



Mapping Crisis-Era Protectionism in the Asia-Pacific Region

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What's at stake?

Understanding the crisis-era resort to discrimination against foreign commercial policy sheds light on:

1. The prospects of export-growth strategies for certain East Asian nations.
2. The commitment to a level playing field in the making of internal economic policies, not just commercial policies.
3. The impact of international initiatives on national decision-making during times of severe, systemic economic stress.
4. The relationship between economic conditions and the resort to protectionism (two traditional views here).

What notion of protectionism best meets 21st century conditions?

Five notions of protectionism have been advanced since the GFC began. Notions based on:

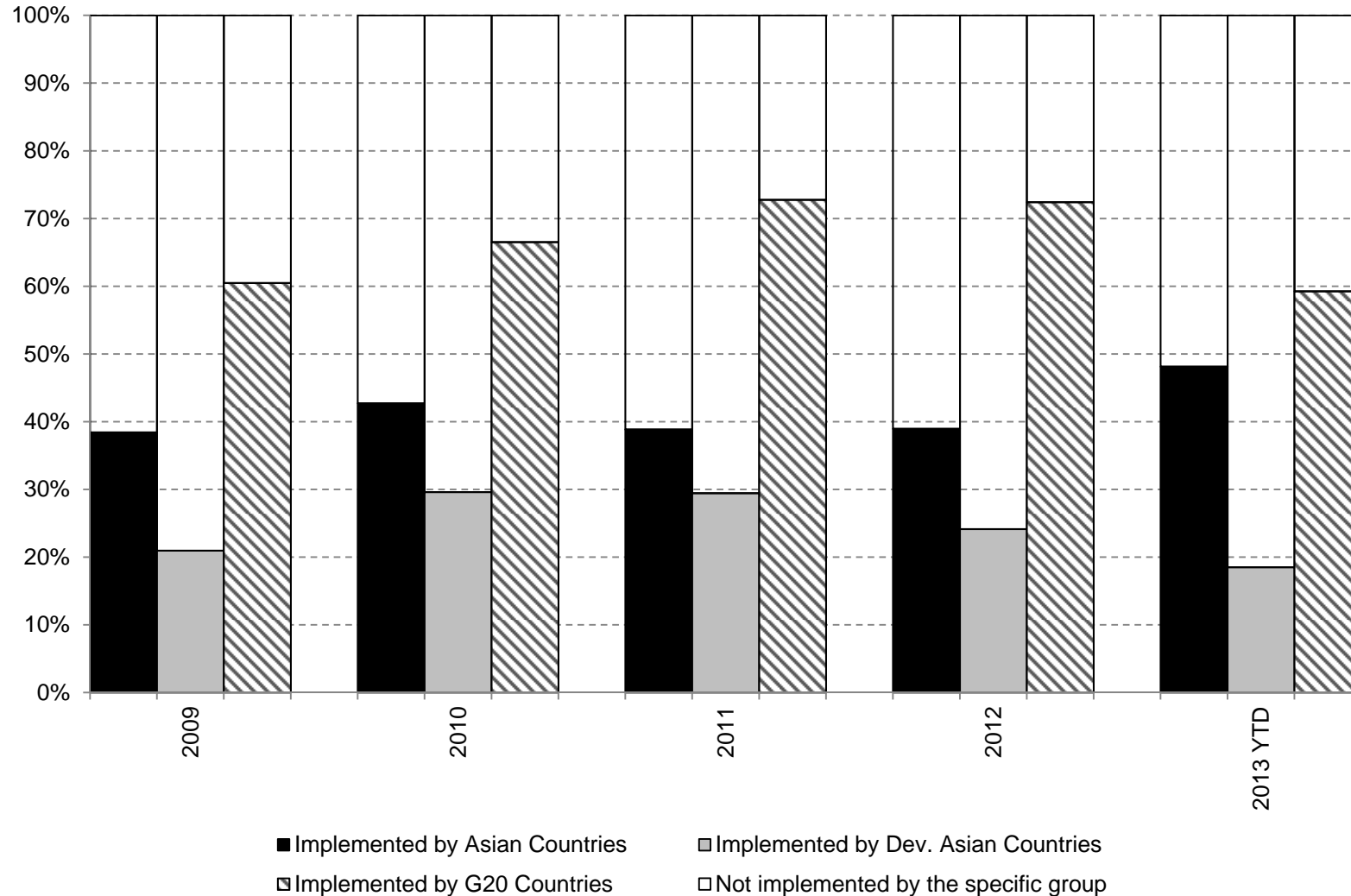
1. Form of policy instrument.
2. Policy instruments covered by WTO accords.
3. Intent of the policymaker.
4. Effects-based criteria based on estimates of harm done.
5. Differential treatment standard.

