consumer Electronics Industry in North America" by Glenn Jenkins, Gary Sawchuk and Gloria Webster.

ISEAS is publishing three companion volumes (one for each industry) on the impact of trade barriers on industrial development in Southeast and East Asia, focusing on responses at the firm level, how these vary according to size and ownership, and how far government policies are able to mitigate the impact of protectionism in export markets.

RELEVANT GATT NEGOTIATING GROUP NUMBER(S): 1, 2, 4

REQUEST FOR COPIES OF THE STUDY SHOULD BE ADDRESSED TO: Ms. Laura Harries, North-South Institute, 55 Murray St., Suite 200, Ottawa K1N 5M3, Canada

COST PER COPY: Cdn \$14.50

TELEPHONE: 1-613-236-3535

TELEX/TELEFAX: 1-613-237-7435

NAME OF RESEARCHER(S): Mahasin Hussein Ahmed

POSITION, AFFILIATION: Manager, Appraisal Section, Sudan Development Corporation

TITLE OF REPORT: Import Duties and Development

LANGUAGE OF MAIN REPORT: English

REFERENCE INFORMATION: October, 1989

ABSTRACT: All Governments work hard for their vital needs for development and make every possible effort to smooth the way towards this goal. At the same time, imports of various kinds of goods is common among countries, where often studies, plans, and committees are established to make effective measures for regulating the system of imports. This study addresses the effectiveness of custom duties on development.

RELEVANT GATT NEGOTIATING GROUP NUMBER(S): 1, 2

REQUEST FOR COPIES OF THE STUDY SHOULD BE ADDRESSED TO: Ms. Mahasin Hussein Ahmed, P.O. Box 710, Sudan Development Corporation, Khartoum, Sudan

COST PER COPY: Not available

TELEPHONE: 24911-47-427 / 49-425

TELEX/TELEFAX: 24078 SDC SD / 24911-40-473

NAME OF RESEARCHER(S): Prem Narain Asthana

POSITION, AFFILIATION: Lecturer, Department of Applied Business Economics, St. John's College, AGRA - 282 005, India

TITLE OF REPORT: Growth and Diversification of Exports of Developing Countries: A Study of the Role of UNCTAD

LANGUAGE OF MAIN REPORT: English

REFERENCE INFORMATION: To be published in 1990; a synopsis of the study has been published in Agra Journal of Research, St. John's College, 1987

ABSTRACT: This research is an attempt to highlight the trends in the growth and diversification of exports of developing countries from 1938 to 1986, as compared to those in developed countries. It stresses that world economy has been moving increasingly towards less liberalized trading environment and the recent protectionist and restrictive trade policies adopted by the developed countries have proved detrimental to the interests of developing countries. The study reiterates that there is urgent need to evolve a new policy and machinery to solve the problems of global trade and development; especially those of the developing countries. In this framework it makes a modest endeavor to examine the role of the GATT and UNCTAD.

RELEVANT GATT NEGOTIATING GROUP NUMBER(S): 1, 2, 7, 14

REQUEST FOR COPIES OF THE STUDY SHOULD BE ADDRESSED TO: Dr. P.N. Asthana, E-447, Kamla Nagar, AGRA - 282005, India

COST PER COPY: Not available

TELEPHONE: Not available

TELEX/TELEFAX: Not available

NAME OF RESEARCHER(S): V. N. Attri

POSITION, AFFILIATION: Reader in Economics, Department of Economics, Kurukshetra University, India

TITLE OF REPORT: Trade Liberalization in LDCs with Special Reference to India

LANGUAGE OF MAIN REPORT: English

REFERENCE INFORMATION: 1989

ABSTRACT: India, like most other developing countries, has conducted a restrictive commercial policy in the last three decades, in conjunction with domestic licensing policies in the industrial sector, which led to economic inefficiencies and impaired her economic growth. This study examines the role of trade-liberalization in producing economic-efficiency and growth in India and also examines the timing and sequence of trade-liberalization process.

The study is divided into six sections. The methodology is mainly descriptive but econometric-tools are used where-ever they become necessary. The titles of the six sections are as follows:

- i. The critical evaluation of the policy of trade-liberalization in some of the developing countries.
- ii. The economic justification for trade-liberalization.
- iii. The performance of the Indian Economy: 1950-1987 performance of India's exports and imports and the determinants of the composition of imports and exports.
- iv. The sensitivity of India's imports and exports.
- v. The relationship between trade-liberalization and economic growth in India.
- vi. Conclusions and policy-implications of the study.

