Eleventh Annual
Queen’s Institute on Trade Policy

What’s Next for Rules-Based Trade Cooperation?

November 17 - 19, 2019
Kingston, ON
Canada can look back on an extraordinarily productive period of trade negotiations, which has yielded the CETA with the European Union, the CPTPP with 10 countries in the Pacific region, and the CUSMA with the United States and Mexico. At the same time, the need to adapt to tectonic shifts in the global economy poses continuing challenges: the rapid advance of digital technology has the potential to vastly increase the scope of “tradable” tasks and will for the first time expose many of the service sector jobs that form the backbone of Canada’s economy to foreign competition. This development lends additional urgency to the Canadian government’s commitment to ensure that all Canadians share in the benefits of trade. Canada also needs to find a way to take advantage of the shift of the world economy’s centre of gravity towards Asia, without getting further embroiled in the escalating economic and technological competition between the United States and China. Finally, Canada faces the task of deepening cooperation under its existing agreements and to ensure that these agreements yield benefits for all Canadians. This could involve increased regulatory cooperation inside and outside the WTO, as well as better use of available committees and review mechanisms to monitor compliance with commitments.

As Canada attempts to grapple with these challenges, the legal regimes on which it has traditionally relied for rules-based trade cooperation are under increasing strain. While Canada has successfully fended off attempts by the United States to roll back trade liberalization in the bilateral relationship, the multilateral trade regime finds itself in increasingly dire straits, as the Appellate Body will become dysfunctional towards the end of 2019 and the system grapples with an unprecedented willingness of some WTO Members to invoke national security exceptions or to act completely outside the WTO’s remit. Canada has taken an active role in developing solutions to the current crisis by assembling a coalition of like-minded countries – the Ottawa Group – and by advancing proposals to reinvigorate the WTO, which remains the bedrock of Canada’s trade policy and its main forum for formal dispute settlement, including with the United States.

The 2019 edition of the Institute will prepare participants to address these challenges for rules-based trade cooperation. The Institute will be structured around three pillars that take up each challenge in turn. A first set of presentations will explore the broad trends that have led to the current crisis of the trade regime and will explore their ramifications for negotiating formats and the design of dispute resolution mechanisms. A second set of presentations will delve into the elements of a negotiating agenda that can meet the challenges of digitisation, the rise of Asia, and the resulting opportunities for trade diversification and for more inclusive trade. A final set of presentations will explore the mechanisms for enhancing trade cooperation under existing agreements. How can the Canadian government engage businesses more effectively to ensure that they can take full advantage of the market access provided by Canada’s new trade agreements? How can Canada make use of the existing mechanisms to strengthen regulatory cooperation? Can Canada do a better job of using the WTO’s committees and other transparency mechanisms to advance its trade agenda?
Agenda

Sunday, November 17

3:30  Introduction to the Institute

The presentation will provide an overview of the Institute and introduce the challenges identified in the theme, namely, the breakdown in trade cooperation in the WTO and beyond, the major issues on the negotiating agenda and the avenues for preserving and deepening rules-based trade cooperation under existing agreements.

Nicolas Lamp, Director, Queen’s Institute on Trade Policy; Assistant Professor, Faculty of Law, Queen’s University

Part I: Long-Run Trends and the Current Trade Landscape

4:15  Overview of the Current Trade Landscape

This presentation will provide an overview of the global state of trade and Canada’s trade performance. It will discuss the most significant economic trends of recent years, including the increased share of global trade of the emerging economies, and will explore the opportunities and challenges for Canada to diversify its trade.

Stephen Tapp, Deputy Chief Economist, Export Development Canada

5:00  Break

5:15  Anatomy of the Breakdown in Trade Cooperation

The presentation will put the rise of protectionism since 2016 in historical context and will examine its effects on the global economy.