- In the paper I argue for the Differential Treatment Standard, accepting that it is imperfect.
- Two other implications of the Differential Treatment Standard.

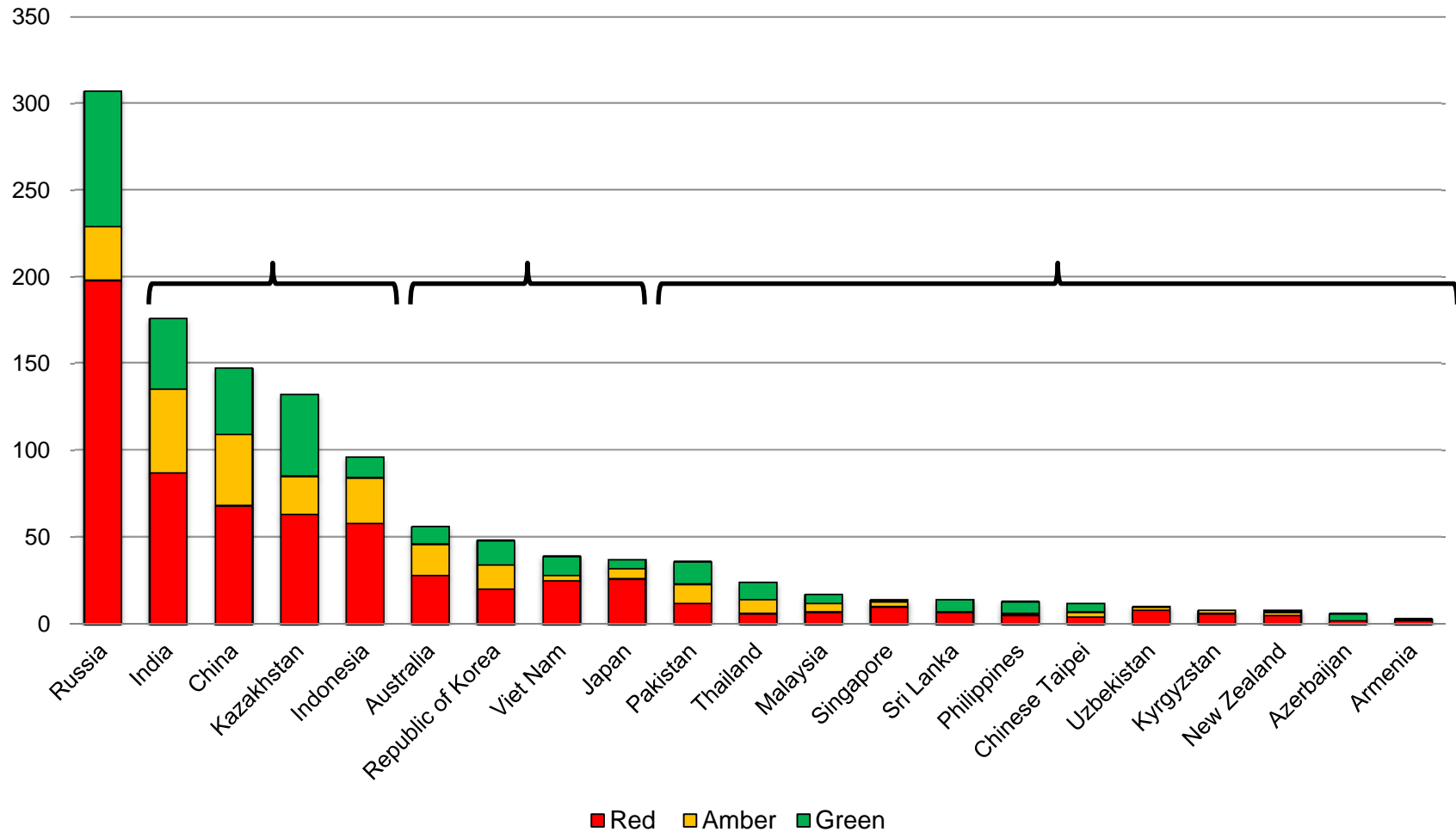
Differences in crisis-era policy interventions

