Index

<table>
<thead>
<tr>
<th>Adler-Karlsson, G.</th>
<th>117</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa, country-specific knowledge and comparative advantage</td>
<td>92</td>
</tr>
<tr>
<td>Aldrich, J. and F. Nelson</td>
<td>126</td>
</tr>
<tr>
<td>Alexander, C. and K. Warwick</td>
<td>82</td>
</tr>
<tr>
<td>Algeria, bilateral trade to GDP ratios</td>
<td>102, 104</td>
</tr>
<tr>
<td>Anderson, J. and E. van Wincoop</td>
<td>20, 77, 97</td>
</tr>
<tr>
<td>Andreasen, U.</td>
<td>17</td>
</tr>
<tr>
<td>Arad, R. and A. Hillman</td>
<td>65, 153</td>
</tr>
<tr>
<td>Aspin, L.</td>
<td>120</td>
</tr>
<tr>
<td>Australia, bilateral trade to GDP ratios</td>
<td>13, 102, 104, 106</td>
</tr>
<tr>
<td>distance effect in economic trade</td>
<td>12</td>
</tr>
<tr>
<td>Austria, bilateral trade to GDP ratios</td>
<td>13, 102, 104, 106</td>
</tr>
<tr>
<td>distance effect in economic trade</td>
<td>12</td>
</tr>
<tr>
<td>terrorism and tourism</td>
<td>41</td>
</tr>
<tr>
<td>Aw, B. et al.</td>
<td>75</td>
</tr>
<tr>
<td>Azar, E.</td>
<td>37, 39–40</td>
</tr>
<tr>
<td>Baier, S. and J. Bergstrand</td>
<td>176</td>
</tr>
<tr>
<td>Bailey, N. and C. Lord</td>
<td>24</td>
</tr>
<tr>
<td>Baine, N. and S. Woolcock</td>
<td>14–15, 17</td>
</tr>
<tr>
<td>Baldry, J. and B. Dollery</td>
<td>142</td>
</tr>
<tr>
<td>Baldwin, D.</td>
<td>20, 24, 116, 118, 120, 148, 150, 156–7, 164, 183</td>
</tr>
<tr>
<td>Baldwin, J. and W. Gu</td>
<td>75</td>
</tr>
<tr>
<td>Balkan, E.</td>
<td>42</td>
</tr>
<tr>
<td>Bangladesh, bilateral trade to GDP ratios</td>
<td>102, 104</td>
</tr>
<tr>
<td>banking industry</td>
<td>42, 81</td>
</tr>
<tr>
<td>Bayard, T. et al.</td>
<td>120</td>
</tr>
<tr>
<td>Belgium, bilateral trade to GDP ratios</td>
<td>13, 102, 104, 106</td>
</tr>
<tr>
<td>country-specific knowledge and comparative advantage</td>
<td>92</td>
</tr>
<tr>
<td>distance effect in economic trade</td>
<td>12</td>
</tr>
<tr>
<td>Bergstrand, J.</td>
<td>96, 176</td>
</tr>
<tr>
<td>Bergström, C. et al.</td>
<td>31, 153</td>
</tr>
<tr>
<td>Bernard, A. et al.</td>
<td>75</td>
</tr>
<tr>
<td>Bernard, A. and J. Jensen</td>
<td>75, 89, 92</td>
</tr>
<tr>
<td>Bernard, A. and J. Wagner</td>
<td>78</td>
</tr>
<tr>
<td>Bhagwati, J.</td>
<td>1, 28, 47</td>
</tr>
<tr>
<td>Bhagwati, J. and T. Srinivasan</td>
<td>29, 47, 70</td>
</tr>
<tr>
<td>Biesebroek, J. van</td>
<td>92</td>
</tr>
<tr>
<td>Bikker, J.</td>
<td>35, 97</td>
</tr>
<tr>
<td>bilateral trade flows and economic and commercial diplomacy, agenda for</td>
<td>184–5</td>
</tr>
<tr>
<td>and embassies and consulates</td>
<td>94–5, 176</td>
</tr>
<tr>
<td>to GDP ratios</td>
<td>13, 101–3, 104, 106–9</td>
</tr>
<tr>
<td>variance, and hostile and cooperative behaviour</td>
<td>39–40</td>
</tr>
<tr>
<td>see also commercial policy and economic diplomacy, effect on bilateral trade flows; trade and conflict; trade uncertainty and trade disruption</td>
<td></td>
</tr>
<tr>
<td>Black, P. and J. Cooper</td>
<td>169</td>
</tr>
<tr>
<td>Blake, C. and N. Klemm</td>
<td>140</td>
</tr>
<tr>
<td>Blomberg, S. and G. Hess</td>
<td>7, 40, 41</td>
</tr>
<tr>
<td>Bonetti, S.</td>
<td>8, 133, 135, 137, 141, 167</td>
</tr>
<tr>
<td>border effects distance effect in economic trade</td>
<td>9–14, 176</td>
</tr>
<tr>
<td>and market failures</td>
<td>77–82</td>
</tr>
<tr>
<td>and network improvement</td>
<td>78, 80</td>
</tr>
</tbody>
</table>
reduction and government policy 111
Bornstein, M. 61, 170
Boulding, K. 148, 149
boycotts 115, 117, 119, 121, 157, 181, 182
