



## **United States Withdrawal from the Trans-Pacific Partnership: A Leveraged Bootstrap Causality Approach to Investigate Relationships Among Small Capitalization Markets**

**Kuo-Hao Lee<sup>1</sup> and Christian Grandzol<sup>2</sup>**

1. *Bloomsburg University of Pennsylvania, Zeigler College of Business*

2. *Bloomsburg University of Pennsylvania, Zeigler College of Business*

*\*Accepted September 2019*

---

### **ABSTRACT**

This research examines the causal relationships between small capital markets of the United States and nine other countries that signed the Trans-Pacific Partnership Agreement (TPP) before and after the United States withdrawal. The relationships were investigated using the Granger causality test with a leveraged bootstrap approach developed by Hacker and Hatemi-J. The results indicate that before the TPP withdrawal, returns of small capital markets in eight of nine sampled countries were influenced by returns of the United States small capital market. After withdrawal, the United States lost some influence, but only on the returns of small capital markets in Canada. As far as the other countries' influence on the U.S., before departing TPP, the United States small capital market was driven by the performance of six of nine small capital markets while after departure the U.S. small capital market was responsive to movements in seven of nine countries. Our findings indicate that the withdrawal of the United States from TPP may not be consequential for small capital market relationships. This research provides perspective for building investment portfolios.

---

©2019 IRABF All rights reserved.

*Keywords:* Granger Causality, Bootstrap, small capital market, MSCI

*JEL classification:* G1, G15, G11, C19

---

## 1. Introduction

In 2016, twelve countries signed the Trans-Pacific Partnership Agreement (TPP), a regional free trade agreement that built upon an earlier arrangement among four of those countries. The signing countries included the United States, Australia, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Singapore, Vietnam, Brunei, and Peru. TPP sought to enhance trade of goods and services among those countries via both tariff and non-tariff (quotas, technical barriers, etc.) measures. The agreement covered additional aspects such as rules of origin, dispute resolution, sanitary measures, intellectual property, labor standards, environmental standards, and other aspects (USITC, 2016). Several participating countries had existing free trade agreements with other signatories in force at the time they agreed to TPP. For example, the United States already had agreements with six of the other eleven TPP parties. For the U.S., TPP added five new partners (Brunei, Japan, Malaysia, New Zealand, and Vietnam) and addressed some issues not included in its existing agreements such as capacity building, regulatory coherence, and state-owned enterprises. Given the relative trade size of the TPP participants and the mix of goods/service affected, the United States International Trade Commission (USITC, 2016) found TPP would affect most sectors in the U.S. economy either directly by exposing the sector to liberalization or indirectly via upstream and downstream sectors.

The reasons to join the TPP were many and varied—and differed by partner. For the purposes of this research, we chose to focus on the perspective of the United States. The U.S. realized that 95% of the world's consumers lived outside the U.S. and some of the fastest growing markets signed onto the TPP, thus giving U.S. industries freer access to expanding markets and more flexibility for securing supplies (USTR, 2016). Additionally, TPP played a strategic geopolitical role helping to address the growing Chinese sphere of influence and counter its “One Belt One Road” plan to promote economic integration (Perlez, 2015). Engaging in freer trade with the United States and Canada would reduce signatory countries reliance on China and would bring those countries closer to the United States (Wayne & Magnussen, 2017). In fact, some argued this strategic value was at least as important as whatever economic gains might be realized (Fergusson, McMinimy, & Williams, 2016).

