

## **5. The Costs of Protection to Developed Countries**

“It is depressing to think of all the effort wasted over generations, and the income foregone, because of the belief that an economy can gain by protecting its industries”.

*Jan Tumlir, 1982*

5.1 All forms of protection, from a published tariff to an open or concealed subsidy, a quota on imports and other impediments to competition from abroad, involve intervention by government in order to assist particular domestic activities by placing foreign competitors under a handicap. The intention is usually to ensure the maintenance or enlargement of the resources engaged in the protected activity, either on a continuing footing or by giving time for a change of employment to some more remunerative activity. Sometimes there is a broader objective and the intention is not to favour any particular activity, but to achieve some radical transformation of the economy under close government control or to allow fuller employment of all available resources when international influences are exerting contractionary pressure.

5.2 Some forms of protection are explicitly designed to continue indefinitely. This applies particularly to the use of tariffs and to activities protected wholly or mainly on non-economic grounds. Often, however, the intention is that protection will last for a limited time while an adjustment is made to new economic circumstances. The justification of protection then becomes merged in the general case for economic management, with no clear line between intervention to control and re-direct domestic market forces and intervention to override the force of competition from foreign suppliers. The case against protection, at the same time, reduces either to the familiar argument that market forces are best left to operate freely without government intervention or, alternatively, that there are more effective or cheaper ways than protection to accomplish structural adjustment.

5.3 The arguments on both sides are clear whether one looks at protection to a single industry or at more comprehensive proposals to restrict imports. Governments priding themselves on their ability to pick 'winners' may offer support to a new industry that would have difficulty in establishing itself, whether in the face of foreign competition or for other reasons. The question is then whether governments are likely to assess correctly the prospect of ultimate viability. Their assessment, however, is likely to be on a different basis from that of private decision-takers in their weighing of the benefits expected as well as in the use made of available information, the assessment of risks and attention to them, and the willingness to take the long view. Similarly, governments may seek to help an existing industry that is in difficulties and make use of import restrictions for this purpose. While such help may allow the industry an opportunity for reconstruction, there must be some doubt whether the industry would take advantage of the opportunity and whether structural adjustment would not better take the form of grants for re-training, re-location, diversification, and so on. In both kinds of situation, moreover, the government has the option of restricting imports or offering a subsidy.

5.4 Where the object of protection is to raise or preserve the incomes of those who are engaged in the protected activities, this can be achieved with less harmful effects on other countries, as has often been argued (e.g. in GATT, UNCTAD and OECD<sup>1</sup>) by giving direct income supplements (and/or adjustment assistance) instead of tying the assistance to the output of some particular product. The assistance should be given to individuals and enterprises in forms that encourage the movement of resources out of activities in developed countries that are more suited to developing countries and not in ways that make for their retention in those activities. There is a constant need for structural adjustment in every economy, quite independently of competition from abroad, and it would help to minimise the transitional costs of such adjustments if governments were to formulate and give effect to policies and mechanisms encouraging greater mobility of resources.

5.5 More comprehensive measures of protection are usually proposed when there are difficulties in using the main instruments of economic management: monetary and fiscal policy and changes in the exchange rate. A rapidly increasing volume of imports or a mounting external deficit may threaten the maintenance of full employment (or indeed, in current circumstances, a recovery in the level of employment) and provoke agitation for the imposition of trade barriers across-the-board. Protection is not, however, a satisfactory means of regulating the level of employment and it would be unfortunate if the first thought of governments faced with rising unemployment was to put obstacles in the way of imports. The

normal way of responding to pressure on the balance of payments is through the exchange rate, and it is only if for good reasons this cannot be allowed to fall that there can be any grounds for contemplating general limitations on the volume of imports.

5.6 Whatever the object of protection, the benefits offered to the interests protected have to be set against the costs to other domestic interests, and these have to be compared with the costs of alternative means of achieving the same objectives. We turn next to examine these costs.