see also economic sanctions
Brady, L. 127
Brakman, S. et al. 91–2
Brazil, bilateral trade to GDP ratios 102, 104
Bremer, S. 38
Bretton Woods institutions 185
Brown, D. et al. 15
Brun, J.-F. et al. 20
Brzoska, M. 116
Bull, H. 140
Cairncross, F. 9
Canada bilateral trade to GDP ratios 13 border effects 77
distance effect in economic trade 12 state visits, impact of 88
TPF growth 75
and trade intensity of manufactured
goods 41
Cantillon, R. 69
Carbaugh, R. 120
cartels and competition protection 92
and embargoes 118
Carter, B. 46, 47
Caruso, R. 177
Cataquet, H. 42
Central and Eastern Europe
diplomatic exchange, effects of 40 restructuring 14, 18, 163
Chang, Y.-C. et al. 20
Charlton, A. and N. Davis 112
Chile, bilateral trade to GDP ratios 102, 104
China bilateral trade to GDP ratios 13 cultural and institutional
background international
conflict settlement 4
distance effect in economic trade 12, 14
state visits, importance of 87
trade shares 4
US economic engagement 163
Citron, J. and G. Nickelsburg 42
Colbertism 69
Collini, S. et al. 24
colonization, and trade and conflict 26–7
commercial and economic diplomacy, agenda for see economic and
commercial diplomacy, agenda for commercial policy and economic
diplomacy, effect on bilateral
trade flows 93–112, 180, 184–5
bilateral trade to GDP ratios 13, 101–3, 104, 106–9
country selection in model 101
development level impact 105–11
distance in model 97, 100, 104
economic data used 100
embassy and consulate data 100–1, 103–5, 106, 107, 108–9, 181
embassy and consulate share in
total in bilateral distance 94–5, 176
empirical results 103–5
and export promotion agencies 93–5, 176, 178, 181
export promotion data 100, 103–5
gravity equation and empirical
regularities, incorporation of 97–8
gravity model overview 98–103, 176
gravity model, strengths and
weaknesses 97–8
per capita GDP, relevance of 106–8
staff numbers data 103–5, 107
see also economic and commercial
diplomacy, agenda for commercial policy and economic
diplomacy, reasons for 69–92
border effects see border effects
Index

capital market imperfections, reasons for 81–2
country risk 81–2
country-specific knowledge and comparative advantage 80, 83, 86, 87
creation or diversion of trade 70
directly unproductive profit seeking (DUP) 70
embassies and consulates and international networking 83–6, 90, 178, 179–80
and export see export financial barriers 81–2
free trade and GDP 71–3
globalization and Total Factor Productivity (TFP) 75–6
information barriers and government intervention 81, 97
information barriers, network effects and externalities 79–81
international networking 83–91
internationalization of firms, entry factors in 75
labour mobility, changing perspective of 77
macroeconomic trade benefits 71–3
market failure and competition effect 78–9
market failure and government intervention 78–9, 82
Mercantilism 69, 89, 91, 185
microeconomic trade barriers 74–7, 180
national regulations, importance of 73
new entrants and government aid 70
private sector visits and international networking 86, 89–90
productivity increase, reasons for 74–5, 77
R&D and profitability, effects of 75
state visits and international networking 3, 7, 86–9, 108, 178, 181
state visits, motivation for 88–9
trade barriers 77–8, 97
trade benefits 71–7
comparative advantage, and country-specific knowledge 80, 83, 86, 87
Conflict and Peace Database (COBDAB) 37, 178
conflict and trade see trade and conflict consumers boycotts, and economic diplomacy 16–17