Simon Evenett, Professor, Swiss Institute for International Economics and Applied Economic Research, University of St. Gallen

6:00  Return to hotel

6:45  Reception and Dinner

Delta Hotel, Kingston Waterfront
Grandview Ballroom – 6th Floor

Keynote: A Long View of the Current Moment in US Trade Policy

Douglas Irwin, John French Professor of Economics, Dartmouth College
8:30 The Effects of Trade Agreements: A Firm-Level Perspective

Resource reallocation within industries is a key driver of trade and productivity. This presentation examines the new policy implications resulting from recent firm-level trade models that have changed our understanding of the impact of increased trade, and increased trade restrictions, on productivity at the level of the firm, the industry, and the nation. In a time of trade conflict, how should policymakers identify which Canadian firms within which industries will gain and which will lose?

Beverly Lapham, Professor, Economics Department, Queen’s University

9:15 The Effects of Trade Agreements: Global Value Chains, Digitization and the Trade in Tasks

How do Canadian firms participate and collaborate in global value chains? What effect does trade policy have on the competitiveness of North American value chains? Using practical examples, the presentation will include suggestions on how to make the macro/micro distinction in thinking about the determinants and effects of global value chains. The presentation will also explore the impact of advances in digital technology on value chains in the service sector and will discuss how companies react to the disruption of value chains due to protectionism (e.g., stricter rules-of-origin in the CUSMA) and the increasing ‘de-coupling’ of the US and Chinese economies for national security reasons.

Ari Van Assche, Professor, HEC Montreal

10:00 Break and small group seminar on the first pillar

11:15 Developing a Negotiating Strategy

Moving from theoretical models of sound trade strategy to real life trade policy practice, the presentation will focus on how Canada should articulate its strategy, including defensive vs offensive interests, and linkages with other issues, notably the analytic challenges of reconciling a 21st century trade policy agenda with traditional considerations for negotiators. The presentation will give particular attention to negotiations with developing countries and regional groupings that include both developed and developing countries, such as ASEAN.

Don Stephenson, Assistant Deputy Minister, Trade Policy & Negotiations (retired)

12:00 Lunch

Keynote: Can the US Decouple from China?

Mary Lovely, Senior Fellow, Peterson Institute for International Economics and Professor of Economics, Maxwell School of Citizenship and Public Affairs, Syracuse University

2:15 Digitization and Trade

Technology interacts with trade and trade policy in manifold ways. Technology is a means of generating trade (e.g., in the form of e-commerce) and facilitating international transactions (through the provision of virtual “single windows”). Trade agreements are used to convert technological innovations into internationally exploitable assets by affording international protection to intellectual property. Trade (through outsourcing) and technology (through automation) can have similar and mutually reinforcing effects on wages and employment. Trade in technology products can also have strategic implications. The dominant technologies of the day have an impact on international market structures, which can pose challenges for regulators and – because of the international dimension – trade officials.

John Drummond, Head of Division, Trade in Services, OECD
3:00  
Break and small group seminar on the second pillar

4:15  
Trade Policy Communications and Consultations

With rising economic anxiety, how do we maintain public support for trade as part of an inclusive agenda? How much transparency is needed, and when? How should we consult non-traditional stakeholders? How do we build support in partner countries for trade with Canada?

Velma McColl, Principal, Earnscliffe Strategy Group

5:00  
Implementing and Deepening the Inclusive Trade Agenda

The inclusive trade agenda is now reflected in the provisions of several trade agreements. These provisions often call for cooperative activities by Canada and the other party. What concrete action can Canada and its partners take to implement the agenda and fill these commitments with life? Who will benefit from these provisions and who will be left out? How do provisions that are inspired by the inclusive trade agenda interact with other provisions of Canada's trade agreements that have profound distributive consequences (labour market impacts, price effects, impacts on asset prices)?

Kevin Banks, Associate Professor, Faculty of Law, Queen's University

5:45  
Return to hotel
Tuesday, November 19

8:30  Addressing Climate Change in Trade Agreements

Climate change is the greatest policy challenge of our time and will likely play an ever more important role in the development of trade policy. Discussions about a Green New Deal in the US, the gains of Green parties in the recent elections to the European Parliament, and China’s massive investments in renewable energy technologies and electric mobility underscore the increasing centrality of climate change to economic policymaking in Canada’s main trading partners. How do policies that are designed to mitigate climate change interact with international trade obligations? How can trade agreements best contribute to climate change mitigation – by liberalizing trade in green goods, facilitating the diffusion of green technology, or disciplining fossil fuel subsidies?