U.S. President Trump decided to withdraw his country from the TPP roughly one year after it was signed, seemingly as part of his “America First” agenda (Pham, 2017). Countering its proponents, President Trump believed TPP would adversely affect employment in the United States and in particular, would have a disproportionately negative impact on manufacturing employment and states critical to his electoral victory such as Ohio, Indiana, and Michigan (Scott & Glass, 2016). Specific reasons included lack of checks on currency manipulation and chronic trade deficits. Instead of continuing in the TPP, President Trump chose to take on China directly with what has been termed a trade war and to pursue bilateral free trade agreements where the U.S. could exercise more negotiating leverage. Meanwhile the eleven other TPP signatories signed a revised TPP, called CPTPP, after U.S. withdrawal and there is a proposed Regional Comprehensive Economic Partnership trade deal that includes China as well as multiple TPP signatories such as Japan. Regional free trade momentum in Asia continues, just not U.S.-led free trade (Pham, 2017). The U.S. in some ways has ceded the region to China, at least for the moment.

This reshaping of global influence has consequences for market and financial strategies. The focus of this paper is how the United States' decision to withdraw from the TPP affects risk-reduction strategies via international diversification. Investing in diverse overseas markets, particularly small capital markets, reduces risk due to low correlations among small capital markets. Engaging in a free trade agreement should increase correlations of the respective markets through tighter integration while exiting a free trade agreement would have the opposite effect. Small capital stocks are those whose market capitalization, calculated as stock price multiplied by total number of shares outstanding, is

relatively small, typically between \$300 million and \$2 billion. For details on the small capital designation used in this study, please review the MSCI Index Calculation Methodology (MSCI, 2018).

With the United States withdrawal from TPP, we investigated the extent to which the United States drove and was driven by movements in small capital markets in TPP countries both prior to and subsequent to withdrawal. We expected the United States withdrawal would lessen its influence on TPP signatories' small capital markets, but would do so only marginally because of the U.S.'s other trade agreements with six of the eleven TPP partners. Our findings indicate this expectation has mostly materialized. This conclusion is important for investors building portfolios using cross-border investment strategies.

## 2. Literature Review

TPP signatory countries accounted for about 36% of world GDP, but that collective share masked disproportionate contributions. The United States alone accounted for 22.4%, with Japan accounting for 5.9%, and Canada 2.3%—on their own those three accounted for just over 30% of world GDP and 83% of TPP contribution to world GDP (USITC, 2016). From a trade partnership perspective for the U.S., the United States International Trade Commission reported that TPP countries were responsible for about 45% of U.S. goods exports and 37% of U.S. goods imports, with a variety of commodities originating or going to TPP countries. Similarly strong relationships held for services and Foreign Direct Investment (USITC, 2016). However, the United States already had existing Free Trade Agreements with six of the TPP partners, and two of them, Canada and Mexico, accounted for the bulk of the goods and services trade with the U.S. Thus, the USITC reported that while the impact of the TPP Agreement would be small as a percentage of the overall U.S. economy, it would have a stronger influence with respect to trade with countries such as Japan and Vietnam, countries with which the U.S. had no existing free trade agreements. Immediately upon the TPP going into force, most import and export tariffs with these countries would be eliminated; 99% of them would be eliminated by year 15 and all tariffs eliminated by year 30.

The tariff and non-tariff barriers to trade the TPP eliminated were substantial. As examples, USTR (2016) reported U.S. automotive exports faced import taxes as high as 70% in some TPP countries and non-tariff barriers restricted U.S.-made vehicles and parts in Japan. Meanwhile U.S. poultry faced 20% tariffs in Vietnam and American-made cheese faced 40% tariffs in Japan. TPP would enable 50,000 additional tons of milk to go to Canada and eliminate stiff tariffs on distillers. These barrier eliminations would impact not only the companies and workers directly affected, but also their supply chain partners and choices for Foreign Direct Investment as foreign firms would be investing in not only access to larger markets but also less trade friction for supply bases.

