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Trapped by Trade? Non-Reciprocal and Reciprocal Trade Agreements in Benin and Guinea

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Abstract

This article examines the impacts of the non-reciprocal trade agreements established by the Fourth Lomé Convention, the transitional agreement established by Annex V of the Cotonou Agreement, and the reciprocal European Partnership Agreements. The investigation focuses on Benin and Guinea, two members of these agreements, to quantify the agreements' relationships with changes in economic output and vulnerability in the two countries. The aim of this article is to determine if either trade agreement led to more ethical and stable development. This article also creates and applies a test to examine the ethicality of trade agreements to determine what type of agreement should play a role in the future economic development of least developed countries.

I. Introduction

During the decolonization process, many African countries were looking for a way to increase participation in the global system of trade. At the same time, some European countries started to recognize that they played a role in the economic subordination of the global south, and they wanted to undo some damages they had caused during colonization by contributing to the development of their former colonies. To satisfy both of those goals, members of the African, Caribbean and Pacific Group of States (ACP) met with members of the European Community to negotiate the First Lomé Convention, a non-reciprocal trade agreement that was signed in 1975 to increase market access for ACP countries. This convention was renewed three times (in 1980, 1985, and 1990), with the Fourth Lomé Convention (Lomé IV) ending on February 28, 2000 (Simmonds, 1991).

This article focuses on the impacts of three trade agreements: Lomé IV, the temporary trade agreement established by the Cotonou Agreement known as Annex V, and the European Partnership Agreements (EPAs). Lomé IV was a non-reciprocal trade agreement implemented between 1990 and 2000. Annex V was reciprocal and determined trade relations between 2001 and 2014. The EPAs are reciprocal agreements that took effect in 2014 and continue to the present. As time progressed and the trade agreements became reciprocal, Benin and Guinea faced changing

economic situations. This article examines the impact of these trade agreements on Benin and Guinea to assess the ethicality of the agreements.

Following this introduction, Section II reviews some of the literature examining the impacts of entering into reciprocal and non-reciprocal trade agreements. Section III presents some socio-economic background on the evolution of the three key development indicators in Benin and Guinea. The subsequent section, Section IV, examines specific indicators related to trade and economic development that changed in relation to the trade agreements. Section V presents an ethical test to examine which of the three trade agreements (Lomé IV, the Cotonou Agreement, and the EPAs) were ethically acceptable. Finally, Section VI provides concluding remarks and some options for improving the ethical issues posed by trade.

II. Literature Review

Several researchers have examined the impacts of non-reciprocal trade agreements in West Africa, but few specifically focus on Guinea and Benin. The existing literature seems to agree about the effectiveness of non-reciprocal trade agreements in promoting exports and an integration into the global trade system. Some researchers, however, have raised concerns about these agreements because they might not be the most effective tool for promoting international trade. Another concern raised by researchers is that these agreements might come with negative consequences, limiting growth and economic diversification in the developing countries they were supposed to support.

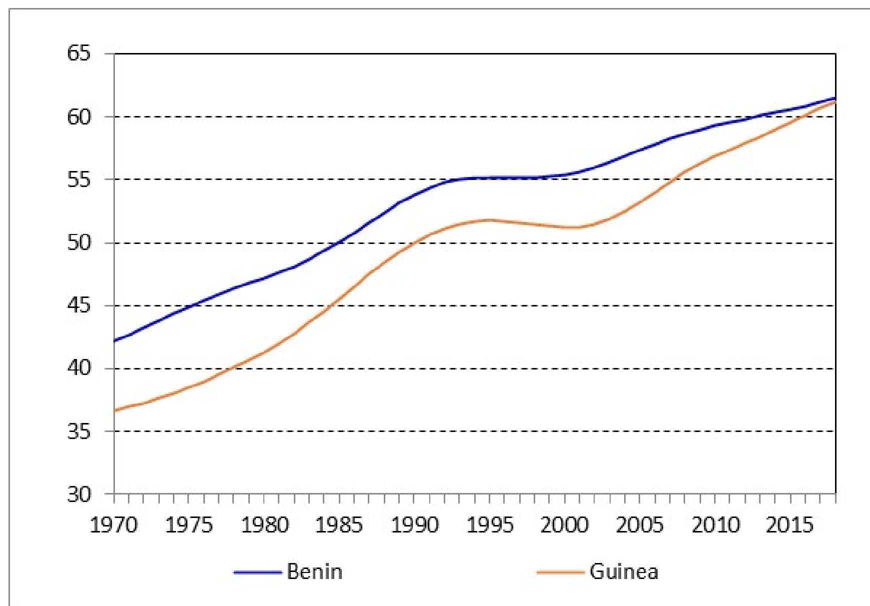
- Gil-Pareja, Llorca-Vivero and Martínez-Serrano (2014) relied on the gravity equation to estimate the increase of a developing country's exports from participation in a non-reciprocal trade agreement. They found that, in general, non-reciprocal trade agreements led to a statistically significant increase in the developing country's exports. The authors then disaggregated the data from all non-reciprocal agreements to focus on specific ones, finding that Lomé IV and the Cotonou Agreement specifically led to a significant increase in exports from participating developing countries.
- Gil-Pareja, Llorca-Vivero and Martínez-Serrano (2017) built off their 2014 paper and investigated the impacts of non-reciprocal trade agreements on the exports of "benefactor countries," which are the more developed countries in the agreement. Through the application of the gravity model for trade, the researchers found a statistically significant increase in the exports from a benefactor country involved in the agreement. Although Gil-Pareja, Llorca-Vivero and Martínez-Serrano (2017) did not focus exclusively on European and West African trade, the data did include changes produced from these trade agreements.
- Admassu (2019) investigated the differences between reciprocal and non-reciprocal trade agreements to determine which one better promoted economic growth through increasing exports. Admassu found that reciprocal trade agreements led to greater increases in African exports and imports than non-reciprocal agreements. One particular concern about non-reciprocal trade agreements raised by Admassu (2019) is that countries that participate in them tend to drive resources to the industries that are given preferential benefits, which weakens growth in other industries, leading to a non-diversified economy.