Jean-Frédéric Morin, Professor, Department of Political Science, Université Laval

Part III: Deepening Cooperation under Existing Agreements

9:15  Dispute Settlement, Retaliation, Managed Trade: Instrument Choice in Responding to Protectionism

While states have always protected certain industries, the landscape of trade restrictions that Canada confronts and the instruments that it has available to respond to them has changed in basic ways in recent years. Since 2016, routine trade restrictions, such as anti-dumping duties, countervailing duties, and safeguards have been complemented by national security measures, state-directed boycotts of Canadian exports, and WTO-illegal discretionary trade measures. Moreover, these measures are no longer simply aimed at providing temporary relief to struggling industries, but are in some cases designed to achieve a significant reversal of trade liberalization, the establishment of managed trade arrangements, or the complete decoupling of hitherto interdependent markets. The presentation asks which tools are best suited to respond to the varied forms of protectionism in a manner that is minimally disruptive of trade while still being effective in inducing trade-liberalizing policy changes by one’s trading partners.

Kathleen Claussen, Associate Professor, University of Miami School of Law

10:00  Break

10:30  Roundtable: What Can We Learn from Firms about the Implementation of Existing Commitments?

Participants:
Diederik Beutener, Trade Commissioner, Canadian Embassy, The Hague (via Zoom)
Sameena Qureshi, Counsellor, Canadian Embassy, The Hague (via Zoom)
Julie Poirier, Deputy Director, Inclusive Trade, Consultations and Implementation, Global Affairs Canada
Michael Willmott, Senior Trade Commissioner, Canadian Embassy, Copenhagen (via Zoom)

Moderator: Don Stephenson, Assistant Deputy Minister, Trade Policy & Negotiations (retired)

11:15  Deepening Rules-Based Trade Cooperation under Existing Agreements

How can Canada advance rules-based trade cooperation without new negotiations? The presentation will discuss the opportunities for information exchange, consultations and learning provided by the institutional mechanisms of trade agreements, especially by the WTO’s councils and committees, and the Trade Policy Review Mechanism. It will also address efforts to improve compliance with notification obligations and other initiatives to improve the transparency of trade policies.

Robert Wolfe, Professor Emeritus, School of Policy Studies, Queen’s University
12:00  Lunch

1:30  International Regulatory Cooperation

At a time when tariffs are generally low, many barriers to trade stem from regulatory differences among countries while regulatory externalities in the form of action or inaction in one state can impose costs on workers and consumers in another state. Regulators talk to each other in order to mitigate these barriers and externalities in several fora, including the Canada-US Regulatory Cooperation Council and the OECD's Regulatory Policy Committee. The presentation will provide a practical perspective on the promise and challenges of regulatory cooperation.

Jeannine Ritchot, Executive Director, Regulatory Policy and Cooperation, Treasury Board

2:15  Break and small group seminar on the third pillar

3:30  A Conversation with Kendal Hembroff

The concluding session will provide an opportunity for an exchange of views with Kendal Hembroff, the Director General for Trade Negotiations at Global Affairs Canada, on the next steps for rules-based trade cooperation. Kendal will provide an update on the state of play regarding trade matters in Ottawa and will discuss the themes of the Institute with the participants.

Kendal Hembroff, Director General, Trade Negotiations, Global Affairs Canada

Moderator: Robert Wolfe, Professor Emeritus, School of Policy Studies, Queen's University

5:00  Institute Ends
Speaker Biographies

**Kevin Banks** is Associate Professor of Law at Queen’s and the Director of the Queen's Centre for Law in the Contemporary Workplace. He holds an S.J.D. from Harvard Law School (2003), and an LL.B. (1989) and B.A. (1986) in economics from the University of Toronto. Professor Banks previously served in a number of senior positions within the Public Service of Canada, including Director General, Labour Policy and Workplace Information, Director of Research with the Federal Labour Standards Review Commission, and Director, Inter-American Labour Co-operation. In the latter capacity he was responsible for negotiating and implementing trade-related labour agreements on behalf of Canada in the Americas. More recently he chaired an international arbitral panel hearing a dispute concerning the labour provisions of the US-Central America free trade agreement, the first such case decided anywhere in the world. He has significant publications on workplace human rights law, international labour law, collective bargaining law, the accessibility and effectiveness of employment standards compliance and enforcement, and the contract of employment. He co-edited Canada’s national labour law casebook and is Editor-in-Chief of the Canadian Labour and Employment Law Journal.

