



Seminarios de Macroeconomía y Finanzas

Intellectual Property, Tariffs, and International Trade Dynamics

Expositor: Federico Mandelman – Federal Reserve Bank of Atlanta

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Sala de Conferencias, Agustinas 1180, piso 3

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Los Seminarios de Macroeconomía y Finanzas tienen como objetivo difundir investigación académica y aplicada de investigaciones del Banco y externos.

Abstract

The emergence of global value chains not only leads to a magnification of trade in intermediate inputs, but also to extensive technology diffusion among the different production units involved in arms-length relationships. The lack of enforcement of intellectual property rights has recently become a highly controversial subject of debate, especially in the context of the China-US trade negotiations. This paper analyzes the strategic interaction of tariff policies and the enforcement of intellectual property rights within a quantitative general equilibrium framework. Results indicate that tariffs may be an effective deterrent for weak protections of intellectual property. Moreover, weakening enforcement of intellectual property rights may be a strong deterrent for raising tariffs. These results combined indicate that there is scope for international cooperation on these fronts.