

The Politics of Trade

Political Science

Why trade policy rarely follows the economics.

The political asymmetry.

The asymmetry

Losses concentrated in visible industries

Gains spread thinly across consumers

Losers organise; gainers do not

Job losses are attributable, price gains are not

Responses

Adjustment assistance for affected workers

Phased implementation with transition periods

Regional investment in exposed areas

Binding agreements to lock in commitments

Educational reference. Adjustment assistance has generally been far smaller and slower than the models assumed it would be.