and free trade and no-trade decision making 55–7
Corrigh, D. and G. Lopez 16
cultural distance 4, 10, 80
Czech Republic, bilateral trade to GDP ratios 102, 104
Daoudi, M. and M. Dajani 116, 127
Dushiti-Gibson, J. et al. 146
De Grauwe, P. and F. Camerman 16
de Wilde, J. 24
Deardorff, A. 96, 98
Dehejia, R. and B. Wood 8, 137
Dekker, P. 63, 153
Dekker, P. et al. 10
Delgado, M. et al. 92
den Butter, F. and R. Mosch 10
Denmark bilateral trade to GDP ratios 13, 102, 104
cartoons and consumer boycotts 17
distance effect in economic trade 12
Denters, E. and J. Klijn 35
Dewit, G. 82
Diamond, P. 65
Disdier, A. and K. Head 10, 11
Dixit, A. 65–6
Döhrn, R. and A. Milton 36
Dominican Republic, bilateral trade to GDP ratios 102, 104
Dorussen, H. and J. Mo 121
Drazen, A. 46
Duguid, P. 20
East-West trade and Détente 36–7, 85, 96, 139, 147–8, 180
Economic Diplomacy and the Geography of International Trade

Eaton, J. and M. Engers 148

- Economic and commercial diplomacy, agenda for 173–86
- Art of economic diplomacy 184–6
- And bilateral trade 184–5
- Future research 174–9
- And globalization 173–4
- And logic of choice 183–4
- Multilateral governance of free trade and investment 15, 185–6
- Negative sanctions, costs of 181–3
- Policy and empirics of economic diplomacy 179–81
- Policy making without perfect knowledge 179–84

See also Commercial policy and economic diplomacy, reasons for economic diplomacy

- Bilateral trade to GDP ratios 13, 101–3, 104
- And commercial policy, effect on bilateral trade see commercial policy and economic diplomacy, effect on bilateral trade flows
- Conflict-trade relationship 5, 6–7
- And consumer boycotts 16–17
- Costs and benefits of 182
- Definition of 14–15, 17
- And distance effect in economic trade 9–14, 176
- And economic development, relationship between 86
- And economic sanctions 3, 8–9, 29, 30, 57–8, 61
- And economic security 17–18
- Empirical evidence for relevance of 5–9
- Export destinations and embassy influence 5, 7, 85
- And export promotion agencies 7, 79–80, 93–5, 176, 178, 181
- And globalization 3–4, 5, 9–14
- History of 2–4, 18
- Hostile and cooperative behaviour, and bilateral trade variance 39–40
- And MNEs 15–16
- New challenges 1–20
- And non-state actors 14–17
- And political events, effect of 37–8
- And state visits 3, 7
- And terrorism 7, 17
- Trends in 2–3
- Economic sanctions 115–46
- And aid to GDP 132
- Boycotts 115, 117, 119, 121, 157, 181, 182
- Cooperation, sanction busting and smuggling 129, 130, 132, 145
- Data sources and methodology 138–46
- Economic data used 142–3
- And economic diplomacy 3, 8–9, 29, 30, 57–8, 61
- Economics of 119–25
- Effectiveness versus success 116–19
- Embargoes 115, 116, 117, 118, 119, 120–1, 157, 181, 182
- Empirical results of study 130–3
- Financial sanctions 115, 132, 181
- Financial variables 129, 130, 131, 145
- Game theory 123–5, 126, 167
- Identified threat cases 126
- Ineffectiveness of 117–19, 124–5, 128
- And interest groups 121–2, 183
- Inverted trade liberalisation model 120
- And market competition 120, 121
- Negative 115–16, 147–70, 181–3
- Political economy and public choice aspects 120–3
- Political system data 143–5
- Political variables 129, 130, 132, 145
- Positive 116, 147–70, 181
- Public choice variables 128–9
- Robinson Crusoe Fallacy 124–5, 133
- Success, and democratic and autocratic institutions 122–3,
Index

success drivers 125–30, 134, 141–2
time factors 123–4, 128, 131, 134, 145–6
and trade liberalisation 119–20, 183