Overall, compared to a baseline economic growth expectations without TPP, the USITC (2016) estimated that by 2032, 15 years after TPP went into effect, the TPP would add \$42.7 billion to the U.S. GDP (.15% higher than baseline) and 128,000 full-time equivalents to the U.S. workforce (.07% higher than baseline). Gains would be slightly higher by 2047 when all provisions of the agreement would be in force. While the overall impact would be slight, other changes would emerge such as an increased rate of growth in U.S. exports to TPP partners as effects such as trade diversion were realized. In terms of specific sectors, the food and agriculture sectors would see the largest percentage changes for both exports and imports (2.6% and 1.5% by 2032) while manufacturing, natural resources, and energy would see the largest dollar changes for both exports and imports (\$15.2 billion and \$39.2 billion). Services would see the least change by both measures. The USITC estimated food and agriculture employment

would increase .5%, service employment would increase .1%, and manufacturing, natural resources, and energy employment would decrease .2%.

In addition to these predictions, USTR (2016) reported qualitative benefits for the U.S. economy such as increased certainty, harmonized regulations, and reduced costs for firms that trade and invest in the TPP region. TPP required all signatory countries to meet labor standards such as prohibitions against child labor, freedom to form unions, and requirements such as work hours and safe workplaces. TPP contained environmental protections related to illegal logging and fishing, conservation, and ozone-depleting substances. These labor and environmental provisions, along with requirements for state-owned or subsidized businesses, would help reduce the disadvantaged position of U.S. workers compared to international workers. Finally, the TPP offered a geopolitical strategy of expanding U.S. influence in the Asian Region while blunting Chinese influence (Wayne & Magnussen, 2017). Potentially, TPP could shift not only economic balances, but perhaps more importantly, geopolitical alliances and ultimately pressure China into producing decisive economic and regulatory reforms (Naughton, Kroeber, Jonquieres, & Webster, 2015).

While many recognized these benefits, there was also data and opinion to the contrary. For example, Scott & Glass (2016) found that freer trade with TPP countries would aggravate chronic trade deficits, an outcome that has multiple influences on employment, including workforce losses and wage suppression. The World Bank (2016) found TPP would contribute to overall GDP growth of signatory countries primarily from the reductions in non-tariff measures. However, it reported the gains would be greater for countries such as Vietnam and Malaysia (10% and 8% by 2030, respectively) and would be the smallest for the United States (.4%) because it already had free trade agreements with other countries representing most of the contributing trade (Canada and Mexico). Several other countries in the agreement would see rather dramatic increases in exports (e.g. Vietnam) while the United States would see muted increases. This situation could increase the U.S. trade deficit, and as Scott and Glass (2016) reported, the impact would be disproportionately felt across industries and regions within the United States. Other economists refuted the accuracy of job creation, arguing that free trade agreements tend to lead to more productive jobs, which raise income, rather than more jobs. Additionally, because of the existing free trade agreements already in force among multiple TPP partners, the gains for labor would be dwarfed by the gains in capital access (Weiser, 2019).

Transitioning to the research posed here, we sought to investigate the extent to which TPP may or may not have increased the bilateral influence signatory countries had with the United States and understand the consequences of such influence on investor portfolio strategies such international diversification. Classic portfolio studies highlighted that diversification using international securities reduced risk due to lower correlations among international investments compared to domestic ones (Grubel, 1968; Levy & Sarnat, 1970; Solnik, 1974), but the effectiveness of international diversification has diminished as global markets have integrated, international trade has accelerated, and cross-border investments have become the norm (Goetzmann, Lingfeng, & Rouwenborst, 2005). Thus, investors must examine the characteristics of international investment, such as differences of market capitalization.

Mid and large capital stocks are more likely to be affected by international factors that, at least partially, are shared. These companies tend to be exposed to international customers and global trends due to customer locations, supplier bases, and cross-border investments (Brooks & Del Negro, 2006). Pursuing risk-reducing diversification using international mid and large capital stocks will thus likely underperform because the returns are influenced by common factors. Small capital firms, on the other hand, tend to have more local orientations and are thus more affected by peculiar factors, making them superior international diversification targets (Eun, Huang, & Lai, 2008; Lee, 2014).