- Bouët, Laborde and Traoré (2018) examined the impact of the EPAs on West African countries and found mixed impacts on each country. In Benin specifically, the researchers found that the agreements did not significantly increase Benin's access to European markets; however, the reduction in Benin's import tariffs did lead to a 7.5 percent decrease in government revenues. This research found that the agreements led to a decrease in household welfare as individuals faced higher taxes to offset the reduction in import duties to continue a stable funding of government expenditures.
- Tröster, Arnim, Staritz, Raza, Grumiller and Grohs (2020) expands on the negative consequences that West African countries face when entering the EPAs. The computable general equilibrium model which the authors developed to examine the impacts of the agreement led to the conclusion that West African countries can expect to see declines in gross domestic product (GDP), wages, and profits. Most of the reduction in GDP, which the model suggested, was caused by the reduction in output from industrial activity as European imports crowded out domestic production in West African countries.

III. Socio-economic Background

Although Benin and Guinea are classified as two of the United Nations' Least Developed Countries, the two countries are making consistent strides in development. In terms of human capital development, these two West African nations have come a long way since 1970. As shown in Figure 1, Benin's life expectancy has grown from 42 years in 1970 to 61 years in 2018; that is a 45.2 percent increase in life expectancy. Guinea has seen an even larger increase in life expectancy, growing 64.9 percent, from 37 years in 1970 to also 61 years in 2018. This growth has been mostly consistent, only experiencing a relatively short period of stagnation around the 1990s.

Figure 1: Life Expectancy at Birth, Total (Years)

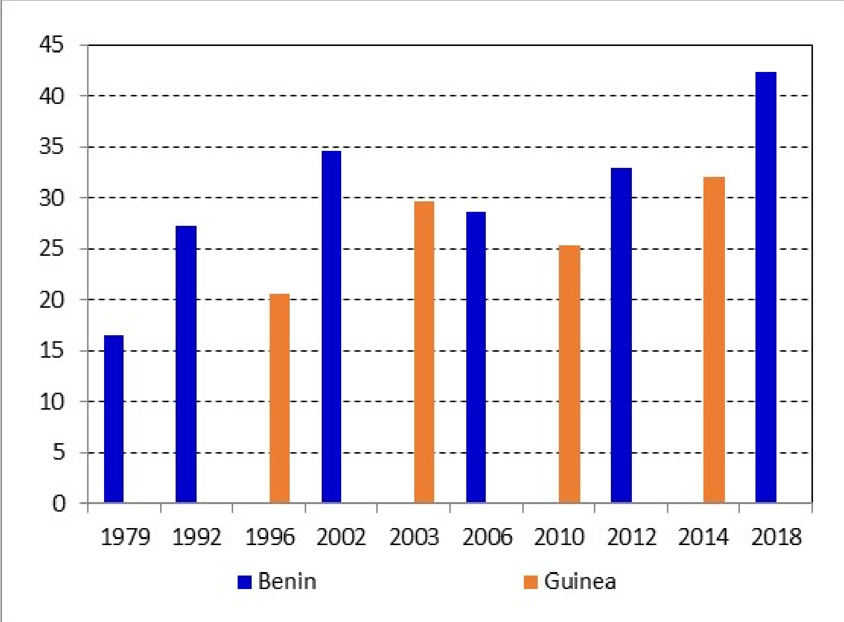


Source: Created by author based on World Bank (2021).

Figure 2 reveals an increase in adult literacy in both countries. Although this measure is not frequently gathered in Benin or Guinea, it is clear that adult literacy has increased over time in both countries. For Benin, the adult literacy rate improved from less than a sixth (16.5 percent) of the adult population (designated as ages 15 and above) in 1979 to 42.4 percent of the adult population in 2018. Guinea had a less dramatic growth in adult literacy, increasing from 20.6 percent in 1996 to 32 percent in 2014. Although these increases in adult literacy are substantial, neither Benin nor Guinea have yet reached 50 percent adult literacy, which reveals a weakness in their human development.