### **Costs to Producers**

5.7 In the short-term, protection is paid for by consumers in the form of higher prices and a reduced variety of goods. If it involves domestic subsidies there is also a cost to the taxpayer. In the longer period, there is a cost to producers as a group (whether workers, employers or shareholders) who, as exporters, risk losing sales through retaliatory action or, more directly, through the loss of purchasing power over imports in the countries affected. A cost may also be payable by the producer who is given protection, in as much as he is locked into an activity in which his productivity is likely to be lower than it could have been in another activity; in any case, he may eventually succumb to the competition from abroad and be put out of business. Again, this applies just as much to the worker in the protected activity as to his employer. Finally, there may be a cost to the whole community if the economy is not being operated as efficiently as would be possible without protection.

5.8 These costs may well exceed the benefits conferred on the groups enjoying protection. As with all government intervention favouring some particular activity or in furtherance of some proclaimed objective, the benefits are usually more immediately obvious, but the costs are just as real and need to be carefully assessed. That they are frequently overlooked is apparent from the way in which, in trade negotiations, it is almost invariably assumed that a country withdrawing any form of restriction or barrier is making a concession to the interests of citizens of other countries, not to its own, and is therefore entitled to demand reciprocal concessions from its trading partners.

5.9 The persistence and pervasiveness of protection do not result from a careful comparison of costs and benefits. They are usually caused by the exercise of political pressure by powerful groups of import-competing producers and workers. In the highly imperfect market in which policy-makers operate, producers and workers are relatively concentrated, vocal and well-organised, while consumers are more diffuse, quiescent and unorganised. Thus, even if the loss to consumers because of protection

exceeds the gain to producers, the large number of consumers over whom such losses are spread and the difficulty and cost of organising them militate against effective lobbying. Moreover, while the immediate costs of import penetration (resulting in, say, reduced profits or increased unemployment) are highly visible and capable of apparent quantification, the long-term benefits for consumers and producers alike (in the form of lower prices, greater variety, higher-paid jobs and faster economic growth) are much less visible and less easily assessed.

5.10 Differences between industries in the level of protection depend on the strength of common purpose in the industry, on its ability to organise and obtain the necessary resources to lobby for support, and on which industries are seen by the public as most 'deserving' on equity or other grounds. Protection is most likely in large, specialised, declining industries employing relatively immobile factors (especially labour) in a small area of a weak economy, where import penetration is severe but immediate prospects of alternative employment of labour or capital are poor and where foreign linkages are few if any. Thus, apart from the special case of agriculture, it is in industries such as textiles, clothing, footwear, steel and shipbuilding that pressures for protection are greatest and most frequently granted, rather than in industries producing, say, electrical goods and chemicals, in which demand is more buoyant, skills more transferable and the transnationals more active.

5.11 In the longer-term, however, the position looks rather different. The extent of intra-industry and inter-industry linkages in a modern economy is such that any artificially induced change in the supply-demand relationship in one segment has immediate repercussions in others. Protection is contagious: give it to one industry or enterprise and it is demanded by others, for in many parts of industry the output of one enterprise is the input of another.

5.12 The decline in the importance of tariffs and the strict conditions governing their use under the GATT have altered the political mechanism through which the level of protection is determined. The place of tariffs has been taken by a wide range of non-tariff measures which do not, as a rule, come before the legislature and are taken administratively. Such administered protection, although it differs from one country to another in the way in which discretion is exercised, involves extensive delegation to the bureaucracy and is inherently protectionist, since it is much easier to lobby for higher protection than to sue for reduced protection.