For this research, examining the bilateral influence of small capital markets helps us find the

influence a comprehensive regional free trade agreement such as TPP had on creating interdependence among signatory countries. For investors, this knowledge is critical when constructing portfolios that seek the risk-reducing benefits of investing in international small capital stocks. The benefits may not be realized if there are positive correlations among the small capital markets of the target countries. For example, if the Japanese small capital market positively affects the returns of the United States small capital market, the cross-border diversification scheme will underperform.

### 3. Data and Methodology

We examined the small capital markets of ten signatory countries of the Trans-Pacific Partnership (TPP), both prior to and after the United States withdrawal from the agreement. The markets included the United States, Australia, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Singapore and Vietnam. Two countries, Brunei and Peru, were excluded due to data insufficiency. Daily data of these ten countries were collected from the MSCI Small Capital Index dating from one year before the withdrawal of the United States from TPP to one year after withdrawal. We calculated daily returns using the formula:

$$x_t = \frac{(p_{t+1} - p_t)}{p_t}$$

After computing the daily return, we investigated Granger causality using Hacker and Hatemi-J's leveraged bootstrap test (2006). This applies the vector autoregressive model of order p, VAR (p):

$$x_t = v + A_1 x_{t-1} + \dots + A_p x_{t-p} + e_t$$

The  $x$  represents a two-dimensional vector of volatility of two-country pairings. The lag order p performs well when the goal of the VAR model is to conduct ex ante inference (Hacker & Hatemi-J, 2006, 2009, & 2011). The information criterion is written as:

$$HJC = \ln(\det \hat{\Omega}_j) + j \left( \frac{n^2 \ln T + 2n^2 \ln(\ln T)}{2T} \right), j = 0, \dots, p.$$

The  $\det \hat{\Omega}_j$  is the estimated maximum likelihood variance-covariance matrix of the residuals in the VAR(j) model and n represents the number of variables. T is the sample size. The null hypothesis is the  $k$ th element of  $\sigma_t$  does not Granger-cause the  $d$ th element of  $x_t$ . It is defined as:

$$H_0: \text{the row } d, \text{ column } k \text{ element in } A_r \text{ equals } 0 \text{ for } r = 1, \dots, p.$$

The null hypothesis of non-Granger causality is

$$H_0: C\beta = 0$$

The hypothesis is tested via a Wald test, which requires reformulating the VAR(p) model as:

$$Y = DZ + \varepsilon$$

and testing the null using the following Wald test statistics:

$$Wald = (C\beta)' [C((Z'Z)^{-1} \otimes S_U)C']^{-1}(C\beta) \sim \chi_p^2$$

where  $\beta = vec(D)$  and  $vec$  is the column-stacking operator. The  $\otimes$  notation is the Kronecker product and  $C$  is an indicator matrix.  $S_U$  represents the variance-covariance matrix of the unrestricted VAR model. That is,  $S_U = (\hat{\varepsilon}'_U \hat{\varepsilon}_U)/(T - c)$ , where  $c$  is the amount of estimated parameters.

Financial data in emerging markets typically have time-varying volatilities and exhibit non-normality. Thus, the accuracy of the Wald test based on asymptotic critical values would be questionable. To compensate, we used the causality method developed by Hacker and Hatemi-J (2006), a technique robust to both non-normality and time-varying volatility. The Hacker and Hatemi-J method consists of the following steps:

1. Estimate the VAR model using the selected lag order,  $p$ , and obtain the estimated residuals ( $\hat{\varepsilon}_t$ ).
2. Generate simulated data using 10,000 iterations, denoted by  $x_t^*$ :

$$x_t^* = \hat{A}_0 + \hat{A}_1 x_{t-1} + \dots + \hat{A}_p x_{t-p} + \hat{\varepsilon}_t^*$$

where the circumflex are the estimated values. The residuals are adjusted in each independent draw to generate an expected mean value of zero and modified using leverages to exhibit constant variance (Hacker & Hatemi-J, 2006).