Human development is further undermined by considerable gender inequalities in literacy. In 2018, only 31 percent of Benin's women are literate as opposed to 54 percent of men (World Bank, 2021). This gender difference is even worse in Guinea, where women were half as likely to be literate than men in 2014 (which is the latest available year with such data): 22.0 percent of Guinea's women were literate compared to 43.6 percent of Guinea's men (World Bank, 2021).

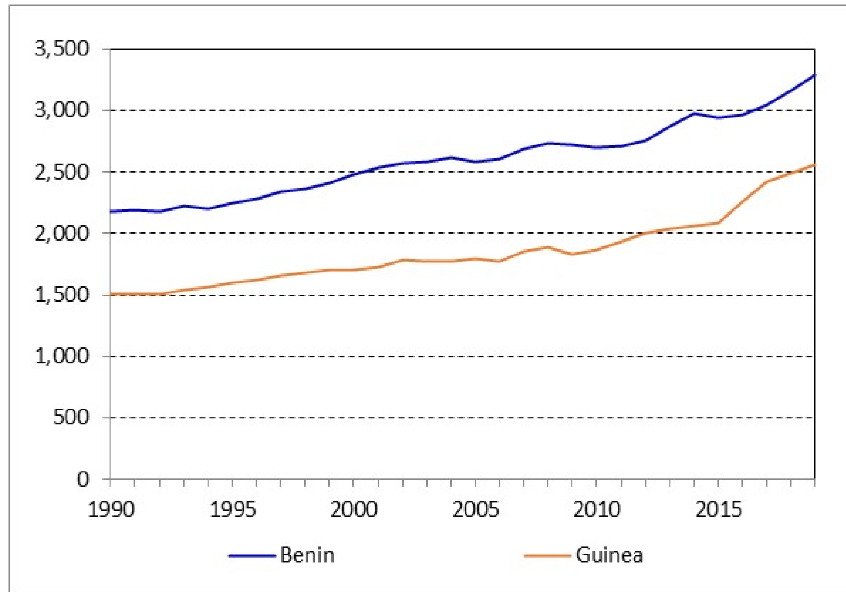
Figure 2: Adult Literacy rate (percent of people ages 15 and above)



Source: Created by author based on World Bank (2021).

Not only has human development in Benin and Guinea been consistent and positive, but the economic development has broadly matched it. Both countries have experienced a growing GDP per capita (purchasing power parity (PPP)-adjusted, in constant 2017 international dollars). As shown in Figure 3, between 1990 and 2019, Benin experienced a cumulative 51.1 percent growth for this indicator while Guinea had a cumulative growth of 69.9 percent. The most recent data from the World Bank (2021) puts PPP-adjusted GDP per capita (in constant 2017 international dollars) for 2019 at $3,287 for Benin and $2,562 for Guinea.

Figure 3: GDP per capita, PPP (constant 2017 international $)



Source: Created by author based on World Bank (2021).

IV. Analysis of Facts

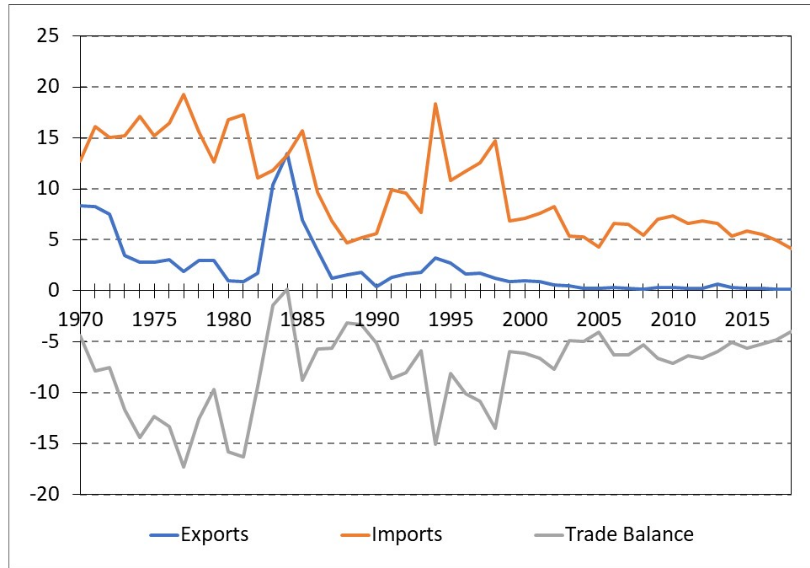
IV.1. Key Facts on Trade for Benin and Guinea

Both Benin and Guinea were party to the Lomé IV when it expired in 2000, which was designed to allow ACP countries access to European markets. According to Faber and Roelfsema (1997), over 90 percent of exports from Benin and Guinea entered European markets without tariffs. Even the goods that faced tariffs still received preferential access to European markets over similar goods from other countries of origin. Despite these preferential trade agreements, the export trade volumes from Benin and Guinea do not reveal a substantial benefit from Lomé IV.