**Kathleen Claussen** is Associate Professor at the University of Miami School of Law and Senior Fellow at the Institute of International Economic Law at Georgetown University Law Center. Prior to joining the Miami Law faculty in 2017, she was Associate General Counsel at the Office of the U.S. Trade Representative in the Executive Office of the President. There, she represented the United States in trade dispute proceedings and served as a legal advisor for the United States in international trade negotiations. She serves in various leadership capacities for international law organizations, including as a member of the Executive Council of the American Society of International Law (ASIL) and as co-chair of the ASIL International Economic Law Interest Group. Earlier in her career, Professor Claussen was Legal Counsel at the Permanent Court of Arbitration in The Hague where she advised on disputes between countries, and on investment and commercial arbitrations involving countries and international organizations. She is a graduate of the Yale Law School, Queen’s University Belfast where she was a Mitchell Scholar, and Indiana University where she was a Wells Scholar.

**John Drummond** is Head of the Trade in Services Division in the Trade and Agriculture Directorate of the Organization for Economic Cooperation and Development (OECD). As Head of the Trade in Services Division, Mr. Drummond leads the work of the Trade in Services Division in providing evidence-based policy advice on issues such as services trade liberalisation, global value chains, trade and investment and trade policy-making in the digital economy. In particular, Mr. Drummond is responsible for the continued development of the OECD Services Trade Restrictiveness Index (STRI). Mr. Drummond, a Canadian national, has more than seventeen years of experience with Global Affairs Canada, including assignments at the Embassy of Canada in Washington D.C., the Permanent Mission of Canada to the World Trade Organization and the Permanent Delegation of Canada to the OECD. Mr. Drummond holds an Honours B.A. in International Relations from the University of Windsor and a Diploma of Graduate Studies in international economics from the Graduate Institute, University of Geneva, Switzerland.

**Simon J Evenett** is Professor of International Trade and Economic Development at the University of St. Gallen, Switzerland, and Co-Director of the CEPR Programme in International Trade and Regional Economics. Evenett taught previously at Oxford and Rutgers University, and served twice as a World Bank official. He was a non-resident Senior Fellow of the Brookings Institution in Washington. He is Member of the High Level Group on Globalisation established by the French Trade Minister Christine Lagarde, Member of the Warwick Commission on the Future of the Multilateral Trading System After Doha, and was Member of the the Zedillo Committee on the Global Trade and Financial Architecture. In addition to his research into the determinants of international commercial flows, he is particularly interested in the relationships between international trade policy, national competition law and policy, and economic development. He obtained his Ph.D. in Economics from Yale University.
Kendal Hembroff is Director General, Trade Negotiations, Global Affairs Canada. Her specialities include trade promotion, investment, international trade negotiations - multilateral and bilateral/regional FTAs, and trade policy. Previously, she held the position of Director, Trade Policy and Negotiations – Asia.


He is a Research Associate of the National Bureau of Economic Research and an non-resident Senior Fellow at the Peterson Institute for International Economics. He worked on trade policy issues while on the staff of President Ronald Reagan’s Council of Economic Advisers and later worked in the International Finance Division at the Board of Governors of the Federal Reserve System in Washington, D.C. Before joining Dartmouth, Irwin taught at the University of Chicago's Booth School of Business.

Nicolas Lamp is an Assistant Professor at the Faculty of Law at Queen's University, Canada. Before joining Queen’s, he worked as a Dispute Settlement Lawyer at the Appellate Body Secretariat of the World Trade Organization, where he advised the Members of the Appellate Body on legal issues arising in appellate proceedings under the WTO’s dispute settlement mechanism. Nicolas holds an LLM and a PhD in Law from the London School of Economics and Political Science. His research focuses on international trade lawmaking and adjudication.