5.13 Unlike other government assistance to industry, protection may set off reactions abroad that counteract or destroy any benefits it is intended

to bring. The foreigner does not usually ask whether protection is an appropriate response to some perceived divergence between market prices and social costs. He may grant that some forms of competition such as dumping are unfair and agree that they should be stopped by government action. But, for the most part, he sees nothing unfair in the prices he quotes and the competition he offers and regards all trade barriers as discriminating between him and domestic competitors. He is likely, therefore, to resent fresh barriers and urge remonstrance and retaliation on his government. Such retaliation, if it occurs, could go far to nullify any advantage to producers as a group although it might have comparatively little effect on the producers benefiting directly from protection. Similarly the repercussions of the exclusion of imports on the capacity of the countries affected to purchase goods abroad and on export markets elsewhere could be substantial. It is an illusion to suppose that if low-cost producers are denied access to the markets of developed countries, these countries can protect their industries from 'market disruption' without further inconvenience. We discuss this further below (paragraph 5.33).

### **Fair Labour Standards**

5.14 Protection is sometimes demanded and justified by capital and labour in developed countries on grounds of 'unfair' competition by developing countries induced by low wages and 'unfair' labour standards. Workers in developed countries complain also that such 'unfair' labour practices aggravate unemployment by encouraging relocation of enterprises to developing countries. There have therefore been demands for the adoption of a 'social clause' in the GATT to assist in ensuring the adoption of minimum labour standards. Indeed this was proposed by the Commonwealth Trade Union Council in oral and written representations made to the Group. It was stressed by the Council that the 'social clause' was not meant to be some form of hidden protection. There is no doubt about the need to terminate inhumane labour conditions wherever they may still be practised. However, a distinction must be made between exploitation by particular employers of their bargaining power, resulting in the unfair treatment of the workers in their employment, and the relatively low pay and inferior conditions of work which reflect the economic circumstances of underdevelopment, low productivity and high unemployment and underemployment in developing countries. There is need for greater recognition of this distinction if the argument about 'unfair' labour standards is not to continue to be used to support and encourage protectionism. A 'social clause' in the GATT would be a concession to the argument and might help to confuse the issue further. It is not therefore considered necessary. The ILO has been concerned with establishing minimum labour standards. While such standards are necessary and are proving beneficial, they should always retain flexibility

to accommodate the vast differences in social and economic conditions between developed and developing countries.

### **Costs to Consumers**

5.15 The consumer costs of protection are not easily quantified. Estimates which have been made of the effects on particular products point to a very large aggregate but the information for countries is sketchy.

5.16 One often quoted estimate<sup>2</sup> is that the protectionist measures imposed by the United States between 1975 and 1977 on goods imported from Asia and Latin America resulted in a loss to consumers of \$1,250 million for carbon steel, \$1,200 million for footwear, \$660 million for sugar, \$400 to \$800 million for meat and \$500 million for television sets, or over \$4 billion on these five items. The consumer cost per job protected was more than \$50,000 per year, at a time when American employment was growing at three million jobs every year despite import competition. Nevertheless, this subvention provided no guarantee of long-term job security. Another estimate,<sup>3</sup> also for the United States, put the costs of protection to consumers of clothing, footwear and sugar at \$7.7 billion over a four year period.

5.17 In the United Kingdom the Consumers Association examined the costs for clothing and concluded that the Multifibre Arrangement (MFA), which covers the 60 per cent of British clothing imports from 'low-cost' countries, had increased prices by between 15 and 40 per cent and had created shortages, particularly of the lower-priced items. Most of the increase in prices was attributed to quota premia (retained by the suppliers) and the greatest effects were felt by the poorer consumers. Elsewhere in the EEC, a retail organisation found that, on average, the prices of textiles and clothing of comparable quality at the lower end of the price range were 30 to 40 per cent lower from ('low-cost') countries outside the EEC than those of similar goods made within it.<sup>4</sup> In Germany (F.R.) after 1976, when quota protection was tightened, the average price of apparel rose twice as fast as that of all manufactures, even though the country was probably the most liberal in the EEC in administering the MFA quotas.