As can be seen with the blue line in Figure 4, Benin's exports to Europe (as a percent of Benin's GDP) increased in the first few years of the 1990s, but then declined subsequently, ending in 2000 at the same level they were in 1990. This implies that Lomé IV did not help much with increasing Benin's exports (as a percent of GDP) to Europe over the medium term, and implicitly also suggests that Lomé IV did not contribute substantially to Benin's economic progress. As shown in with the blue line in Figure 5, Guinea's experience under Lomé IV were different as Guinea's exports to Europe (as a percent of Guinea's GDP) were highly volatile, without any discernable trend during 1990-2000.

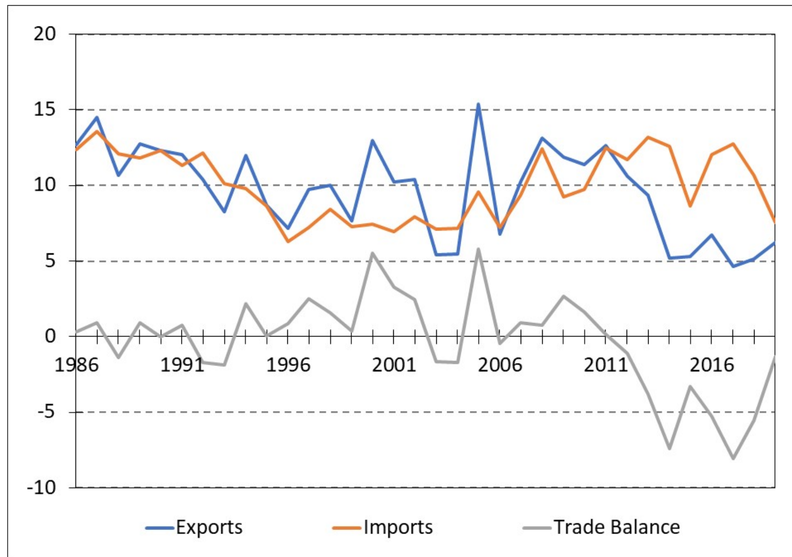
It is also relevant to note that Benin and Guinea had different experiences with regards to their imports from Europe, shown with the orange line in Figures 4 and 5, respectively. Under Lomé IV, Benin's imports from Europe grew from 5.6 percent of Benin's GDP in 1990 to 7.0 percent of GDP in 2000, with a sharp peak in 1994, reaching 18.3 percent of Benin's GDP. Unlike Benin, Guinea experienced a nearly steady decrease in imports as a percent of GDP, seeing them fall from 12.3 percent in 1990 to 7.4 percent in 2000. The difference between Benin and Guinea is likely caused by exogenous factors as Lomé IV was not specifically designed to alter the two countries' imports from the Europe, as Lomé IV was non-reciprocal.

Figure 4: Benin's Trade Volume with the EU, percent of Benin's GDP, 1970-2018



Source: Created by author based on International Monetary Fund (2021) and World Bank (2021).

Figure 5: Guinea's Trade Volume with the EU, percent of Guinea's GDP, 1986-2018



Source: Created by author based on International Monetary Fund (2021) and World Bank (2021).

Once Lomé IV expired in 2000, it was not renewed. In its place, the European Union (EU) and the West African countries negotiated a temporary trade agreement in accordance with Article 37 of the Cotonou Agreement, which is also known as Annex V. The primary principle of Annex V as described in the Partnership Agreement between the Members of the ACP and the European Community (signed in Cotonou on June 23, 2000),[1] is the application of the most-favored-nation

[1] European Union (2000).

treatment. This implies a reduction of tariffs for Benin and Guinea's imports into the member states of the EU.

This trade liberalization agreement had different effects in Benin and Guinea. In Benin, the anticipated impacts did not materialize. The country's imports as a percent of GDP stayed relatively constant around 6.5 percent. Guinea saw a more significant impact as its imports grew from 7.0 percent in 2001 of GDP to 12.6 percent of GDP in 2014. As can be seen in Figures 4 and 5, Annex V did not lead to both countries significantly increasing their exports. Benin's exports stayed constant, which led to a massive increase in its trade deficit. Benin's cumulative trade deficit from 2001 to 2014 was over $7 billion (International Monetary Fund, 2021). Guinea had a high variability in its export volume during this time, but it fared much better with regards to its cumulative trade deficit over the same period, which totaled just under $450 million (International Monetary Fund, 2021), while Benin and Guinea have relatively similar levels of GDP.