3. Calculate the  $W$  test statistic for each iteration, generate an approximate distribution for the bootstrapped  $W$  test statistic, and find the  $\alpha$ -level of significance “bootstrap critical value” ( $c_\alpha^*$ ).
4. Compare the calculated  $W$  statistic of the original data, not the data generated by bootstrap simulation, to the bootstrap critical values. If the calculated  $W$  statistic is higher than the bootstrap critical value  $c_\alpha^*$ , reject the null hypothesis at the  $\alpha$ -level of significance. A rejection indicates the existence of Granger causality.

## 4. Results

**Table 1** contains the summary results of the calculated  $W$  statistics for the small capital markets of nine sampled countries paired with the United States dating from one year before and one year after the withdrawal of the United States from the TPP. For instance, the calculated  $W$  statistic for Australia is 113.681 which is greater than the 1% estimated critical value of 9.132, indicating changes in the United States small capital market significantly affected the Australian small capital market before the withdrawal. The  $W$  statistics for seven of the remaining eight countries are higher than the 1% and 5% critical values, revealing that the United States influenced all other sampled countries, except Vietnam, prior to leaving TPP.

The United States' influence on small capital markets after the withdrawal is similar to its influence before withdrawal. Only one country that was affected by the United States before, Canada, is no longer driven by the United States' small capital market. As shown in table 1-B, the calculated  $W$  statistic of Canada (3.189) is lower than the critical values at all three significance levels (8.923, 5.952 and 4.6).

As shown in Table 1-C, six small capital markets (Australia, Chile, Japan, Mexico, New Zealand and Singapore) had some influence on the United States small capital market before the United States TPP departure. Table 1-D shows that seven countries' small capital markets exhibited influence on the U.S. small capital market after departure and there is a change regarding which countries exhibited the

influence. Two countries (New Zealand and Singapore) lost influence while three countries gained influence (Canada, Malaysia, and Vietnam).

**Table 1: Results of Tests for Causality Using the Leveraged Bootstrap Test**

<b>(1-A) Affected by US before Withdrawal</b>					<b>(1-B) Affect US before withdrawal</b>				
	Calculated W statistics	bootstrap critical value				Calculated W statistics	bootstrap critical value		
		1%	5%	10%			1%	5%	10%
Australia	294.791	<b>9.261</b>	5.976	4.582	Australia	5.922	9.386	<b>5.863</b>	4.542
Canada	18.925	<b>8.923</b>	5.952	4.6	Canada	0.851	8.981	6	4.601
Chile	57.357	<b>9.343</b>	5.935	4.655	Chile	7.208	8.958	<b>5.945</b>	4.619
Japan	131.865	<b>9.132</b>	6.082	4.676	Japan	54.561	<b>9.187</b>	6.017	4.647
Malaysia	55.457	<b>9.191</b>	6.039	4.654	Malaysia	2.67	8.912	5.958	4.538
Mexico	8.036	9.294	<b>5.914</b>	4.614	Mexico	14.159	<b>9.529</b>	5.995	4.652
New Zealand	115.26	<b>9.419</b>	6.151	4.677	New Zealand	13.799	<b>9.132</b>	6.07	4.573
Singapore	29.606	<b>9</b>	5.973	4.63	Singapore	8.688	8.956	<b>5.97</b>	4.539
Vietnam	1.56	9.308	5.959	4.502	Vietnam	3.402	9.087	5.825	4.508

  