5.18 Similar results have been found in other countries. In Canada, the annual cost to consumers of bilateral quotas on clothing instituted in 1979 has been estimated at C\$198 million, while that of tariffs and quotas has been put at C\$467 million.<sup>5</sup> It has been claimed that 6,000 man-years' employment have been created by this protectionist policy, but the annual cost to the Canadian consumer has amounted to approximately C\$33,000 per job. Considering that the average annual wage in the clothing sector was less than C\$10,000, the policy has been extremely costly; it has also

been inefficient, the pure economic waste having been estimated at over C\$14,000 per additional man-year of employment created.

5.19 In Australia, the total annual cost to consumers of protection in the clothing sector has been estimated at A\$235 per household.<sup>6</sup> At the retail level it has been estimated that consumers pay A\$1.1 billion more per year for clothing, drapery and footwear than they would if all assistance to the industries were withdrawn.

5.20 In the agricultural sphere protection is rife. While the European Community's Common Agricultural Policy (CAP) has been one of the most conspicuous examples, the same criticisms to which it has been subjected could have been made of the agricultural policy of almost any developed country. In almost all cases the prices paid by consumers are higher than necessary to ensure satisfactory supplies, while some of the human and capital resources retained within the sector could be redeployed elsewhere to produce goods of greater value to consumers. Agricultural support systems which raise the price of food are fiscally regressive and have an adverse effect on the distribution of real incomes.<sup>7</sup> As regards security of supply, even the European Commission has acknowledged that in the EEC this may have been achieved at a higher price than necessary.<sup>8</sup>

5.21 The amounts involved have been enormous. The annual cost to consumers and taxpayers of the CAP in the late sixties, when there were only six members, was put in two separate estimates at \$14 billion or more. The cost of US farm programmes at that time was estimated at nearly \$10 billion. For the world as a whole the cost of agricultural protection may have been in excess of \$40 billion.<sup>9</sup>

5.22 More recent estimates put the cost to EEC consumers in 1978 of the three main items — wheat, sugar and dairy products — at \$27 billion.<sup>10</sup> In Japan the extra costs for consumers of rice alone in the same year were estimated at over \$10½ billion<sup>11</sup> while in the United States consumers of sugar and dairy products were paying nearly \$4 billion in excess of world prices.<sup>12</sup>

5.23 But the costs of the CAP and other measures of protection involving subsidies to domestic producers are not felt only by consumers. They are also a considerable drain on taxpayers' resources, and it is to that aspect that we now turn.

### **Costs to Taxpayers**

5.24 As various rounds of GATT multilateral trade negotiations have progressively diminished the possibilities of industrial protection through

the tariff, which is the one means of trade restraint whose direct effects are beneficial to the taxpayer, protectionism has depended increasingly on import quotas and production subsidies. The last of these has become a growing drain on the public purse and in most developed countries the revenue raised from tariffs is now but a fraction of the expenditure incurred in supporting industries in trouble.

5.25 Such troubles almost always take the form of over-capacity and a consequent under-utilisation of labour and capital resources. This may have been caused by an (unexpected) increase in import penetration but it may equally well have resulted from many other factors. These include changes in the level of economic activity and consumer income, changes in demand conditions including those caused by shifts in consumer taste or rapid technological developments, changes in conditions of supply of major inputs such as energy, consequential changes in relative prices, and the inevitable effects of sheer bad management and lack of reasonable foresight.

5.26 Major industries in whose protection the taxpayer has played an important role include steel, shipbuilding, textiles and motor vehicles, to which should of course be added the agricultural sector. In steel, a considerable amount of retrenchment has now occurred in the EEC, but there was a time during the second half of the 1970s when the cost of subsidies was phenomenal, not least in the United Kingdom.