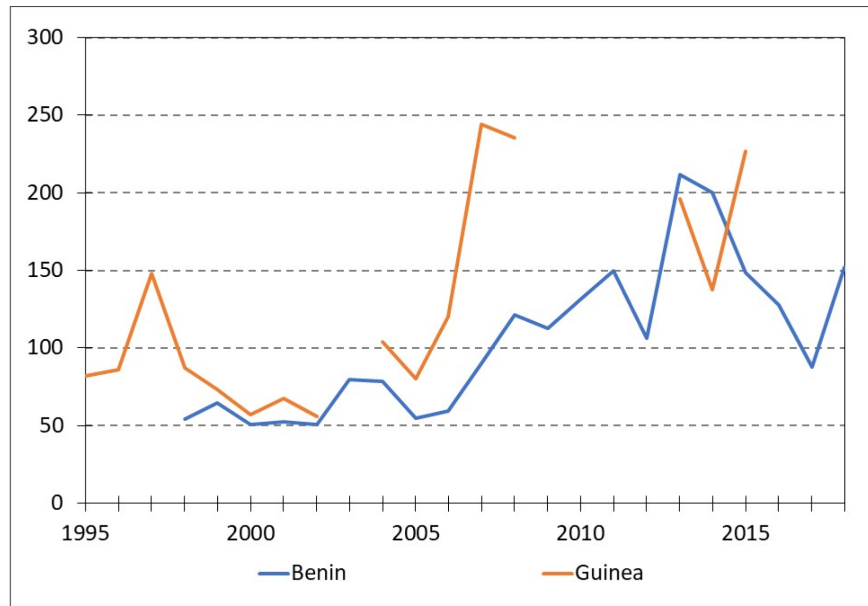
Finally, in 2014, the EU and ACP finished negotiations and instituted the EPAs as the new terms for trade. These EPAs were based on a theory described by Flint (2008) that trade liberalization would lead to economic growth and an accumulation of wealth. Despite the theory that trade liberalization would lead to an accumulation of wealth, it seems that both Benin and Guinea experienced quite the opposite effect. Since the EPAs went into effect until 2018, Benin's cumulative trade deficit increased by $2.4 billion and Guinea's by $2.2 billion (International Monetary Fund, 2021). The EPAs, therefore, have been hurting GDP growth by maintaining trade deficits. The EPAs have exposed the ACP countries to competition from European industries, prohibiting them from developing their industries enough to compete and starting to export goods. This analysis is in line with that of Hurt (2012), who argued that EU competition would damage local manufacturing in ACP countries.

IV.2. Specific Trade Issues Faced by Benin and Guinea

One way that trade liberalization could have helped Benin and Guinea is by increasing their access to capital goods, which would have allowed them to increase their economic output potential. Figure 6 shows the imports of capital goods from Europe in millions of U.S. dollar. Although not enough data is available from the years Lomé IV was in effect, there is enough to draw some conclusions about Annex V and the EPAs. For both Benin and Guinea, there was a major increase in the import value of capital goods soon after Annex V went into effect. From 2001 to 2014, Benin increased the value of its trade in capital goods by 280.6 percent and Guinea increased its trade value in capital goods by 103.7 percent. Once the EPAs went into effect in 2014, however, the import values of capital goods fell in Benin.

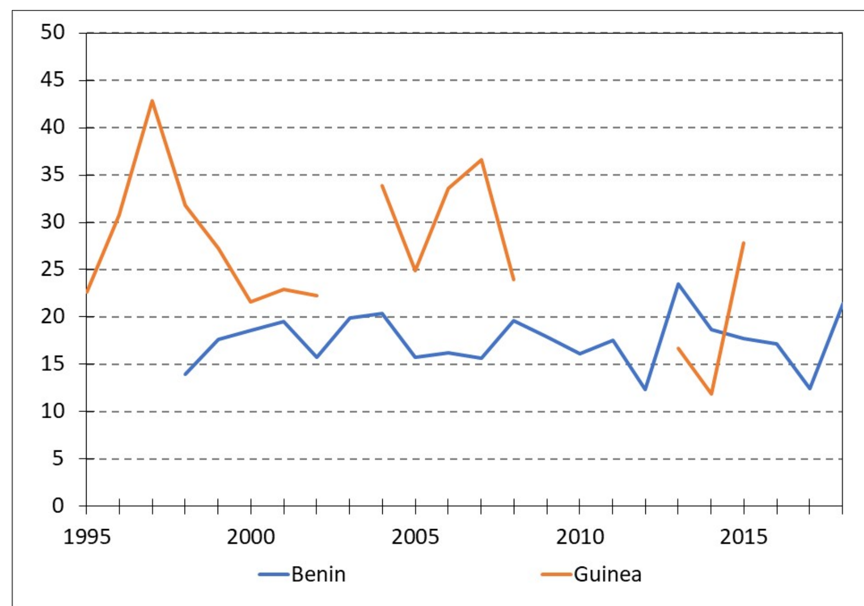
Understanding that the nominal trade data may obscure some conclusions about the trade in capital goods, Figure 7 shows the import value in capital goods from Europe as a percent of the total value of imports from Europe. While the data from Guinea is too fragmented to draw conclusions, the data from Benin shows that changing from Lomé IV to Annex V to the EPAs did not dramatically alter the percentage of imports that were capital goods. Benin consistently imported between 12 and 24 percent of its total import value from Europe in the form of capital goods. This information, combined with the increase in trade value shown in Figure 4, shows that Annex V and the EPAs increased Benin's total volume of imports while still encouraging consistent investment in capital goods. Because of this investment, Benin's economy should have been able to industrialize more than it did.

Figure 6: Imports of Capital Goods from Europe (U.S. dollar, million), 1995-2018



Source: Created by author based on World Integrated Trade Solution (2021).

