

# **NCCR Trade Regulation from Fragmentation to Coherence**

**World Trade Institute, University of  
Bern, in cooperation with Universities  
of Lausanne, Lucerne, Zurich and ETH  
Zurich**

## NCCR Trade Regulation

The National Centres of Competence in Research (NCCRs) are multidisciplinary networks of researchers financed by the Swiss National Science Foundation on a competitive basis. Their purpose is to coordinate Switzerland's research efforts in fields of national strategic importance.

**About:** NCCR Trade Regulation was set up at the World Trade Institute (WTI) in 2005. It aims to provide a better understanding of how the world trading system functions and to explore the sources and drivers of fragmentation and coherence in global trade governance. The project is premised on the idea that academia should play a key role in identifying, analysing and offering innovative policy- and rule-making solutions to key challenges in modern trade diplomacy.

### Tackling regulatory challenges:

International trade regulation transcends law and politics. World Trade Organization (WTO) law provides the main institutional framework, although it constitutes only one of many potentially applicable international regimes. NCCR Trade Regulation addresses the important regulatory challenges through its various research projects which are organised in six thematic Work Packages. Each Work Package consists of two to three clusters.

[www.nccr-trade.org](http://www.nccr-trade.org)



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## Work Package 1: Trade Governance

Governance aspects of the global trading system and a better understanding of its public and private drivers are at the centre of Work Package 1. Cluster 1 on judicial governance focuses on the judicial side of the WTO: how the Appellate Body addresses incomplete contracts and what explains compliance with WTO rulings. Cluster 2 on attitudes towards trade liberalisation studies the preferences of individuals vis-à-vis international trade liberalisation and the factors that attract more support. Cluster 3 on corporate trade governance analyses the contribution of the private sector and its position in a system of multilayered governance.



## Work Package 2: Preferential Trade and Investment

Preferential trade and investment liberalisation are increasingly intertwined. Work Package 2 explores the linkages from two angles. Cluster 1 on preferential trade explores the design and effects of PTAs, preferences in services, and the evolving nature of reciprocity in North–South agreements. Cluster 2 on new challenges in investment law and policy examines the impact of international investment regulation on the domestic politics, economics and institutions of host states.

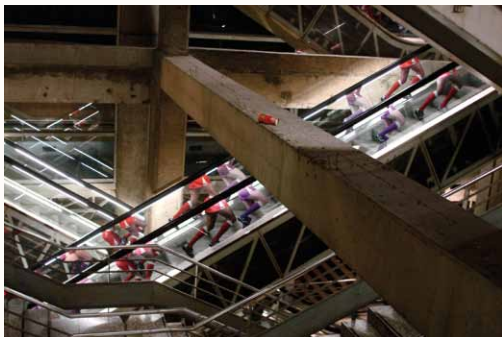
It explores new paradigms in international investment activity, notably in the context of the new common European investment policy, as well as the interaction between international trade and investment regulation.



### **Work Package 3: Innovation and Creativity in International Trade**

Work Package 3 focuses on the nexus between appropriate regulation and incentives for investments in inventive and creative activities. The three areas of research are:

1. Product innovation strategies and conditions in a development context.



2. Patent law and policy at the heart of legal framework conditions for creativity and innovation with a special focus on transparency and financial incentives.
3. New technologies and trade governance: as innovation produces new technologies (such as digital, nanotechnology or synthetic biology), which in turn need to be addressed in law in a continuing process of adaptation.

### **Work Package 4: Trade, Development and Migration**

The most difficult regulatory challenges in a reciprocity-based multilateral trading system result from the divergences between wealthy and poor countries and the conceptual fragmentations they may create. The trade agenda insufficiently reflects the unequal distribution of production factors, capital and labour. Addressing such asymmetries means looking beyond the existing WTO framework into the interface of trade, bilateral investment, commodity and migration agreements, and preferential schemes. Within this context Work Package 4 focuses on:

1. Food security and the development of appropriate policy instruments in international trade and investment.
2. Multilevel migration governance with regard to new institutional and legal forms of migration cooperation.





## Work Package 5: Trade and Climate Change

Climate change affects international trade regulation. Work Package 5 examines how international trade regulation can contribute towards climate change mitigation and adaptation within long-term legal frameworks in three areas of research:

1. Exploring the potential for an emerging principle of common concern from a legal, economic and international relations perspective.
2. An effective architecture and trade linkage of the international climate regime, which is based on concerted international action within the climate and trade regimes.
3. The building blocks for a framework energy agreement, a long-term legal framework on trade in energy.