<b>(1-C) Affected by US after withdrawal</b>					<b>(1-D) Affect US after Withdrawal</b>				
	Calculated W statistics	bootstrap critical value				Calculated W statistics	bootstrap critical value		
		1%	5%	10%			1%	5%	10%
Australia	113.681	<b>9.132</b>	6.061	4.601	Australia	5.669	8.859	5.845	<b>4.574</b>
Canada	3.189	9.449	6.095	4.63	Canada	10.967	<b>9.289</b>	5.984	4.592
Chile	45.913	<b>9.128</b>	5.998	4.572	Chile	9.085	<b>9.078</b>	5.883	4.5
Japan	108.457	<b>9.193</b>	6.01	4.694	Japan	21.606	<b>9.542</b>	6.167	4.629
Malaysia	158.058	<b>9.122</b>	5.983	4.634	Malaysia	24.827	<b>9.398</b>	5.913	4.616
Mexico	6.993	9.397	<b>6.079</b>	4.68	Mexico	6.867	9.644	<b>6.064</b>	4.618
New Zealand	22.629	<b>8.731</b>	5.843	4.634	New Zealand	0.194	9.082	5.793	4.492
Singapore	36.748	<b>8.934</b>	5.912	4.555	Singapore	2.422	9.196	6.111	4.644
Vietnam	1.768	9.998	6.192	4.69	Vietnam	6.617	9.406	<b>5.978</b>	4.558

Note: Bolded number indicates the null hypothesis is rejected at 1%, 5%, or 10%.

## 5. Conclusion

We studied the causal relationships of small capital markets of nine TPP signatory countries with the United States small capital market both prior to and subsequent to the U.S. TPP withdrawal. The results indicate that before TPP withdrawal, the United States small capital market influenced returns of small capital markets in eight of the nine sampled countries. After the departure, the United States continued to influence returns in seven of the sampled countries. The country whose small capital market was no longer influenced was Canada, a curious finding because the United States and Canada were and continue to be bound by a free trade agreement and substantial goods and services were and continue to be traded between those countries. We also found the United States small capital market was driven by the performance of six of the nine sampled countries small capital markets prior to TPP departure. After withdrawal, the U.S. small capital market was responsive to movements in seven of nine countries and the mix of those influencing countries shifted.

Our findings indicate that small capital markets of the former TPP signatories and the U.S. are not as independent as investors might assume; hence, the risk-reducing benefits of cross-border small capital investments may be overstated. Additionally, the findings indicate the impact of TPP withdrawal by the United States was not particularly consequential in terms of small capital market correlations. This

research found that the United States small capital market exhibited significant influence on the movements of other countries' markets during the time the TPP was in effect and continued to do so after TPP withdrawal. This influence occurred in small capital markets, markets that are generally less exposed to global forces.

This research provides valuable insight for investors building investment portfolios. We want to caution that our findings, like any research, are subject to several limitations, especially when considering the impact of TPP withdrawal. The TPP had only been in effect for approximately one year—it did not have adequate time to mature and while most TPP provisions went into effect immediately, some were to be phased in over a longer time horizon. Thus, we interpreted our results related to TPP withdrawal rather conservatively. In sum, we found when seeking the risk-reducing benefits of cross-border investments, the United States small capital market significantly affects small capital markets in other former TPP countries and is also influenced by them. These countries may not provide as large of a risk hedge as expected. Vietnam is one country that was not influenced by the U.S. during TPP and continues not to be after; thus, Vietnam might be an appropriate diversification target. Additionally, investors can use the performance of the United States small capital market to predict performance in most of the former TPP countries' small capital markets. United States withdrawal from TPP did not dramatically affect the bilateral influence the TPP signatories and the United States have on each other's small capital markets.