Figure 7: Imports of Capital Goods from Europe (percent of import value from Europe)

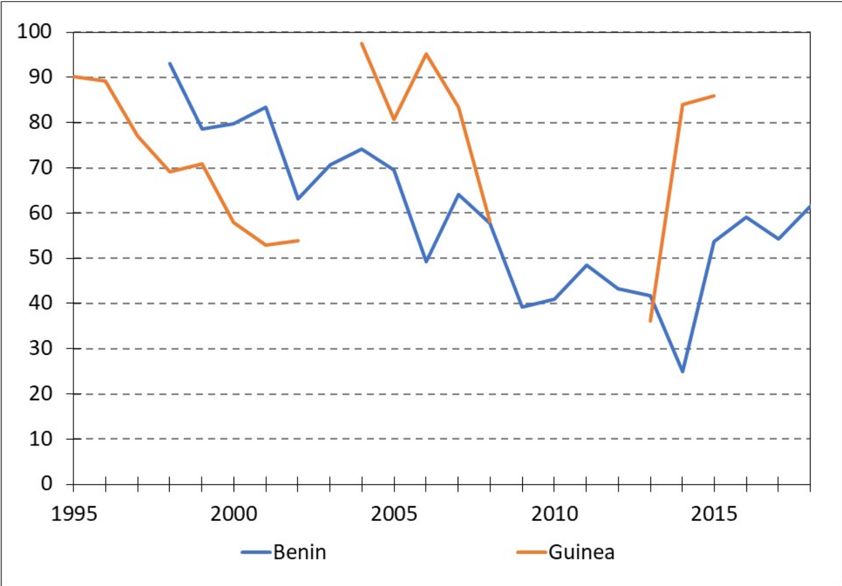


Source: Created by author based on World Integrated Trade Solution (2021).

One critique of the trade agreements between Europe and ACP countries was that they would discourage processing of raw materials. This argument was presented by Mahler (1994), who stated that limits on European imports tended to be the highest for processed goods; therefore, Lomé IV would discourage ACP countries from developing industries that process agricultural goods. To shed light on the argument, Figure 8 displays the raw material from Benin and Guinea

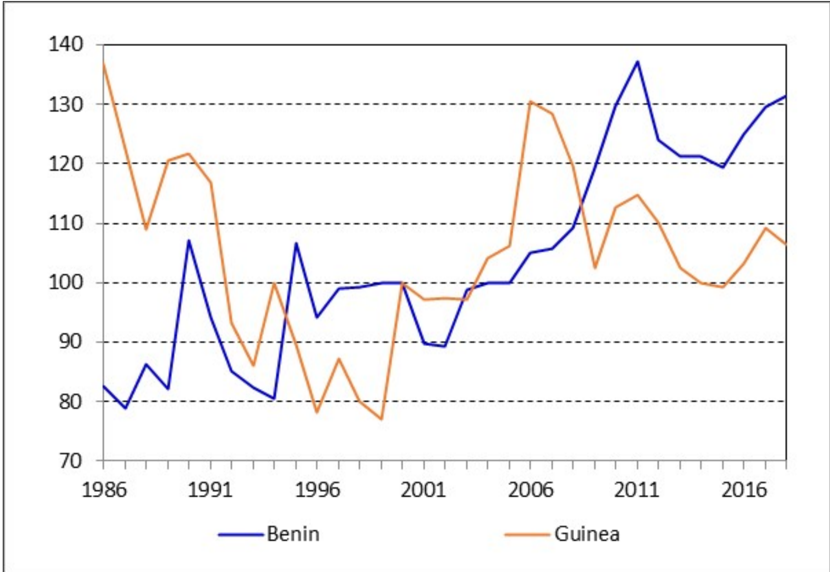
exported to Europe as a percent of total export value. During the time Lomé IV was in effect, Mahler's argument appears to be correct; the vast majority of exports from both Benin and Guinea to Europe were raw materials. Mahler's argument does not extend past Lomé IV, however, since Figure 8 reveals a dramatic decline in the raw material exports for at least Benin. For example, during the period when Annex V was in effect, there was a 58 percentage-point decrease in Benin's raw material exports to Europe as a percent of its total export value to Europe.

Figure 8: Exports of Raw Material to Europe (percent of export value to Europe)



Source: Created by author based on World Integrated Trade Solution (2021).

Figure 9: Net Barter Terms of Trade Index (2000 = 100)



Source: Created by author based on World Bank (2021).

Another useful indicator to review related to international trade is the net barter terms of trade index. This index, shown in Figure 9 above, tracks the ratio of export prices to import prices. According to Friedrichs (1968), a decline in a country's terms of trade implies a deterioration in a country's national economy welfare. According to Gunter and van der Hoeven (2004), falling terms of trade continue to be a challenge for many developing countries. Looking at Figure 9, there has been a mixed evolution of the terms of trade for Benin and Guinea. Over the period from 1986 to 2018, Benin's terms of trade trended upwards, which implies that Benin's external economic circumstances improved over that period. Guinea, on the other hand, had a mixed evolution for its terms of trade index. Guinea's terms of trade index trended downward from 1986 to 1999, before reaching its peak in 2006. After that peak, Guinea's terms of trade index declined slightly and then remained relatively constant between 2010 and 2018. Hence, Guinea's external economic circumstances were largely inconsistent.