Beverly Lapham has been a professor in the Department of Economics at Queen's University in Kingston, Ontario since 1989. Her research fields include international trade, international finance, industrial organization, and macroeconomics. She is particularly interested in issues on exchange rate passthrough, the impact of international price differences, cross-border shopping, retail and service industry adjustments, and the productivity effects of international trade. She has been a co-editor of the Canadian Journal of Economics and an associate editor of the Journal of International Economics. She has been a member of the Institute for Research on Public Policy Trade Advisory Committee and the Statistics Canada International Trade Advisory Committee.

Mary E. Lovely is Professor of Economics and Melvin A. Eggers Faculty Scholar at Syracuse University's Maxwell School of Citizenship and Public Affairs, where she combines interests in international economics and China’s development. She is currently Senior Fellow at the Peterson Institute for International Economics in Washington, DC. From 2011-2015, she served as co-editor of the China Economic Review. Her current research projects investigate the effect of China’s foreign direct investment policies on trade flows and entry mode, the relationship between proximity to export markets and cross-city wage variation, and the effect of Chinese tariff reductions on labor shares of value in its manufacturing firms. She recently completed studies of American manufacturing employment and outsourcing to low-income countries, the role of intellectual returnees in the success of China’s photovoltaic solar industry, and Chinese reforms of state-owned enterprises. Dr. Lovely earned her Ph.D. in Economics at the University of Michigan, Ann Arbor and a master’s degree in City and Regional Planning from Harvard University.
**Velma McColl** blends her deep understanding of business, government and policy to create opportunities for her clients. As a Managing Principal of Earnscliffe Strategy Group in Ottawa, Velma works on a range of economic and social issues including M&A, innovation, energy, environment and emerging technologies. She has been a driving force in the growth and diversification of Earnscliffe’s business.

Prior to joining Earnscliffe in 2004, Velma advised Federal Cabinet Ministers on political strategy, policy and communications. She has also worked provincially in British Columbia and Alberta. She has worked to find creative solutions across federal/provincial/territorial, North American and international boundaries. Her career includes success as an entrepreneur and experience working collaboratively with business, academia, think tanks, not-for-profit organizations and the public sector.

A proud mother and Westerner with twenty years’ experience in Ottawa, Velma studied at the University of British Columbia and the Banff School of Management. She is a co-founder of the Canadian Clean Technology Coalition and Women in GR. She has taken leadership roles with several organizations including Smart Prosperity, the Ryan’s Well Foundation and Ecotrust Canada.

**Jean-Frédéric Morin** is Full Professor at Laval University, where he holds the Canada Research Chair in International Political Economy. Before returning to his hometown of Québec City, Jean-Frédéric Morin was professor at the Free University of Brussels from 2008 to 2014. His most recent research projects look at institutional interactions, treaty design, regime complexes, and policy diffusion in the fields of trade, intellectual property and environment. His publications appeared in journals such as International Studies Quarterly, European Journal of International Relations, Review of International Organization, Global Environmental Politics, and Review of International Political Economy. His most recent books (as co-author) are Global Environmental Politics (Oxford University Press, 2020) and Greening Through Trade (MIT Press, 2020). Several of his working papers can be downloaded from [www.chaire-epi.ulaval.ca/en](http://www.chaire-epi.ulaval.ca/en).

In 2019, Ms. **Jeannine Ritchot** became Chair of the Organization for Economic Cooperation and Development Regulatory Policy Committee, an important international platform to help countries build and strengthen good regulatory practices. Ms. Ritchot comes to this role with over 15 years of experience in the Government of Canada. In June 2016, she joined the Regulatory Affairs Sector of the Treasury Board of Canada Secretariat as Executive Director, Regulatory Policy and Cooperation Directorate. She administers the federal regulatory policy framework, the Cabinet Directive on Regulation, and leads the Government’s regulatory modernization efforts with a view to increase Canada’s competitiveness in a global market. Ms. Ritchot also leads the Government of Canada’s domestic and international efforts at regulatory alignment with key trading partners, including three formal initiatives: the Canada-US Regulatory Cooperation Council; the Canada-EU Regulatory Cooperation Forum, which she co-chairs; and the Canadian Free Trade Agreement’s Regulatory Reconciliation and Cooperation Table. Alongside Global Affairs Canada, she negotiates regulatory measures in trade agreements.

