

Research

New Researchers

Interview with Professor Ralph Ossa

Professor Ossa, you were appointed to the Professorship of Economics of Globalization and Emerging Markets, endowed by the UBS Center. Which economic topics fascinate you?

Ralph Ossa: I am interested in all policy-relevant topics, particularly pertaining to international trade. At the moment, I think a lot about what I call “unconventional trade policy,” which is trade policy that goes beyond classic tariff policy. For example, international tax competition was just a big topic in Switzerland surrounding a referendum on corporate tax reform.

One of your current research projects focuses on gains from trade liberalization, looking at the Canada-U.S. Free Trade Agreement (CUSFTA). What is this project about?

In this project, we challenge the way economists think about the gains from international trade. Most economists argue that a central benefit of trade liberalization is that consumers obtain access to a wider range of imported goods. For example, trade liberalization might allow them to buy Swiss chocolate even if they do not live in Switzerland, which then increases their utility. The main point of our paper is that these import variety gains are just part of the story and are typically counteracted by contemporaneous domestic variety losses. The issue is simply that trade liberalization also tends to drive domestic firms out of production, which means that domestic consumers can then no longer purchase the goods these firms make.

What are the main new insights from this research?

Looking at the Canada-U.S. Free Trade Agreement, we estimate that domestic variety losses actually outweighed import variety gains for the Canadian economy, thereby challenging the conventional wisdom in the field. Having said this, we also show that Canada still gained from the Canada-U.S. Free Trade Agreement overall simply because it also caused a significant reduction in the prices of imported goods.

If you had not become an economist, what career would you have chosen?



Ralph Ossa was appointed to the Professorship in Economics of Globalization and Emerging Markets, endowed by the UBS Center. He joined the University of Zurich at the beginning of this year.

Prior to moving to Zurich, he was Associate Professor at the University of Chicago Booth School of Business. He holds a PhD in Economics from the London School of Economics.

His research focuses on international trade, economic geography, and economic development.

I always wanted to be a professor; I was just debating the field in which to give it a shot. The runner-up choice was physics, and I almost switched to the ETH Zurich after two years of undergraduate business and economics studies in Germany. But I am glad I stuck with economics because I am ultimately more interested in social science questions.

The UBS Center aims to foster a closer dialogue between policymakers, business leaders, and the public at large. Being a member of the Center, what is the main message you would like to convey?

Academic economists are better than their reputation and can make valuable contributions to policy debates. Most of them that I have met do not have ideological agendas but are true scholars trying to make sense of the world. I think this is the most important message in times when experts are increasingly frowned upon.