



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN  
BERGHEIMER STR. 58, 69115 HEIDELBERG, TEL. 06221/54-2941, FAX: 06221/54-3592  
REDAKTION: FREYA SCHADT, EMAIL: NEWSLETTER@AWI.UNI-HEIDELBERG.DE

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## AWI This Week

**Tuesday, 10.2.15**

**Economics & Politics Seminar**

14.15-15.15

Soo Yeon Kim, National University of Singapore

AWI 00.010

"Does Enforcement Matter? Judicialization in PTAs and Trade Flows"

## Abstract

Soo Yeon Kim

"Does Enforcement Matter? Judicialization in PTAs and Trade Flows"

This paper focuses on the variability of judicialization across preferential trade agreements (PTAs) and their impact on trade flows. We develop a categorization of PTAs that contrasts enforcement mechanisms with the level of trade policy discretion allowed by a trade agreement and the degree of flexibility allowed for members. Utilizing an original dataset of PTAs signed by countries in Asia, which has emerged as one of the most active regions of PTA-formation and which exhibits wide variability in levels of judicialization, we compare the effects of trade policy discretion, flexibility provisions, and enforcement mechanisms in PTAs on trade flows. We examine the empirical strength of our theoretical framework distinguishing between discretion, flexibility, and enforcement using confirmatory factor analysis. The empirical analysis then goes on to examine their respective effects on trade flows. The results show that agreements with strong commitments, that is, those that remove more trade policy discretion from a government, lead to a greater expansion of trade between signatories. Enforcement and flexibility mechanisms, however, have mixed effects.

## Talks and Research Visits

**Andreas Fuchs** gave a talk on "What Drives China's Allocation of Development Finance Across and Within African Countries?" in a joint International Economic Policy Research Seminar and AFRASO Lecture at Goethe University, Frankfurt, January 29.

## New Publications

Alec Sproten & Christiane Schwieren: "Age Differences in the Reaction to Incentives - a Test of the Successful Ageing Extension of Social Production Functions Theory" in *The Journal of the Economics of Ageing*, forthcoming.

Daniel Heyen and Boris Wiesenfarth: "Informativeness of Experiments for MEU – A Recursive Definition", *Journal of Mathematical Economics*, forthcoming.

Alexandra Rudolph and Diego Hernandez: "Modern Day Slavery: What Drives Human Trafficking in Europe?", *European Journal of Political Economy*, forthcoming.

## New Discussion Papers

James Tremewan and Christoph Vanberg: "The dynamics of coalition formation - a multilateral bargaining experiment with free timing of moves", AWI Discussion Paper Series no. 582, February 2015

Christoph Vanberg: "Who never tells a lie?", AWI Discussion Paper Series no. 581, February 2015.

## Miscellaneous

Jürgen Eichberger has been appointed fellow to the Marsilius Kolleg, Heidelberg University's interdisciplinary Centre for Advanced Study. The new class of fellows will start in spring 2015.

***There will be no AWI Newsletter until summer term 2015***

**Editorial deadline for issue 6/2015 of the newsletter:  
Wednesday, April 8, 2015, 12 o'clock  
newsletter@awi.uni-heidelberg.de**

If you would like to receive the newsletter by email,  
please contact the address above.