V. Ethical Analysis

V.1. Ethical Origins and Existing Ethical Structures

Despite the potential gains a country can make from international trade, some scholars have raised ethical concerns with trade. For example, Barry and Wisor (2014) discussed four moral complaints to international trade. The first is the content of trade, examining the goods themselves to see if they are illegal or immoral to trade. The second complaint is the process by which the trade came about. The third complaint is asking if the trade produced any detrimental effects. The final complaint is unfairness of trade, which would arise if the gains from trade were not distributed fairly among participants. If the evolving trade agreements are ethical agreements, then they would avoid being subject to these four moral complaints.

As the three trade agreements in question covered a wide range of goods, examining the first moral complaint of Barry and Wisor (2014) would be an impractical way to determine the ethicality of the agreements. The goods traded between the EU and ACP countries include too many items, produced in too varied methods that cannot be effectively tracked, to determine if the goods traded are unethical.

The second moral complaint, that the process by which these trade agreements have been adopted may cause harm, is easier to apply. Process can be examined by looking at the context of the different agreements to understand if the ACP countries were coerced or manipulated into these trade agreements.

The third complaint could be examined in connection with the Prebisch-Singer hypothesis. This hypothesis, as described by Todaro and Smith (2015), argues that there will be a long-term decline in the value of primary products relative to other traded goods, which then implies a deterioration in the terms of trade. Hence, we could try to connect the evolution of Benin's and Guinea's raw material exports to Europe with the evolution of the terms of trade. An argument of harm could be made if the trade agreement encouraged Benin and Guinea to produce and export primary goods, which then trapped Benin and Guinea to suffer from the Prebisch-Singer hypothesis and caused a deterioration of the terms of trade. It could be argued that ethical trade agreements need to protect the terms of trade. However, as shown in Figure 8 above, Benin's raw material exports to Europe (as a percent of export value) have overall been declining and Guinea's raw material exports to Europe have been highly volatile. There has also been a mixed evolution of Benin's and Guinea's

terms of trade index, which in any case is determined by all of Benin's and Guinea's trade, not just their trade with Europe. This complicates the analysis of this third moral complaint against international trade.

The fourth moral complaint referred to by Barry and Wisor (2014), i.e., an unfair distribution of benefits, could be examined by reviewing the evolution of Benin's and Guinea's trade balance with Europe. Given that trade deficits have negative implications on employment and growth, an argument could be made that Benin's continuous trade deficit with Europe (as shown in Figure 4 above) has harmed Benin. On the other hand, Guinea's trade balance with Europe (as shown in Figure 5 above) was highly volatile.

In his examination of the Cotonou Agreement, Nwobike (2006) argued to analyze three human rights impacts of trade agreements: Market access, impact on government revenues, and the right to economic development. None of these are human rights by themselves, but they all have an impact on human rights. Market access helps satisfy the right to have a job and make a living. Government revenues can be spent on social programs that lift people out of poverty and provide basic services to satisfy human rights. Economic development is a powerful tool for ensuring human rights for all. These three impacts are quantifiable measures that fall into the moral complaint of fairness. Hence, they can effectively serve as a test for fairness.

To conclude about the ethicality of the trade agreements, a test made from the combination of the arguments from Barry and Wisor (2014) and Nwobike (2006) can be created and applied. Such a test would check each of the three agreements for process, harm, market access, revenues, and development. A trade agreement that is ethical should satisfy a preponderance of the elements in the test, which is attempted in the next sub-section.

V.2. Applying the Ethical Test for Trade

The first trade agreement to face the ethical test is Lomé IV. This agreement passes the process argument. According to Simmonds (1991), both Benin and Guinea were original signatories of Lomé I, so they would have had ample opportunity to leave the trade agreements before Lomé IV if it were not satisfactory. Because of that option, they were not pressured into the trade agreement. The next element of the test is harm, and Lomé IV fails overall. Within this category, the first indicator is the terms of trade index, which fails because the terms of trade fell for Guinea the entire time Lomé IV was in effect. The second indicator examine raw materials exports, which also fails because Benin and Guinea primarily exported raw materials when Lomé IV expired. The last indicator within our examination of harm reviews trade deficits, which passes. Between 1990 and 1999, both Benin and Guinea were able to maintain a small trade deficit or even a trade surplus with Europe. Lomé IV passes the last three categories of market access, government revenues, and development.

Lomé IV ensured that Benin and Guinea were able to participate in European markets without facing significant competition from subsidized European goods in their own markets. Since Lomé IV was non-reciprocal, Benin and Guinea did not need to lower their tariffs and reduce their revenues, allowing the two developing countries to continue investing those funds in economic and social development programs. The last element, development, is satisfied because the trade agreement allowed participating governments to choose their own development goals, the path to achieve them, and partners to help with the process. After being subjected to the ethical test, Lomé IV passes.