Prior to joining the Regulatory Affairs Sector, Ms. Ritchot gained significant executive experience as a regulator in the health portfolio. She has also worked at the Privy Council Office and Crown-Indigenous Relations and Northern Affairs Canada. Jeannine holds a Bachelor of Arts, History, from the University of Ottawa, as well as a Masters of Arts, Conflict Studies, from St. Paul University / University of Ottawa.
Don Stephenson began his Public Service career in 1979, working for ten years in cultural policy at the Department of Communications. He moved into economic policy, at Consumer and Corporate Affairs, Industry Canada and Western Economic Diversification, before returning to cultural policy, as Director General, Cultural Industries, Heritage Canada, where he led the negotiations with the US on the WTO split-run magazine dispute. He was appointed Director General, Trade Policy at the Department of Foreign Affairs and International Trade and served for two years as Assistant Secretary to the Cabinet, Economic and Regional Development Policy, Privy Council Office. In 2004, he was appointed Ambassador to the World Trade Organization, serving as Chair of the Goods negotiations in the Doha Round until 2008. Don returned to become Assistant Deputy Minister, Trade Policy and Negotiations, until his retirement in 2011 and continues to serve as Chief Negotiator for the Canada-India Comprehensive Economic Partnership Agreement. Don lectures frequently on trade policy, trade negotiations and public policy development.

Stephen Tapp is the Deputy Chief Economist and Director of the Economic Research and Analysis Department at Export Development Canada. In these roles, he helps oversee EDC’s global economic forecast, Canadian export forecast, and survey of Canadian exporters. He also briefs senior management on global trade developments and manages the longer-term economic research program that helps guide corporate strategy.

Before joining EDC, Stephen was a Research Director at the Institute for Research on Public Policy, a think tank in Montreal. He entered the federal government through the Recruitment of Policy Leaders program to work as a senior economist and adviser for Canada’s first Parliamentary Budget Officer. Stephen has worked as: an economist at the Bank of Canada; a researcher at Finance Canada and the C.D. Howe Institute; and an instructor at Queen’s University.

His research was awarded the 2018 Doug Purvis prize for Canadian economic policy, and has been published in academic journals, such as the Canadian Journal of Economics and Canadian Public Policy. Stephen has a Ph.D. and a Master’s in economics from Queen’s University and an Honors degree from Western.

Ari Van Assche is Professor of International Business at HEC Montréal and holds a Professorship in Pedagogical Innovation for Economic Diplomacy. He is also co-founder of the International Institute for Economic Diplomacy, Deputy Editor of the Journal of International Business Policy, and research fellow at the research centers CIRANO and IRPP. He holds a BA and an MA in Chinese Studies from the Katholieke Universiteit Leuven and a PhD in Economics from the University of Hawaii at Manoa. His research focuses on the organization of global value chains and their implication for trade and industrial cluster policy. In 2017, he co-edited the book Redesigning Canadian Trade Policy for New Global Realities, which received the 2018 Doug Purvis Memorial Prize.

Robert Wolfe is professor emeritus at the School of Policy Studies, Queen’s University and a member of the Global Affairs Canada Trade Advisory Council. He was a foreign service officer for many years, serving abroad in Bangladesh and Paris-OECD, and in Ottawa in international economic relations including as Sylvia Ostry’s Executive Assistant when she was G7 sherpa and Ambassador for Multilateral Trade Negotiations. After completing a doctorate in Political Studies he joined Queen’s in 1995. He was a co-editor of the IRPP volume, Redesigning Canadian Trade Policies for New Global Realities, winner of the 2018 Doug Purvis Memorial Prize, awarded annually to the authors of a highly significant, written contribution to Canadian economic policy. He has recently published on Canadian public opinion about trade and globalization in Policy Options, on digital trade in World Trade Review, and on whether WTO information is good enough in Bertelsmann Stiftung report. As part of an ongoing Bertelsmann Stiftung project he is now researching other potential improvements to WTO working practices such as enhanced use of specific trade concerns, and studying insider perceptions of the Appellate Body crisis in contrast to the revealed preferences of Members.
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