

Article examines retaliatory use of public standards in trade wars between countries

September 22 2021



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Recent years have seen a resurgence in politicians' willingness to engage in trade wars with other countries. A new article published in *Economic Inquiry* investigates the extent to which countries use public



standards—requirements that goods must satisfy before entering a country's stream of commerce—as a means of political retaliation during such wars.

Investigators found that this type of retaliatory behavior exists for economically strategic goods, and that globally, 1,000 bilateral trade flows—or just over \$11.8 billion in <u>trade</u>—were subject to retaliatory standards in 2015.

"Tariff wars are a well-documented and classic example of retaliatory behavior. As tariff wars may face public backlash, this research shows that politicians' proclivities for retaliation are often satisfied through more subtle, non-tariff mechanisms, such as standards," said corresponding author Kjersti Nes, Ph.D., of the European Commission.

Economic Inquiry, a peer-reviewed journal of the Western Economic Association International (WEAI), recently welcomed their new Editor-in-Chief, Tim Salmon, Ph.D. The official announcement can be found on the <u>WEAI website</u>.

More information: Kjersti Nes et al, Retaliatory use of public standards in trade, *Economic Inquiry* (2021). DOI: 10.1111/ecin.13029

Provided by Wiley

Citation: Article examines retaliatory use of public standards in trade wars between countries (2021, September 22) retrieved 18 July 2024 from https://phys.org/news/2021-09-article-retaliatory-standards-wars-countries.html

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