trade linkage and time variables 126–8, 130, 131–2, 134
and welfare reduction 119, 120, 122, 123, 183
economic sanctions, expected utility of positive and negative 147–70
credibility of threat (weight of evidence) 159–60, 165–6
economic instruments of foreign policy analysis 156–64
enlargement threat and number of countries involved 157–8
and military misconduct 163
neutral activities and risk aversion 160–2, 165–6, 167–8
and opportunity costs 150
political economy of economic diplomacy 167–8
political use of 164–8
positive economic sanctions 162–4, 165–6, 167
and rational choice paradigm 150
sanction damage (influence effect) 157–8
sanction size and loss of welfare to both sides 158
study model 151–6
target’s perception of situation 156–7
threat of sanctions, effect of 148–51, 166, 167
uncertainty and expectation of sanction 149, 158, 159–60, 167
Ecuador, bilateral trade to GDP ratios 102, 104
Eggleston, R. 162
Egypt, bilateral trade to GDP ratios 102, 104
Elliott, K. et al. 136
embargoes 115, 116, 117, 118, 119, 120–1, 157, 181, 182
see also economic sanctions
embassies and consulates
economic diplomacy and effect on bilateral trade flows 94–5, 176
and export destinations 5, 7, 85
and international networking 83–6, 90, 178, 179–80
see also economic and commercial diplomacy, agenda for;
economic diplomacy
environmental concerns
and consumer boycotts 16–17
and scarce resources 79
Erickson, B. 46
Estevadeordal, A. and A. Taylor 91
Ethier, W. et al. 111
EU
borders and distance effects 10, 14, 77
European Bank for Reconstruction and Development (EBRD) 18
nationalism revival 35
policy experiment on trade and conflict 34–5
terrorism and tourism 41
trade shares 4
Europe, non-euro, trade shares 4
Evenett, S. and W. Keller 96
export
and comparative advantage 58–9, 62
credit schemes 82
decisions and risk aversion 78, 83
destinations and embassy influence 5, 7, 85
and international networking 78
premium percentages, UK 74
promotion activities 89–91, 100, 103–5
promotion agencies 7, 79–80, 93–5, 176, 178, 181
subsidies, effect of 70
Ezran, R. et al. 36
Farmer, R. 9, 135
FDI
and bilateral investment treaties 43
capital flows, conflict and cooperation 42–3, 44, 108, 180
and heterogeneity 176
impact of 178–9
and political instability 42–3, 44, 108, 180
Feenstra, R. et al. 96
Felipe, J. and M. Vernengo 20
Fenthur, R. and P. van Bergeijk 8
Finland
bilateral trade to GDP ratios 13, 102, 104
distance effect in economic trade 12
Fischer, D. 167
Fortanier, F. 43, 176
France
bilateral trade to GDP ratios 13, 102, 104, 106
Colbertism 69
distance effect in economic trade 12
state visits, impact of 3, 87–8
Francois, J. et al 15
Frankel, J. 20
Frankel, J. and D. Romer 71
Fratianni, M. and H. Kang 6, 7, 20, 176
free trade
and GDP 71–3
multilateral governance of 185–6
trade liberalisation and economic sanctions 119–20, 183
see also bilateral trade flows
Frey, B. 24, 28, 119, 120, 147
Frey, B. et al. 40–1
Frey, B. and F. Schneider 42, 44
Frey, B. and S. Lüchinger 34
Freytag, A. et al. 6
Friedman, M. and R. 25
Friedman, T. 9
Fryges, H. and J. Wagner 92
Furuoka, F. 162
future research
bias of knowledge 177–8
causality 176–7
conflict and trade 111
costs and benefits of economic diplomacy 182
and data collection 178
diplomatic activity and commercial policy 109
economic and commercial
diplomatic activity, effect on trade and investment 109, 110
economic diplomacy and bilateral trade flows, instruments affecting 94
economic diplomacy, complementarities and substitution between 91