RELEVANT GATT NEGOTIATING GROUP NUMBER(S): 1, 2

REQUEST FOR COPIES OF THE STUDY SHOULD BE ADDRESSED TO: Dr. V.N.Attri, Department of Economics, Kurukshetra University, Kurukshetra-132 119, India

COST PER COPY: US\$25.00

TELEPHONE: Not available

TELEX/TELEFAX: Not available

NAME OF RESEARCHER(S): M. Bar-Nathan and J. Baruh

POSITION, AFFILIATION: Economists, Research Department, Bank of Israel

TITLE OF REPORT: Determinants of the Tariff Structure of the Israeli Industrial Sector 1965-77

LANGUAGE OF MAIN REPORT: English

REFERENCE INFORMATION: Bank of Israel Research Department, Discussion Paper Series 87.01, 1987

ABSTRACT: The paper examines the tariff structure of the Israeli manufacturing sector in the mid-sixties and late seventies, a period marked by considerable trade liberalization. The empirical results point to the "made-to-measure" nature of the tariff structure, whereby relatively inefficient industries were granted higher rates of protection. The relative inefficiency measure which was derived from the CES production function kept a high explanatory power, along a wide range of substitution elasticities.

The empirical results show that tariffs favored low wage, labor-intensive industries and that industries with high levels of concentration lobbied successfully for higher levels of protection.

RELEVANT GATT NEGOTIATING GROUP NUMBER(S): 1

REQUEST FOR COPIES OF THE STUDY SHOULD BE ADDRESSED TO: Mr. Bar-Nathan, Research Department, P.O.B. 780, Jerusalem, Israel

COST PER COPY: None

TELEPHONE: 972-2-552211

TELEX/TELEFAX: 972-2-528805

NAME OF RESEARCHER(S): Drusilla K. Brown and Robert M. Stern

POSITION, AFFILIATION: Assistant Professor of Economics, Department of Economics, Tufts University, Medford, MA 02155; and Professor of Economics and Public Policy, Department of Economics, University of Michigan, Ann Arbor, MI 48109, respectively

TITLE OF REPORT: Modeling Perspectives for Analyzing the Canada-US Free Trade Agreement

LANGUAGE OF MAIN REPORT: English

REFERENCE INFORMATION: Discussion Paper, Research Seminar in International Economics, Department of Economics, University of Michigan, Ann Arbor, MI 48109

ABSTRACT: This paper reviews the major developments since the 1960s in the theoretical analysis of options for free trade between Canada and the United States. It focuses especially on some unresolved conceptual issues in modeling the FTA, including how to handle intra-firm trade, effects on foreign direct investments in the two countries, different market structures and types of firm behavior, and effects on exchange rates. See also earlier papers in the volumes edited by Greenaway, et al., and by Feenstra.

RELEVANT GATT NEGOTIATING GROUP NUMBER(S): 1, 2

REQUEST FOR COPIES OF THE STUDY SHOULD BE ADDRESSED TO: Professor Robert M. Stern, Institute of Public Policy Studies, University of Michigan, Ann Arbor, MI 48109-1220, USA

COST PER COPY: \$8.00

TELEPHONE: 1-313-764-2373

TELEX/TELEFAX: 1-313-930-2800

NAME OF RESEARCHER(S): Jorge Corrales and Ricardo Monge

POSITION, AFFILIATION: Economists, ECONOFIN

TITLE OF REPORT: Costa Rica's Non-Traditional Exports: An Analysis of Their Expansion During 1982-88

LANGUAGE OF MAIN REPORT: Spanish

REFERENCE INFORMATION: Prepared for the AID Mission in Costa Rica, 1989

ABSTRACT: This study is an economic analysis of the significant increase in Costa Rica's non-traditional exports to world markets outside the Central American region, from 1982 to 1988, by main products and sectors (agricultural, agro-industrial and industrial, as well as draw-back). To explain it, the set of incentives that guarantees a "neutrality" for exports, as well as the use of the appropriate real exchange rate (PPP estimations are included) become relevant. Non-tariff barriers in the non-traditional agricultural sectors affect vertical integration, and this reflects in the "not so good" growth or agro-industrial exports compared to the agricultural or industrial exports. An evaluation is made of the small impact of tariff reduction in order to diminish the anti-export bias, when there exists tariff redundancy.

