

Ex-ante Lobbying

- Need to convey the possibilities of this set-up for capturing the real life dynamics of shocks integrated with lobbying dynamics, how that interacts with enforcement and administered protection
- Supply air tight argument / reference about $C + aW$ being equivalent to γ increasing everywhere
 - CAN'T! It's not true! Only microfound a version with $1 + a$ on those who lobby, a on those who don't
- perhaps re-emphasize that gov't can't completely control lobbying: can't make it higher than lobby's optimal. But this is b/c there's only one lobby
- finish escape clause result
- Result 2: With ex-post lobbying only, it's possible to get no internalization of TOT externality when joint welfare is everywhere increasing in γ . Can have trade agreement doing nothing.
 - When TOT externality is internalized, welfare is higher at a *given* θ because each country is not imposing the externality on the other
 - * But if γ is endogenous only, when they use the TA to maximize joint welfare, if joint welfare is everywhere increasing in γ , they may not want to place a restriction on τ in relation to τ^N
 - * In general, they may still do something that looks like internalizing TOT externality, but not in the case where joint welfare is everywhere increasing in γ (which is equivalent to W increasing in γ in the separable, symmetric economy)
 - * In fact, the maximization problem looks exactly like unilateral maximization with a domestic commitment motive (reign in lobbying in second stage)
- pg. 24 calculations
 - Decide where political objective fcn. section goes now
- re-write intro
 - MRC-style results survive incorporation of ex-ante lobbying. TA still works to restrict lobbying in many cases, but also to keep lobbyists "in the game"
 - Baldwin-style gov't welfare function works for a set of questions, but not for this one

- * Need to be able to say which predictions/design questions are okay: those that don't change lobbying incentives
- Coates and Ludema (2001)—endogenous (add to list of GH, MRC)
- How do I want to sell the paper? In relation to what literature? (what lit does endogenous? what lit doesn't?)
- What if the WTO actually *did* what the literature says it does? It wouldn't work
- Be more explicit about relationship between $\gamma(e)$ and $\gamma(s)$

For after this draft

- Could escape clause be made to work with some kind of dynamic use constraint?
 - When would lobby exert effort to top up?
- What units are $\pi(\tau)$ and e measured in? (no numeraire)
- existence proofs