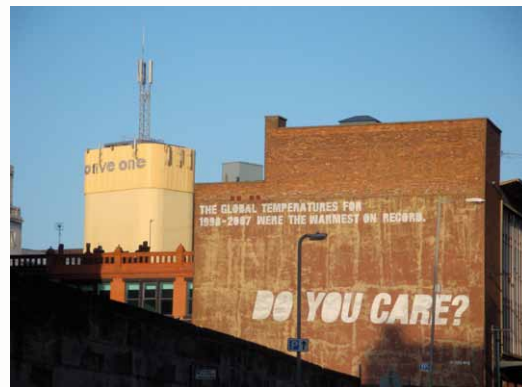


## Work Package 6: Impact Assessment

As the 2011 Global Aid for Trade Review highlighted, rigorous impact evaluation techniques have a key role to play in improving the design and delivery of aid for trade and leveraging policy experience. Widely used in many fields of development such as health and education,

impact assessment techniques have scarcely been used in trade. Work Package 6 explores, through practical examples, the scope for applying them. The three areas of research focus on:

1. The impact of trade on economic and political institutions in developing countries.
2. The effectiveness and impact of firm-level trade assistance (export promotion and technical assistance) in developing countries.
3. The impact of trade on intra-national economic geography, working primarily with data from Austria and India.



## Horizontal Issue: Multilayered Governance

Trade regulation entails allocation of powers among different layers of government. Research explores whether these tasks can still be addressed with traditional means of fragmented treaty law. It focuses on separation of powers and mutual checks and balances between local, national, regional and global regulatory authorities, with a view to developing criteria for the assignment of regulatory functions and achieving greater coherence and consistency.



## NCCR Trade Regulation Research Network

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## Outreach, knowledge transfer and affiliations

Outreach to stakeholders, knowledge transfer and communication of research results are important aspects of NCCR Trade Regulation as is the fostering of young researchers through various PhD projects which are part of the Work Packages.

### Doctoral School

NCCR Trade Regulation's doctoral school includes three different disciplines: law, economics and international relations, with a specific focus on international trade. It aims to attract excellent students in order to prepare them for a successful career in research institutions. Following the philosophy of NCCR Trade Regulation and the WTI, special emphasis is paid to sharpening interdisciplinary dialogue in the area of trade. In addition to the (discipline-specific) doctoral courses run by the faculties, the doctoral school offers specific education and research training modules focusing on international trade.

### World Trade Institute (WTI)

The WTI is the leading house of the NCCR Trade Regulation network. As an interdisciplinary centre of excellence of the University of Bern, the WTI focuses on international trade regulation from a legal, economic and international relations perspective. Besides research, the WTI has expertise in training and advisory services in the area of world trade and investment law and policy. It offers a Master of International Law and Economics (MILE) programme, a Summer Academy and e-Learning courses, as well as tailor-made courses.

[www.wti.org](http://www.wti.org)

## Other affiliated research projects at the WTI

### Joint WTI–SECO Academic Cooperation Project in Peru, Vietnam and South Africa

The Swiss State Secretariat for Economic Affairs (SECO), the WTI and NCCR Trade Regulation are jointly implementing a four-year academic cooperation project (from 2009–2013) by creating three regional knowledge hubs and competence centres in the field of international trade regulation.

[www.wti.org/institutional-cooperation/joint-wti-seco-project/](http://www.wti.org/institutional-cooperation/joint-wti-seco-project/)

### International Investment Initiative – I<sup>3</sup>

I<sup>3</sup> provides a framework to study the relationship between trade and investment law and policy. Its focus is on research, training and advisory services, as well as the establishment of a forum for dialogue between stakeholders and investor–State conflict management.

[www.wti.org/international-investment-initiative/](http://www.wti.org/international-investment-initiative/)



## Approach

NCCR Trade Regulation has a strong anchorage in the disciplines of law, economics and political science. The focus is on interdisciplinary research with a long-term perspective on various aspects of trade regulation, which has an impact on academia and policy.

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Work Package 2  
**Preferential Trade and Investment**  
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Work Package 3  
**Innovation and Creativity in International Trade**  
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Work Package 4  
**Trade, Development and Migration**  
Leader:  
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Work Package 5  
**Trade and Climate Change**  
Leader:  
Prof. Thomas Cottier

Work Package 6  
**Impact Assessment**  
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Horizontal Issue **Multilayered Governance**  
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