5.27 In shipbuilding, government subventions by Germany (F.R.), the Netherlands and the United Kingdom totalled around \$1.25 billion at the beginning of 1980. These are but three of the many industrial countries subsidising this activity, however, and a better indication of the relative burden incurred by the taxpayer is given by the estimate that for every job paying \$20,000 a year in a Swedish shipyard, Swedish taxpayers have to pay an annual subsidy of from \$40,000 to \$50,000.<sup>13</sup>

5.28 In motor vehicles, the cost to the British taxpayer of subsidising BL cars has been substantial for some years, but it was not until the level approached \$1 billion a year in the early 1980s that really significant adjustment measures were taken in the form of labour-shedding. Earlier, rather more positive use of taxpayers' funds had been made in Germany (F.R.) where after Volkswagen made a number of employees redundant as a result of sustaining losses of \$300 million in 1974, the Government had set aside over \$100 million to encourage new activities in the region affected. The measure was successful, the redundant workers cost the taxpayer under \$3,500 each, and by 1975 Volkswagen was again profitable and recruiting.

5.29 Although most of the subsidies in the agricultural sector of developed countries are paid by the consumer, considerable amounts also fall on the taxpayer (although as far as individuals are concerned, the distinction between the two is somewhat academic except in so far as the burden on the consumer is fiscally regressive and that on the taxpayer tends to be progressive). In the EEC, the taxpayer has paid large sums to subsidise Community exports of agricultural products to third markets and to 'top-up' the producers' guaranteed price. Such subventions have reached some \$2-3 billion in recent years and are still rising.

5.30 The costs of protection to taxpayers have been substantial: in 1976, for example, production subsidies alone are estimated to have reached 7 per cent of GDP in Norway and Ireland, 4 per cent in Belgium, and 3 per cent in France, Netherlands, Italy and the United Kingdom; revenues from tariff protection, by contrast, were put at under 3 per cent in each case.<sup>14</sup> But so often the subsidies have been used in an attempt to protect producers from structural change rather than to facilitate their adjustment to shifts in comparative advantage. Whilst such indiscriminately used funds can benefit producers in the short-term, their longer-run effects can be somewhat different, as the next section seeks to demonstrate.

### **Costs to the Economy**

5.31 The costs of protection to a country's economy are more than the sum of the costs to its consumers, taxpayers and producers at a point in time. There are also long-term effects on the creation of employment, income and wealth through the limitation of the opportunities open to consumers and producers. Some of these arise from a misdirection of resources when competitive influences are held at bay, others from a weakened response to dynamic shifts in comparative advantage between and within enterprises, industries, regimes and countries. The cartelisation and muffling of competition which protection brings in its wake leads to structural rigidities and the freezing of production patterns; to the directing of productive resources to 'rent-seeking' activities; to the loss of incentives to reduce prices, improve products or respond to changes in consumer preferences; and to all the other manifestations of economic inefficiency which characterise sellers' markets.

5.32 It has been common in the past to minimise the costs of protection on the grounds that the foreigner will pay. But in any country forming only a small proportion of the world market, the chances of depressing the price at which imports are purchased are not very high; and the more integrated the world economy — that is, the more readily supplies from one country are available to others — the less these chances are. Where quotas are used, the foreigner, so far from paying, may share in the consequential rise in price. It is true that a country introducing trade restrictions that

substantially diminish its purchases from abroad may be able to sustain a higher exchange rate and turn the terms of trade slightly in its favour. But any gain of this kind is likely to be more than offset by the substitution of higher cost domestic products for cheaper imported supplies.

5.33 There is also a tendency to exaggerate the value of protection as a means of defending a high standard of living against the inroads of goods made by low-cost labour in developing countries. The only secure defence of a high standard of living is high productivity, including skill in innovating and keeping pace with technical change. It is not possible by any form of protection to prevent industry from locating itself where costs are lowest, and that is unlikely always to be where labour is cheapest. Some countries may refuse to take advantage of the lower costs and deny entry to imports, but other countries will have no reason to exclude them or will take a different line and admit them. There can be no guarantee that the emergence of more industrial countries will leave standards of living elsewhere unaffected. The example of Japan goes to show, however, that newcomers may help rather than hinder a rise in living standards. It does not help matters to refuse to trade with the newcomers: it simply makes matters worse. Industrial countries need to reconcile themselves to the rise of an increasing number of competitors in traditional industries and find ways of profiting from it by adjusting themselves to that expectation.