economic sanctions and sender’s reputation 135
export decisions and risk aversion 78
export promotion and trade flows 91
FDI investment 178–9
gravity model 97
heterogeneity 175–6
success rate of economic sanctions 135
suggestions for improving 178–9
TFP growth in France 75
trade and conflicts 45
trade creation, trade diversion and bilateralism 185
game theory, and economic sanctions 123–5, 126, 167
Gasiorowski, M. 6, 32–3
Gatzke, E. and Q. Li 137
Geelhoed, L. 179
Germany
bilateral trade to GDP ratios 13, 102, 104, 106
country-specific knowledge and comparative advantage 92
distance effect in economic trade 12
state visits, impact of 3, 87–8
and trade intensity of manufactured goods 41
Gil-Pareja, S. et al. 6, 7, 85
globalization
benefits of 173–4, 180
and economic and commercial
diplomacy, agenda for 173–4
and economic diplomacy 3–4, 5, 9–14
and terrorism 34
and Total Factor Productivity (TFP) 75–6
Grampp, D. 25
Greece
bilateral trade to GDP ratios 13
distance effect in economic trade 12
terrorism and tourism 41
Greenaway, D. and R. Kneller 69, 74, 75, 92
Griffin, K. and J. Gurley 46
Griffith, R. et al. 92
Grosso, J. and T. Smith 16
Guiso, L. et al. 10
Guttentag, J. and R. Herring 46
Haffner, R. and P. van Bergeijk 76
Haiti, aid programme 162
Hamilton, C. and L. Winters 36
Haney, P. et al. 169
Hanlon, J. and R. Omond 127
Harris, P. 142
Harris, R. and Q. Li 80
Harris, S. and C. Wheeler 92
Havrylyshyn, O. and L. Pritchett 36–7
Hayes, J. 142
Hazelzet, H. 160
Head, K. and J. Ries 88
Head, K. and T. Mayer 77
Heckcher, E. 91, 96
Hegre, H. 34
Helble, M. 10
Helpman, E. 29, 65
Helpman, E. and A. Razin 48, 64, 65
Henderson, J. and R. Quandt 169
Hermel, K. and B. Oden 61
Hertel, T. et al. 15
Hervé, K. et al. 3–4
Herz, N. 16
Hirsch, S. 168
Hirschman, A. 24, 157
Hobson, J. 26
Hoekman, B. and B. Smarzynska
Javorick 79, 81
Hong Kong
bilateral trade to GDP ratios 13
distance effect in economic trade 12
Hont, I. 24
Hower, G. 169
Hufbauer, G. et al. 3, 8, 9, 117, 121, 124, 125, 126, 130, 133, 134, 135, 136, 137, 138–42, 143, 145–6, 147, 153, 169
Hufbauer, G. and J. Schott 8, 135, 138, 146
Hughes Hallett, A. and A. Brandsma 75–8
Hummels, D. and J. Levinson 96
Hungary
bilateral trade to GDP ratios 13, 102, 104
distance effect in economic trade 12
Hutchison, T. 24, 91
Hyrkkanen, M. 27
Iceland
bilateral trade to GDP ratios 13
distance effect in economic trade 12
India
cultural and institutional background and international conflict settlement 4
Pakistan non-trade relationships 35
information barriers and government intervention 81, 97
network effects and externalities 79–81
Inkeles, A. 143
institutions characteristics, and trade and conflict 43, 80
economic sanctions success, and democratic and autocratic institutions 122–3, 131, 135, 144
multilateral, and trade and conflict 44–5
international networking
commercial policy and economic diplomacy, reasons for 83–91
and embassies and consulates 83–6,
MNEs 15–16
and private sector visits 86, 89–90
and state visits 3, 7, 86–9, 108, 178, 181
international trade relations, political
dimensions 24–8
Intrilligator, M. 24
Iran, reparation payments 162
Iraq, sanctions against 115, 120, 134, 139, 149
Ireland
bilateral trade to GDP ratios 102, 104
distance effect in economic trade 12
Isard, W. 96, 97–8, 169
Israel
bilateral trade to GDP ratios 102, 104
economic sanctions 118
Palestine non-trade relationships 35
Italianer, A. 72
Italy
bilateral trade to GDP ratios 13
distance effect in economic trade 12