The next trade agreement is the Cotonou Agreement (Annex V), but it fails the ethical test. According to Nilsson (2002), Lomé IV was struck down and replaced with the Cotonou Agreement to conform to the World Trade Organization's rules. As Annex V was the transitional agreement between Lomé IV and the EPAs, it was the immediate outcome of the global community dictating what trade agreement was appropriate. Through this process, Benin and Guinea were marginalized by the industrialized countries in control of the World Trade Organization since they were forced to renegotiate a trade agreement that was long-standing and ethical. Because of this, Annex V fails the check for process. Annex V is mixed for harm, neither passing nor failing. As seen in Figure 9, the terms of trade reached highs for both Benin and Guinea while Annex V was in effect. During this period, as Figure 8 shows, Benin and Guinea also diversified their exports and shifted away from raw materials. The previous two indicators pass, but the trade deficit indicator fails substantially. During the time Annex V was in effect, the trade deficit for both countries ballooned. The sheer magnitude of the trade deficits is enough to outweigh the benefits Benin and Guinea saw in the other two indicators, causing no clear pass or fail in the harm category.

Annex V fails the final three elements of the ethical test. First, the trade agreement opened markets in Benin and Guinea to competition from subsidized European goods, damaging the competitiveness and access of Benin and Guinea. Second, Annex V slashed tariff rates, harming government revenues. Finally, this trade agreement fails the development point. Nwobike (2006) explained that the Cotonou agreement, and therefore Annex V, did not come from negotiations that represented regional development groups but instead groups superimposed by Europe. This weakened the negotiating power of ACP countries and limited their options for development since the agreement of one negotiating group might drag multiple regional African development groups to Annex V. When considering all these factors in the ethical test, Annex V fails.

The last trade agreement to undergo the ethical test are the EPAs, but this test is inconclusive. The first aspect of the test, which is process, yields no result. The EPAs were born out of the Cotonou agreement, which means they also arose when the WTO objected to Lomé IV. Unlike Annex V, however, the ACP countries had much more time to negotiate the terms of this treaty. Hence, it is difficult to argue that Benin and Guinea were forced or manipulated into accepting a detrimental trade agreement. The EPAs pass the harm test. Since the EPAs went into effect, the terms of trade for both Benin and Guinea improved.

The next indicator, raw material exports, significantly increased when the EPAs went into effect, suggesting the EPAs played a role in pushing the developing countries back to relying on raw materials exports. While this is a failure for the EPAs, this indicator was a part of the Prebisch-Singer hypothesis. When contextualized with the increasing terms of trade in both Benin and Guinea, the hypothesis does not hold. More time is needed to determine if this shift to raw materials exports is a short-term fluctuation or a long-term trap. More time will also help shed light on the Prebisch-Singer hypothesis in this context to see if there will be a long-term decline in terms.

The last indicator of harm, trade deficits, passes because both Benin and Guinea reduced the size of their annual trade deficits after the EPAs went into effect. This reduction was not enough to make Benin and Guinea have a trade surplus, but it was a significant reduction from the peak trade deficit during Annex V. The EPAs appear to pass the market access test because they allowed for the developing countries to more forcefully negotiate trade laws that would allow entry into European markets without facing consequences from increased competition with subsidized European goods. The EPAs fail the government revenues test. As described by Bouët, Laborde and Traoré (2018), the EPAs led to a 7.5 percent decline in Benin's government revenue. That

decline in revenues spilled over into public welfare as the government could no longer spend as much on social programs. The EPAs also fail the final test for development. Since the EPAs were negotiated as a part of the Cotonou agreement, they suffer from the same ethical failings as Annex V that were described by Nwobike (2006). Since the ethical test is split for the EPAs, no firm conclusion can be drawn for their ethicality.

VI. Conclusion

International trade is an issue that heavily determines economic development in developing countries. As seen with Benin and Guinea, the changing trade agreements had an impact on their development. The liberalization of markets in Benin and Guinea did connect them more with Europe, pushing the two countries to diversify their economies away from raw material exports. Unfortunately, it also severely increased the trade deficits of the two developing countries, draining capital that is vital for continued social spending to improve institutions and human development. It also seems that the three trade agreements did not have an impact on Benin and Guinea's imports of capital goods, suggesting that the agreements did not promote industrialization; in other words, Benin and Guinea were trapped by trade and were not sufficiently encouraged to industrialize.

The three agreements also presented some ethical concerns. This article developed an ethical test based on Barry and Wisor (2014) to check the process, harm, and fairness for each agreement. While Lomé IV passed the ethical test, Annex V failed, and the EPAs were equivocal. The failure of Annex V and the EPAs suggests that reciprocal trade agreements may not be the most ethical tool to accelerate a developing country's economic development. The issues with Annex V and the EPAs came from the harm and unfairness the agreements brought about. Considering this, Benin and Guinea may need to work with the EU to renegotiate the current EPAs to minimize the harm and unfairness. The EU may also want to consider increasing development aid to offset the harm resulting from its trade agreement with Benin and Guinea, which would help increase the competitiveness of African businesses. After implementing these improvements, the new trade situation will be better suited to promote economic development in Benin and Guinea without causing negative side effects of international trade, namely rising inequality and further marginalizing some of the least developed countries.

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