Ken Shadlen wins Open Article prize for 2014

Ken Shadlen, along with Mark Manger (formerly of LSE), has been awarded the Open Article prize for 2014 from the Economics and Politics Section of the Latin American Studies Association.

Their prizewinning paper, ‘Political Trade Dependence and North–South Trade Agreements’, was published in the International Studies Quarterly journal in March last year (full citation below).

The research was funded by the LSE’s Suntory and Toyota International Centres for Economics and Related Disciplines (STICERD).

The Economics and Politics selection committee, Tony Spanakos (chair), Felipe Filomeno, and Pablo Toral, provided the following feedback on the work:

“We found the article to be a very strong contribution to understanding the political economy of international trade.

“It addresses an important puzzle (why do countries in the global south seek regional trade agreements with countries where a generalized preference already exists especially when the RTA means concessions on the part of the low-income country). With an innovative theory and broad quantitative analysis, the authors suggest that political trade dependence encourages countries in the global south to pursue such agreements.

“While their theory and data are not limited to Latin American cases, the robust growth of trade agreements within Latin America and between Latin American countries and an increasingly broad group of countries speaks to how relevant such research is.”

We found the article to be a very strong contribution to understanding the political economy of international trade.

The department extends its congratulations to Ken and Mark on their achievement.

Full citation:
Political Trade Dependence and North–South Trade Agreements

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AND  

Kenneth C. Shadlen  
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Why do developing countries negotiate North–South trade agreements, when they already enjoy preferential market access to developed-country markets? Most developing countries benefit from the generalized system of preferences (GSP) and related schemes when they export to the United States, the EU, and other developed economies. And yet, many pursue fully reciprocal agreements that require major concessions to the developed partner. We argue that this is due to the nature of the GSP as a unilateral concession that can be (and often is) taken away. High dependence on unilateral, removable preferences generates "political trade dependence" (PTD). We distinguish PTD from standard measures of trade dependence, and we explain why PTD motivates developing countries to seek North–South Regional Trade Agreements (RTAs). We show the effects of PTD with a selection of illustrative cases and test our hypothesis on a data set of EU and US trade agreements with developing countries. We find robust statistical support for our hypothesis that high and rising levels of PTD make the negotiation of a North–South RTA more likely.