Jaggers, K. and T. Gurr 143–5
Japan
aid programmes 162
bilateral trade to GDP ratios 13
distance effect in economic trade 12
and trade intensity of manufactured
goods 41
trade shares 4
Johnston, S. 92
Jolly, R. et al. 27
Kabel, D. and P. van Bergeijk 65–6
Kaempfer, W. and A. Lowenberg 120, 123, 146, 148
Kaempfer, W. et al. 123
Kaplow, L. 159
Kemp, M. 120, 147
Kennedy, P. 46, 91
Keohane, R. and J. Nye 46
Keshk, O. et al. 46
Keynes, J.M. 26
Khan, H. 61
Kindleberger, C. 24
Knight, F. 149
Knorr, K. 24
Kofman, P. et al. 47
Kostecki, M. and O. Naray 87
Kox, H. 92
Krautheim, S. 77–8
Krugman, P. 64, 82
Lam, S. 8, 137
Lankhuizen, M. et al. 10
Larsen, H. 17
Law, J. 69
Lawson, F. 150
Leamer, E. 20
Leamer, E. and R. Stern 98, 111
Lederman, D. et al. 6, 7, 90–1, 94, 95, 100, 102, 105, 106, 176
Leitzel, J. 118, 141
Lenin, V. 27
Lensink, B. and P. van Bergeijk 46, 96
Lewer, J. and H. van den Berg 71–2
Leyton-Brown, D. 128
Li, Q. 42–3, 80, 137, 180
Li, Q. and D. Schaub 34
Li, Q. et al. 6, 7, 33
Linder, S. 108
Linders, G.-J. 10, 20
Linders, G.-J. et al. 97
Lindsay, J. 117, 136
Linnemann, H. 36, 96
Lloyd, T. et al. 92
Losman, D. 119, 136
Lowenberg, A. 120, 123, 146, 148, 183
Lundborg, P. 33
Maclean, J. 26
Malaysia, bilateral trade to GDP ratios 102, 104
Manacsia, R. 169
Mansfield, E. and B. Pollins 137
Mansfield, E. and J. Pevehouse 34
Marinov, R. et al. 75
Marrewijk, C. 30
Marrewijk, C. and P. van Bergeijk 58, 65, 124, 158, 169, 182
Index

Marshall, A. 162
Marx, K. 26, 27, 28
Mastanduno, M. 116, 163, 167
Maurel, M. and E. Afman 6, 7, 38, 40, 85, 105, 186
Mayer, W. 30
McCallum, J. 77
McCann, P. and Z. Acs 15, 20
McKenna, C. 169
Melitz, M. 75
Menkveld, P. 18
Mercantilism 69, 89, 91, 185
Mexico
  bilateral trade to GDP ratios 13, 102, 104
distance effect in economic trade 12
Mill, J.S. 25
MNEs
  and economic diplomacy 15–16
  free trade and no-trade decision making 55–7
Morgan, T. and V. Schwebach 126
Morgenstern, O. 53, 142, 149, 153, 154
Morocco, bilateral trade to GDP ratios 102, 104
Morrow, J. et al. 46
Moser, C. et al. 82
Mousseaue, H. et al. 6, 137, 175
multilateral governance of free trade and investment 15, 185–6
Mursheo, S. and D. Mamoon 20, 31, 35
national defence tariff 23, 24, 28–31
Neary, P. 20
Netherlands
  bilateral trade to GDP ratios 13, 102, 104
country-specific knowledge and comparative advantage 92
development aid programme in Surinam 162
distance effect in economic trade 12
‘Fitna’ film 181
TFP growth 76
New International Economic Order (NIEO) 27–8
New Zealand
  bilateral trade to GDP ratios 13
distance effect in economic trade 12
Newham, R. 162, 163
Nicoletti, G. et al. 73
Nitsch, V. 3, 6, 7, 40, 87–8
Nitsch, V. and D. Schumacher 6, 7, 38, 40
North Korea, sanctions against 115
Norway
  bilateral trade to GDP ratios 13, 102, 104
distance effect in economic trade 12
Nossal, K. 136
O’Brien, D. 2
Oldersma, H. and P. van Bergeijk 14, 17, 36
Olson, R. 44
Oneal, J. 185
Ottaviano, G. and T. Mayer 92
Pape, R. 125, 140
Pen, J. 109–10, 120
Pevehouse, J. 34, 46
Picchio Forlati, M. 169
Pindyck, R. and D. Rubinfeld 108, 112
Pisu, M. 92
Polacheek, S. 5, 6, 18, 25, 31–3, 34
Polacheek, S. and C. Seiglie 44
Polacheek, S. and J. McDonald 31
Poland, bilateral trade to GDP ratios 13
policy making
  and empirics of economic diplomacy 179–81
  without perfect knowledge 179–84
political economy
  economic sanctions, expected utility of positive and negative 164–8
  and public choice aspects, economic sanctions 120–3