	World		Developing Asia		Asia Pacific	
	Total	Total except tariff measures & trade defence measures	Total	Total except tariff measures & trade defence measures	Total	Total except tariff measures & trade defence measures
Total number of measures in GTA database	2846	1471	785	314	1107	526
Total number of measures coded green	569	234	213	77	259	102
of which currently in force	444	190	179	71	213	94
of which no longer in force	81	15	26	1	35	1
Total number of measures coded amber	667	241	190	54	237	76
of which currently in force	184	109	72	36	91	49
of which no longer in force	18	11	6	4	9	6
Total number of measures coded red	1610	996	382	183	611	348
of which currently in force	1326	794	336	152	526	303
of which no longer in force	284	202	46	31	85	45

Through 2012 the Asia-Pacific region share was stable



Four groups of Asia Pacific countries can be discerned



Developing Asia resorted to traditional protectionism more

Measure Type	Number of discriminatory (red) measures imposed since November 2008		Number of discriminatory (red) measures imposed and still in force		Number of jurisdictions that imposed these discriminatory measures since November 2008		Number of Jurisdictions harmed by these discriminatory measures since 2008		Number of tariff lines affected by these discriminatory measures since 2008	
	Developing Asian countries	Asia Pacific region	Developing Asian countries	Asia Pacific region	Developing Asian countries	Asia Pacific region	Developing Asian countries	Asia Pacific region	Developing Asian countries	Asia Pacific region
Trade defence measure (AD)	125	160	118	148	7	12	63	71	125	146
Bail out / state aid measure	18	117	16	108	5	10	115	137	54	289
Tariff measure	41	70	36	45	9	11	130	138	471	484
Export taxes or restriction	38	50	25	35	7	8	155	164	145	156
Non tariff barrier (not otherwise specified)	23	27	16	21	2	9	110	143	297	357
Investment measure	19	25	19	26	2	9	62	80	31	33
Export subsidy	20	22	19	21	3	3	191	191	721	722
Migration measure	8	20	6	18	4	7	58	66	29	29

Updating our understanding of protectionism

- Literature has probably over-emphasised importance of trade defence measures, both as items of choice and impact.
- Binding overhang used by Developing Asia, except China.
- A modified version of the 1930s substitutability hypothesis may hold:
 1. Protectionism today limited by resort to active macro policy.
 2. But wrong to say “clean” macro policy replaced “dirty” protectionism.
 3. Resort to subsidies and bailouts suggests that governments created a new option this time around—soften budget constraints.

What purchase of international initiatives?

- G20 commitment more honoured in the breach!
- Hard to see how the WTO could have mattered, unless through indirectly affected national policy debates:
 1. Binding overhang don't constrain developing countries.
 2. Circumvention of tougher, more transparent WTO rules—highlights incomplete nature of WTO rules.
 3. DSU requires someone to bring a case—undermined by “glass house” problem.
- Implications for what would need to be fixed.
- Battle for protectionism will take place in national capitals—there will be no salvation in, or from, Geneva.