Free Trade in Asia

India has backed out of joining the Regional Comprehensive Economic Partnership, a free trade area that was to include 16 Asian-Pacific countries: Australia, Brunei, Cambodia, China, India, Indonesia, Japan, Laos, Malaysia, Myanmar, New Zealand, the Philippines, Singapore, South Korea, Thailand, and Vietnam. That’s a mistake, according to Swaminathan S. Anklesaria Aiyar in “India Should Join Asia’s New Free Trade Area” (Economic Development Bulletin no. 32), who notes the substantial benefits to be had from liberalizing India’s historically protectionist trade policies.

POLICY-DRIVEN VOLATILITY

To what degree do public policy developments drive volatility in stock markets? To answer that, a new data set was constructed by Scott R. Baker, Nicholas Bloom, Steven J. Davis, and Kyle Kost in “Policy News and Stock Market Volatility” (Research Briefs in Economic Policy no. 200). They find strong indications that equity market volatility (EMV) spikes in relation to news stories indicating uncertainty about major policy developments, and they believe that their new EMV index and database will be adaptable to a wide range of future research on this topic.

MARKET-BASED IMMIGRATION

How much would the market for immigration visas be worth, if they were available for purchase? That’s the question Alex Nowrasteh and Andrew C. Forrester address in “Financing Immigration: The Financial-Market Value of a Market-Based Immigration System” (Immigration Research and Policy Brief no. 16). The authors build on their proposal for Congress to set a price that is sufficient to cover anticipated fiscal impacts and then to sell as many visas as the market would bear.

INEFFECTIVE SANCTIONS

American sanctions target around two dozen countries, with some states experiencing what amounts to near total economic embargoes. Have these policies been effective at achieving their foreign policy aims? No, says Richard Hanania in his review of the literature in “Ineffective, Immoral, Politically Convenient: America’s Overreliance on Economic Sanctions and What to Do about It” (Policy Analysis no. 884).

COLLUSION AND COMPATIBILITY

In 1886, railroads across the American South simultaneously stopped running their trains, and over the following 36 hours, workers manually narrowed 13,000 miles of railroad track to the 4'9” gauge used in the rest of the country. But this feat of engineering wouldn’t have been possible without collusion of the sort outlawed by the Sherman Antitrust Act in 1890, according to Daniel P. Gross in “Collusive Investments in Technological Compatibility: Lessons from U.S. Railroads in the Late 19th Century” (Research Briefs in Economic Policy no. 201).

MARYLAND SCHOOL CHOICE

In 2016, Maryland adopted the Broadening Options and Opportunities for Students Today (BOOST) voucher program for a very small number of K–12 students to attend private schools. In “Maryland’s BOOST Is Promising, but More Work Is Needed” (Policy Analysis no. 885), Russell Rhine finds this to be an encouraging first step but says that further expansion is necessary.
“Wealth and Taxes” (Tax and Budget Bulletin no. 86), in which he concurs with criticisms of rent seeking from the left but finds that wealth taxes are more likely to hurt rather than help the goal of defeating rent seeking.

**VOTER ID**
Do strict voter identification laws affect election turnout—and thus potentially election outcomes? From 2000 to 2018, many states adopted or strengthened these laws requiring voters to present photo IDs. In “Strict Voter Identification Laws, Turnout, and Election Outcomes” (Research Briefs in Economic Policy no. 202), Mark Hoekstra and Vijetha Koppa find the turnout effects to be small and difficult to conclusively measure.

**SOCIAL INSURANCE**
The use of private plans to provide health insurance benefits is widespread in several European countries, while in the United States, Medicare supplement plans are also popular. In “Private versus Public Provision of Social Insurance: Evidence from Medicaid” (Research Briefs in Economic Policy no. 203), Timothy J. Layton, Nicole Maestas, Daniel Prinz, and Boris Vabson find reasons to favor such private provisions even of state-mandated benefits.

---

**WELCOME TO SPHERE**
The Cato Institute and the Brookings Institution are proud to announce the launch of Sphere, an online series to discuss contentious public policy issues in a civil and engaging manner. This new series features debates on drug prohibition, U.S. foreign policy, and the Supreme Court among scholars with different viewpoints on these issues. The objective of Sphere is to create the gold standard for civil discussions on leading public policy issues—to lower the temperature, without abandoning our deeply held ideas and principles.

**WATCH OUR NEW DEBATE SERIES ONLINE AT PROJECTSPHERE.ORG**