Pollins, B. 6, 31, 37–9, 137
Pomery, J. 47
Porter, M. 92, 147, 153
Portugal
bilateral trade to GDP ratios 13, 102, 104
distance effect in economic trade 12
Methuen Treaty 2, 25, 69–70
producers
and free trade and no-trade decision making 55–7
MNEs 15–16
Rae, D. and M. Sollie 10
Ratnapala, S. 25
Reckie, D. 117–18
Reuveny, R. 46
Riberio, A. 11
Ricardo, D. 1–2, 24–5
Richardson, L. 31, 32
Richardson, N. 46
Robinson Crusoe Fallacy 124–5, 133
Rodriguez, F. and D. Rodrik 71
Roemer, J. 41
Rose, A. 5, 6, 7, 38, 40, 83–5, 91, 101, 102, 103, 105, 179–80
Rosecrane, R. 24
Ruffin, R. 47
Russia, state visits, importance of 87
Sachs, J. and A. Warner 71, 72
sanctions see economic sanctions
Sandler, T. 169
Sandler, T. and K. Hartley 186
Sayrs, L. 31, 32, 46
Schelling, T. 148, 149, 156
Schiavo-Campo, S. 23
Schneider, F. and B. Frey 42, 44
Schneider, G. and G. Schultze 34
Schneider, G. et al. 42, 91
Schrodt, P. 150
Schultz, C. 120
Schumpeter, J. 25, 27, 69, 184
Scolnick, J. 136
Seeler, H. 117
Segura-Cayela, R. and J. Vilarrubia 85
Shone, R. 154
Sideri, S. 20
Simon, J. 169
Sinderen, J. van 35
Skylakakis, T. 18
Smeets, M. 120, 136
Smith, A. 140, 166
Smith, Adam 2, 24, 28
smuggling 129, 130, 132, 145
South Africa
bilateral trade to GDP ratios 102, 104
sanctions against 16, 115, 118, 142–3, 148, 168
South Korea
bilateral trade to GDP ratios 13
distance effect in economic trade 12
Spain
bilateral trade to GDP ratios 13, 102, 104
country-specific knowledge and comparative advantage 92
distance effect in economic trade 12
terrorism and tourism 41
specialization, and trade and conflict 25, 27, 30
Spero, J. 24
Spindler, Z. 135
Srinivasan, T. 29, 47, 70, 169
state visits
and economic diplomacy 3, 7
and international networking 3, 7, 86–9, 108, 178, 181
motivation for 88–9
see also economic and commercial diplomacy, agenda for;
economic diplomacy
Straathof, B. 77
Strange, S. 4, 23
Subramanian, A. 47
Summary, R. 6, 38, 39, 83
Sweden
bilateral trade to GDP ratios 13, 102, 104
distance effect in economic trade 12
Switzerland
bilateral trade to GDP ratios 13, 102, 104
distance effect in economic trade 12
Index

terrorism
and economic diplomacy 7, 17
and globalization 34
and tourism 40–1
and trade decline 40
Thailand, bilateral trade to GDP ratios
102, 104
Thompson, P. 162
time factors, and economic sanctions
123–4, 128, 131, 134, 145–6
Tinbergen, J. 23, 35–6, 46, 96, 149
Tolley, G. and J. Wilman 30
tourism
and international networking 85
and terrorism 40–1
trade barriers, and commercial policy
and economic diplomacy 77–8, 97
trade benefits, and commercial policy
and economic diplomacy 71–7
trade and conflict 23–46
capital flows, conflict and
cooporation 42–5
and capitalism 26–7
and colonization 26–7
conflict and co-operation, beyond
binary measurement of 37–41
conflict, net frequency of 32–3
conflict and trade, causality of 31–5
diplomatic activity, costs and
benefits of 32–3
East-West trade and Détente 36–7,
85, 96, 139, 147–8, 180
and economies of scale 26–7
European policy experiment 34–5
FDI and political instability 42–3,
44, 108, 180
hostile and cooperative diplomacy,
and bilateral trade variance
39–40
and institutional characteristics 43,
80
and international free trade theory
24–7
international political economy 24
international trade relations
political dimension of 24–8
and Marxism 26, 27, 28
and multilateral institutions 44–5
national defence tariff theories 23,
24, 28–31
and national security 24
and New International Economic
Order (NIEO) 27–8
policy responses to threat of market
