

Global economic- qanda

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The Economist Which trade theory discussed by Cohn in chapter 7 helps explain the impact of the American and Japanese lobbies on the Doha Round as discussed in the article?

The main goal of Doha Round was to try to uplift the poor countries to come closer to the rich ones. However, this was not possible because Americans and Japanese applied the dependency theory (Economist p2). This is the theory that is discussed in chapter 7. Normally, dependency theory sees the rich countries prevent poorer states from achieving development faster to avoid competition. Even though these countries support the upcoming countries, the growth of these countries is closely monitored.

2. Why might multilateral negotiations have hurt the Doha Round?

Approaching the Doha Round using multilateralism would have been hurtful because two of the greatest nations were involved. America and Japan are viewed as powerful voices when it comes to trade thus allowing the voices of small countries would have seen a split between the two. In multilateralism, countries without much economic power are given equal voting powers as the big ones. Additionally, in multilateralism, small countries may seek powers to control others yet their resources are not sufficient. Had this happened at Doha, there would be conflict not to mention the resistance by the bigger states.

3. How does Cohn define the “ most favored national principle” and how is it important in the context of this article?

Most favored Nation (MFN) is a principle that a country grants to another when involved in trade dealing with an aim of benefitting from the subsequent reduced cost. In short, when a country is granted this status, it normally enjoys low tariffs, which then enable it to reduce cost of production

of goods. Consequently, citizens from the granting country are able to access goods of higher quality at a lower price. Concerning the importance of this principle on the article, granting such status to other countries would have seen Americans and Japanese access goods elsewhere.

4. What specific ill does the article mention the Economist was created to combat?

From the article, it is appropriate to conclude that the Economist was created with a sole purpose of ending the unfair dominion by rich countries.

Monopoly by influential countries had rendered others helpless in marketing products in those countries (Economist p. 3). The ills were that the influential countries continued to grow as poorer states shrank for lack of market for their goods

Work cited

The Economist. ProQuest (Sep 8, 2012): 404. 8801 12.