RELEVANT GATT NEGOTIATING GROUP NUMBER(S): 1, 2, 5, 6

REQUEST FOR COPIES OF THE STUDY SHOULD BE ADDRESSED TO: ECONOFIN S.A., Apdo. Postal 549, 7050 Cartago, Costa Rica, Central America

COST PER COPY: US\$4.00

TELEPHONE: 506-53-43-21; 506-25-91-21; 506-53-12-53

TELEX/TELEFAX: 506-53-17-55

NAME OF RESEARCHER(S): Alan V. Deardorff and Robert M. Stern

POSITION, AFFILIATION: Professors of Economics and Public Policy, Department of Economics, University of Michigan, Ann Arbor, MI 48109

TITLE OF REPORT: Options for Trade Liberalization in the Uruguay Round Negotiations

LANGUAGE OF MAIN REPORT: English

REFERENCE INFORMATION: Discussion Paper, Research Seminar in International Economics, Department of Economics, University of Michigan, Ann Arbor, MI 48109

ABSTRACT: The Michigan Model of World Production and Trade is used to analyze options involving the assumed removal of post-Tokyo Round tariffs and non-tariff barriers by the major industrialized countries. It differs from earlier studies insofar as it uses a data base of 1980 rather than 1976 and has a more complete coverage of input-output tables for several of the countries included in the model. It is also written in a somewhat nontechnical manner for non-economists.

RELEVANT GATT NEGOTIATING GROUP NUMBER(S): 1, 2, 3, 4, 5, 6

REQUEST FOR COPIES OF THE STUDY SHOULD BE ADDRESSED TO: Professor Robert M. Stern, Institute of Public Policy Studies, University of Michigan, Ann Arbor, MI 48109-1220, USA

COST PER COPY: \$8.00

TELEPHONE: 1-313-764-2373

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NAME OF RESEARCHER(S): Alan V. Deardorff and Robert M. Stern

POSITION, AFFILIATION: Professors of Economics and Public Policy, Department of Economics, University of Michigan, Ann Arbor, MI 48109

TITLE OF REPORT: Computational Analysis of Global Trading Arrangements

LANGUAGE OF MAIN REPORT: English

REFERENCE INFORMATION: University of Michigan Press, forthcoming in 1990

ABSTRACT: This book contains a description of the theoretical structure and equations of the Michigan Model of World Production and Trade and application of the model to a variety of policy issues, including: the effects of foreign tariffs and NTBs on the structure of tariff protection in the major industrialized countries; input-output technologies and the effects of tariff reductions; neighborhood effects of developing country protection; effects of protection on the factor content of American and Japanese foreign trade; evaluation of factor endowments and protection as determinants of Japanese and American foreign trade; economic consequences of an import surcharge by the United States; tariffs and defensive responses; impact of tariffs on profits in the United States and other major trading countries; impact of the Tokyo Round and US macroeconomic adjustments on North American trade; alternative scenarios for trade liberalization in the Uruguay Round negotiations; evaluation of alternative safeguards scenarios in the major trading countries; and lessons for computer modeling of trade policies.

RELEVANT GATT NEGOTIATING GROUP NUMBER(S): 1, 2, 3, 4, 5, 6, 9, 10

REQUEST FOR COPIES OF THE STUDY SHOULD BE ADDRESSED TO: Professor Robert M. Stern, Institute of Public Policy Studies, University of Michigan, Ann Arbor, MI 48109-1220, USA

COST PER COPY: Not available

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NAME OF RESEARCHER(S): Alan V. Deardorff and Robert M. Stern

POSITION, AFFILIATION: Professors of Economics and Public Policy, University of Michigan, Ann Arbor, MI 48109

TITLE OF REPORT: A Computational Analysis of Alternative Scenarios for Multilateral Trade Liberalization

LANGUAGE OF MAIN REPORT: English

REFERENCE INFORMATION: Economic Council of Canada, Discussion Paper No. 363, August 1989

ABSTRACT: The Michigan Model of World Production and Trade is used in this paper to investigate the economic effects of a variety of options that might be considered in the Uruguay Round negotiations. The options include:

- (1) Elimination of all post-Tokyo Round tariffs in 18 major industrialized countries;
- (2) Elimination of all tariffs in 16 major developing countries;
- (3) Elimination of tariffs in both the major industrialized and developing scenarios;
- (4) Elimination of NTBs in the major industrialized countries, excluding agriculture and textiles and clothing;
- (5) Elimination of agricultural production subsidies in the major industrialized countries;
- (6) Elimination of NTBs on textiles and clothing in the major industrialized countries;
- (7) Elimination of all tariffs and NTBs in the major industrialized countries (scenarios 1 + 4 + 5 + 6);
- (8) Harmonization of sectoral tariffs to the national weighted average tariff in the major industrialized countries; and
- (9) Harmonization of sectoral tariffs to the world weighted average in the major industrialized countries.

RELEVANT GATT NEGOTIATING GROUP NUMBER(S): 1, 2, 3, 4, 5, 6

REQUEST FOR COPIES OF THE STUDY SHOULD BE ADDRESSED TO: Sunder Magun, Economic Council of Canada, P.O. Box 527, Ottawa, Ontario K1P 5V6, Canada

COST PER COPY: Not available

TELEPHONE: 1-613-952-1800

TELEX/TELEFAX: Not available