disruption 29, 30–1
and protectionism 27
and specialization 25, 27, 30
and sphere of influence effects 41
terrorism see terrorism
and trade intensity of manufactured
goods 41
trade relations management,
differences between countries
38
trade-politics relationship, empirical
findings 35–41
trade flows, bilateral see bilateral trade
flows
trade liberalisation, and economic
sanctions 119–20, 183
trade uncertainty and trade disruption
47–66
anticipation of future trade
disruption 62, 63
autarky to free trade time path 60–1
and decentralized decision making
55–7
dynamic analysis 59–61
and economic sanctions 57–8, 61,
63
endogenous uncertainty 57–9
exports and comparative advantage
58–9, 62
free trade and no-trade utility
functions model 51–3, 55
optimal specialization and trade
inclination parameter 58–9
and political economy 63
private decentralized decision
making 30–1
production, consumption and
specialization model 48–50, 58
protectionism 64
responsiveness of trade parameter 58
specialization and endogenous trade uncertainty 58–9, 64, 182–3
study model 48–54
study model extension 54–63
trade interventionism 64
trade uncertainty reduction 63–4
trade uncertainty and specialization, impact of 50–4, 62
in unitary actor economy 53–4
transportation costs 10, 41, 79, 97, 98, 100, 136
Tsbelis, G. 124–5, 140, 167
Tunisia, bilateral trade to GDP ratios 102, 104
Turkey
bilateral trade to GDP ratios 13, 102, 104
distance effect in economic trade 12
Uganda, bilateral trade to GDP ratios 102, 104
UK
bilateral trade to GDP ratios 13, 102, 104, 106
country-specific knowledge and comparative advantage 92
distance effect in economic trade 12
economic sanctions against Rhodesia 61
export premium percentages 74
Methuen Treaty 2, 25, 69–70
sanctions against Argentina 125
and trade intensity of manufactured goods 41
UN
sanctions against Iraq 115, 120, 134, 139, 149
sanctions against North Korea 115
sanctions since 1990 137, 147, 160
uncertainty
and expectation of sanction 149, 158, 159–60, 167
trade uncertainty and trade disruption
see trade uncertainty and trade disruption
Ungar, S. and P. Vale 167–8
Uruguay, bilateral trade to GDP ratios 102, 104
US
bilateral trade to GDP ratios 13, 102, 104
border effects 77
China economic engagement 165
conflict and cooperation measures for trade 39
country-specific knowledge and comparative advantage 92
distance effect in economic trade 12
financial sanctions against Iran 115
food aid as positive economic sanction 162
sanctions and bilateral trade flows 9
state visits, impact of 3, 87–8
TFP growth 75
and trade intensity of manufactured goods 41
trade missions and exports, relationship between 89–90
trade shares 4
van der Ploeg, R. and S. Poelhekke 43
Veenstra, M.-L. van 100, 112, 176, 180
Venezuela, bilateral trade to GDP ratios 102, 104
von Neumann, J. and O. Morgenstern 53, 149, 153, 154
Wacziarg, R. and K. Horn Welch 72
Wagner, J. 92
Wallensteen, P. 116
Waltzer, M. 150
Wang, Z. and L. Winters 36
Weck-Hannemann, H. and B. Frey 28
Weede, E. 46
welfare reduction, and economic sanctions 119, 120, 122, 123, 183
Went, R. 26
Wilkinson, T. and L. Brouthers 89, 92
Wolf, T. 127, 157
Index

Wolfe, R. 15
Woolcock, S. 14–15, 17, 173
World Bank lending behaviour 44–5
WTO 15, 28
  and export credit schemes 82
  and free trade commitment 64
  trade uncertainty reduction 64, 73

Yakop, M. 6, 85, 86, 105, 112, 176
Yakop, M. and P. van Bergeijk 7, 38,
  40, 84, 95, 101, 103, 105
Yanikkaya, H. 91
Yeats, A. 146