



Policy Advocacy for Trade Protection
An Empirical Investigation of Indian Manufacturing

AMRITA SAHA
UNIVERSITY OF SUSSEX

AID FOR TRADE EXPERT DIALOGUE, BANGKOK, 18th Nov. 2013

Motivation and Aim

- Why **Policy Advocacy** for trade protection?
- Studies on policy advocacy in trade have been scarce for developing countries.
- **‘Lobbying’** has been controversial. Much ambiguity on the distinction between lobbying as a means of seeking influence within the laws of a given country and bribery.
- Lack of sufficient and complete data.
- Focus on **Lobbying for Trade Policy**: Preliminary insights into choice of lobbying, determinants of lobbying, effects on trade protection. Direct measures of Lobbying effectiveness.

AIM: To provide an analysis of lobbying for trade policy influence by providing estimates on the effects of lobbying on trade protection in India.

Aid for Trade (AfT) & Policy Advocacy

- **AfT enhances the trade performance of recipient countries:** 1% increase in aid directed toward trade policy and regulatory reform (amounting to about US\$11.7 million more such aid) could generate an increase in global trade of about US\$818 million. (**Wilson et. al 2009, World Bank**).
- **Policy Advocacy:** Mainstream trade policy into the national development strategies along with private sector development.
- **Aft support for Advocacy:** By providing technical assistance to developing countries in domestic interactions and corresponding input to international trade negotiations.

Outline

- | | |
|--------------------------------|--|
| 1. Preparation Stage | Background, Contribution,
Literature Review |
| 2. Implementation Stage | Data, Methodology |
| 3. Preliminary Results | Findings |
| 4. Conclusions | Policy Implications, AfT
Challenges, Further Research |

1. Preparation stage

Background: Advocacy & Lobbying in Trade Policy

- Advocacy in trade policy is a special form of persuasive activity undertaken by industry groups to influence government policy-making affecting international trade. Range of activities. (**International Trade Centre, ITC Report 2002**).
- Lobbying in political economy is understood in more general terms as putting forth political contributions or to organize politically to influence policymakers (**Grossman and Helpman 1994**).
- Deriving from the context in policy and from political economy, lobbying can be defined under advocacy as:
 - ‘**Activities as specialized form of strategic influence on decision-makers**’
- **Why Lobby?** The economic rent from protection (**Olson, 1965**).
- **Lobbying success:** Depends on their ability to organise and lobby for protection (**Baldwin, 1984**).



Background: Lobbying in India



- Early 90s**

Advocacy on the margin.

- Post 1997: Dual approach.**

Collective level: organised industry associations
CII, FICCI, Assocham. (**Kochanek 1996**;
Narlikar, Amrita 2006);

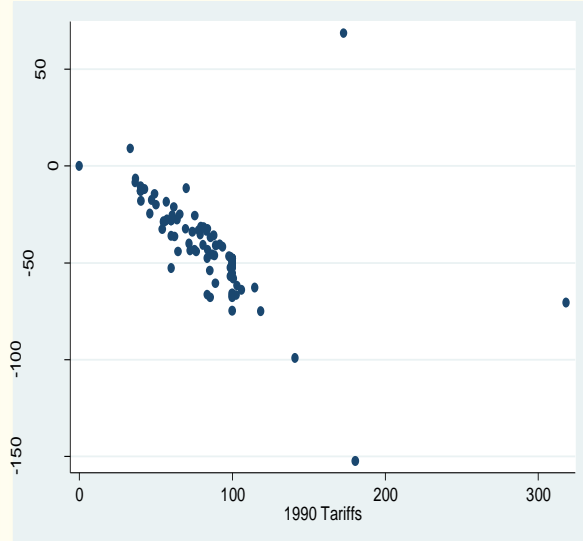
Individual level: discrete lobbying to achieve
particular benefits (**Sagar & Madan 2009**).

- Lobbying Outcomes in Trade Policy**

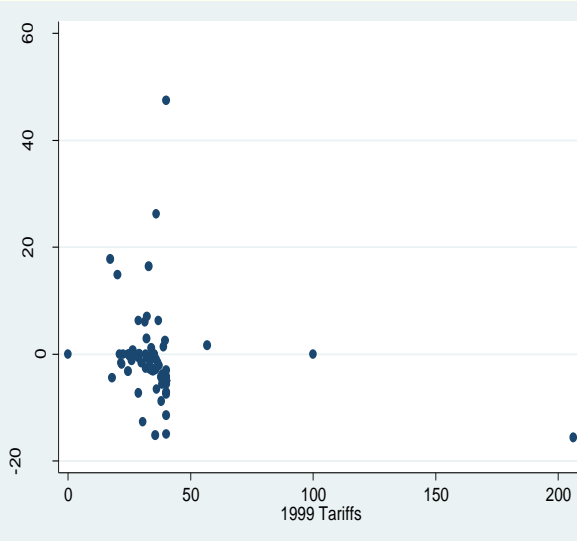
- Movements in tariffs uniform until 1997.
- Changes post 1997.
- Cross-sectional variation related to economic and political factors.
- NTBs variation across sectors

