Department of Political Science
Department Seminar
Professor Helen V. Milner, Princeton University

"Firms' Preferences over Multidimensional Trade Policies: Global Production Chains, Investment Protection and Dispute Settlement Mechanisms"

Moderator: A/P Sooyeon Kim
Thursday, 15th Mar 2018
2.00pm to 3.30pm
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National University of Singapore
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ABSTRACT
Trade policy has become increasingly multidimensional. Current trade agreements not only address market access but also encompass rules and provisions related to flexibility of commitment, investment protection, and dispute settlement mechanisms. Yet, rigorous evidence about how political actors evaluate each policy measure in relation to others remains scarce. We develop a firm-level theoretical framework to explain how firms’ international operations affect their preferences on different trade policy measures. We experimentally evaluate preferences over multiple policy dimensions using a conjoint analysis on firms in Costa Rica. Surprisingly, for many types of firms, the standard trade policy measures of yesteryear — tariffs and subsidies — are no longer their most important concerns. Instead, the degree of firms’ involvement in global value chains shapes their preferences. Multinational corporations care most about protection of their foreign investments. Strong dispute settlement procedures are most valued by exporters who are not central to global supply networks. Finally, preferences over these policy dimensions are more likely to vary by firm, not by industry, challenging the conventional focus on inter-industry distinctions in the literature.

BIO
Helen V. Milner is the B. C. Forbes Professor of Politics and International Affairs at Princeton University and the director of the Niehaus Center for Globalization and Governance at Princeton's Woodrow Wilson School. She was the chair of the Department of Politics from 2005 to 2011. She was president of the International Political Science Association (IPSA) from 2012-14. She has written extensively on issues related to international and comparative political economy, the connections between domestic politics and foreign policy, and the impact of globalization on domestic politics. She is currently working on issues related to globalization and development, such as the political economy of foreign aid, the "digital divide" and the global diffusion of the internet, the resource curse and non-tax revenues, and the relationship between globalization and democracy, in Africa and the Middle East.