## References

- Brooks, R., & Del Negro, M. (2006). Firm-level evidence on international stock market comovement. *Review of Finance*, 10(1), 69-98.
- Eun, C., Huang, W., & Lai, S. (2008). International diversification with large- and small-cap stocks. *Journal of Financial and Quantitative Analysis*, 43(2), 489-524.
- Fergusson, I., McMinimy, M., & Williams, B. (2016). The Trans-Pacific Partnership: In brief. *Congressional Research Service*. Retrieved from <https://fas.org/sgp/crs/row/R44278.pdf>
- Goetzmann, W., Lingfeng, L., & Rouwenhorst, K. (2005). Long-term global market correlations. *Journal of Business*, 78(1), 1-38.
- Grubel, H. (1968). Internationally diversified portfolios: Welfare gains and capital flows. *American Economic Review*, 58(5), 1299-1314.
- Hacker, R., & Hatemi-J, A. (2006). Tests for causality between integrated variables using asymptotic and bootstrap distributions: Theory and application. *Applied Economics*, 38(13), 1489-1500.
- Hacker, R., & Hatemi-J, A. (2009). Can the LR test be helpful in choosing the optimal lag order in the VAR model when information criteria suggest different lag orders? *Applied Economics*, 41(9), 1121-1125.
- Hacker, R., & Hatemi-J, A. (2011). The dynamic interaction between volatility and returns in the U.S. stock market using leveraged bootstrap simulations. *Research in International Business and Finance*, 25(3), 329-334.
- Lee, K. (2014). The effect of different corporate market capitalizations in international portfolio strategy in eleven Asian countries. *Accounting and Finance Research*, 3(3), 107-115.
- Levy, H., & Sarnat, M. (1970). International diversification of investment portfolios. *American Economic Review*, 60(4), 668-675.
- MSCI. (2018). MSCI index calculation methodology. Retrieved from [https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_IndexCalcMethodology\\_Oct2018.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_IndexCalcMethodology_Oct2018.pdf)
- Naughton B., Kroeber, A., Jonquieres, G., & Webster, G. (2015). What will the TPP mean for China? *Foreign Policy*. Retrieved from <https://foreignpolicy.com/2015/10/07/china-tpp-trans-pacific-partnership-obama-us-trade-xi/>
- Perlez, J. (2015). U.S. allies see Trans-Pacific Partnership as a check on China. *New York Times*. Retrieved from <https://www.nytimes.com/2015/10/07/world/asia/trans-pacific-partnership-china-australia.html>
- Pham, P. (2017). Why did Donald Trump kill this big free trade deal? *Fortune*. Retrieved from



- <https://www.forbes.com/sites/peterpham/2017/12/29/why-did-donald-trump-kill-this-big-free-trade-deal/#17084bb84e62>
- Scott, R., & Glass, E. (2016). Trans-Pacific Partnership, currency manipulation, trade, and jobs. *Economic Policy Institute*. Retrieved from <https://www.epi.org/publication/trans-pacific-partnership-currency-manipulation-trade-and-jobs/>
- Solnik, B. (1974). Why not diversify internationally rather than domestically? *Financial Analysts Journal*, 30(4), 48-54.
- USITC. (2016). Trans-Pacific Partnership Agreement: Likely impact on the U.S. economy and on specific industry sectors. Retrieved from <https://www.usitc.gov/publications/332/pub4607.pdf>
- USTR. (2016). TPP: Made in America. Retrieved from <https://ustr.gov/sites/default/files/TPP-Overall-US-Benefits-Fact-Sheet.pdf>
- Wayne, E., & Magnussen, O. (2017). The death of TPP: The best thing that ever happened to China. *National Interest*. Retrieved from <https://nationalinterest.org/feature/the-death-tpp-the-best-thing-ever-happened-china-19232?nopaging=1>
- Weiser, D. (2019). Trans-Pacific Partnership Agreement: Pros & cons. *Investopedia*. Retrieved from <https://www.investopedia.com/articles/forex/052915/capital-and-labor-who-wins-transpacific-partnership.asp>
- World Bank. (2016). Potential macroeconomic implications of the Trans-Pacific Partnership. *Global Economic Prospects*. Retrieved from <https://web.archive.org/web/20160212030617/http://www.worldbank.org/content/dam/Worldbank/GEP/GEP2016a/Global-Economic-Prospect-2016-January-2016-Implications-Trans-Pacific-Partnership-Agreement.pdf>