MFN Protection & NTBs across NIC 4-digit sectors

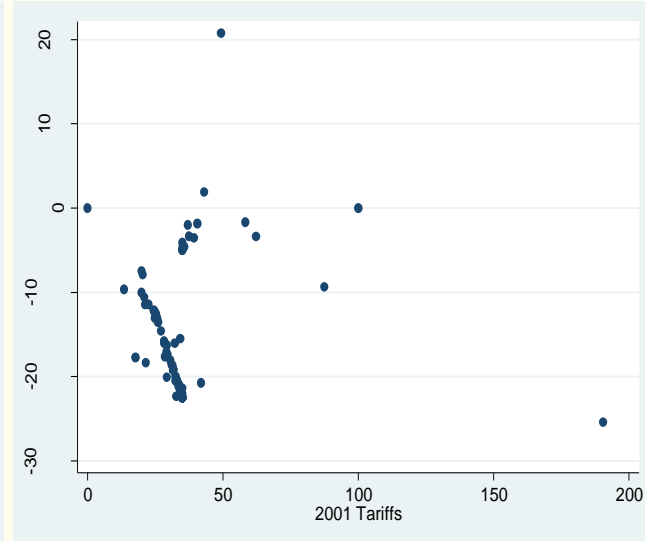
1990 Tariffs and Tariff Changes 1990-1996



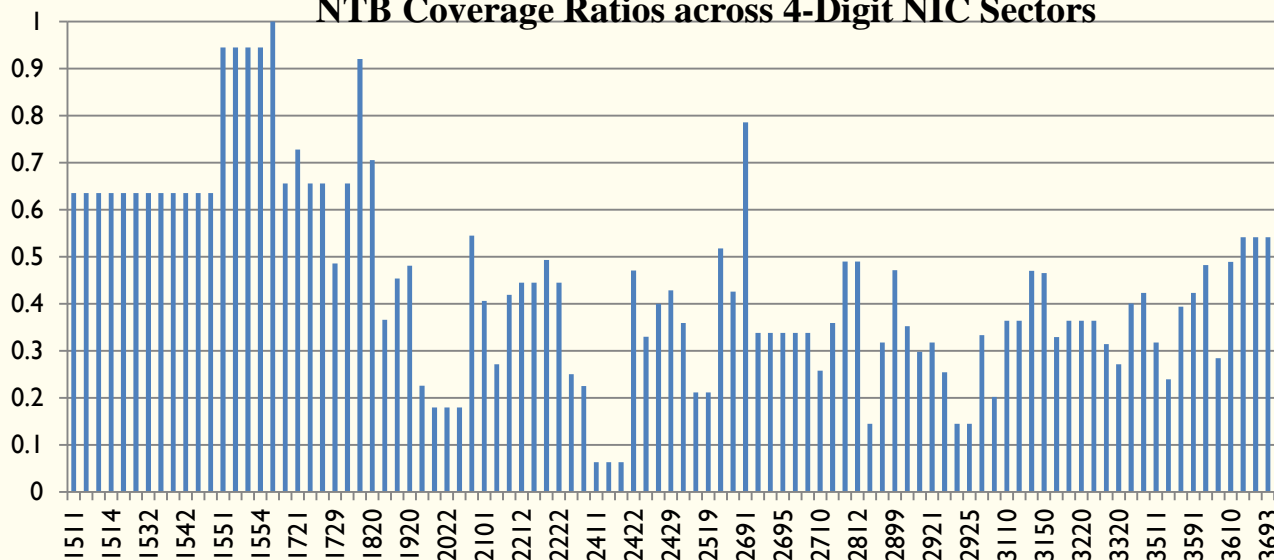
1999 Tariffs and Tariff Changes 1999-2001



2007 Tariffs and Tariff Changes 2001-2007



NTB Coverage Ratios across 4-Digit NIC Sectors



Contribution

- Combines India's **All India Survey of Industries (ASI)** data with **World Bank Enterprise Survey (WBES)** data to study lobbying in trade policy.
- Analysis of lobbying in trade and trade protection over time.
- Stylized facts on lobbying for trade policy influence in India.
- **By Industry** (4 –digit NIC 1998/ISIC Rev. 3) and **firm-level** disaggregation (2286 firms).

Firm level determinants of lobbying Membership

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_6388