5.34 In the meantime the industrial countries need to recognise how much they depend on the developing countries as markets. If trade within Western Europe and between the United States and Canada is excluded, no less than 48 per cent of exports from the industrial countries go to developing countries, of which 31 percentage points go to the non-oil exporting countries.<sup>15</sup> As Table 5.1 shows, not only have the developing countries been increasingly important customers over the past decade: their imports of manufactures from the industrial countries have grown faster than the flow of exports in the reverse direction and in 1980 were nearly four times as large. The industrial countries may be reluctant to absorb all the manufactures the developing countries could supply: but their sales of manufactures to the developing countries, on four times that scale, are dependent on the willingness and ability of the developing countries to pay for them. If imports from the latter are limited, there are bound to be repercussions on what they can afford to buy: the fall in imports will tend to be balanced by a corresponding fall in exports. Indeed, since the developing countries are only able to go on borrowing if their prospects of expanding their exports remain healthy, damage to these prospects may cut off loans and enforce a larger contraction in imports of manufactures than the initial limitation of their exports. The industrial countries would then suffer a net contraction in the demand for their

manufactures, instead of enjoying an expansion. But the matter does not rest there. For when a low-cost producer is denied access to the home markets of industrial countries he can concentrate on the foreign markets to which they sell and under-cut their exports unless they take on the burden of export subsidies. It is too easily assumed that the only form of import penetration that need cause concern is of the domestic market; third markets may be at least as important.

**TABLE 5.1**  
**Industrial Countries' Trade in Manufactures with**  
**Developing Countries**  
 (billion dollars)

Trading partner	1973	1977	1980
Traditional oil exporters			
Exports	13.25	57.20	82.30
Imports	0.65	0.95	2.00
Net exports	12.60	56.25	80.30
Other developing countries			
Exports	40.15	76.35	144.90
Imports	15.10	30.70	56.50
Net exports	25.05	45.65	88.40
All developing countries			
Exports	53.40	133.55	227.20
Imports	15.75	31.65	58.50
Net exports	37.65	101.90	168.70

For country groupings, see Appendix 3.

Source: GATT, *International Trade 1980/81* (Table A22).

5.35 Protection, finally, is not simply a matter of commercial advantage. It can have repercussions on all aspects of policy and affect international relations profoundly for good or ill. Whether it is exercised directly through tariffs and quotas or indirectly through investment and industrial policy, government intervention politicises trade. In pursuit of immediate national advantage, the government becomes involved in the whole span of international transactions and exposed to political pressures that may have little to do with national advantage. The more detailed its involvement, the greater the likelihood that the cumulative consequences of its actions will fail to be taken into account and that discrimination of one kind or another

will be unavoidable. The danger of antagonising other countries and inviting retaliation or bringing on a trade war is much enhanced. That danger may be mitigated if protection is held in check by internationally agreed rules. But if the effect of the rules is merely to divert protection from the familiar, transparent and easily monitored forms that it used to take, to highly discriminatory and frequently unpublished limitations on access to markets, international friction will continue to mount.

## References

1. Richard Blackhurst, Nicolas Marian and Jan Tumlir, *Adjustment, Trade and Growth in Developed and Developing Countries*, GATT Studies in International Trade No.6, September 1978; UNCTAD, *Protectionism and Structural Adjustment in the World Economy* (TD/B/888), 15 January 1982; and OECD, *The Case for Positive Adjustment Policies: a Compendium of OECD Documents, 1978/79*, June 1979.
2. Robert McNamara, "The High Cost of Protectionism", *Institutional Investor*, September 1979.
3. M. E. Morkre and D. G. Tarr, *Effects of Restrictions on United States Imports, Five Case Studies and Theory*, Staff Report of the Bureau of Economics to the Federal Trade Commission, June 1980. In each case the costs of protection to consumers significantly exceeded the benefits to producers. Another estimate, which included the effect of quotas as well as tariffs, put the cost to United States consumers of import restraints on clothing at between \$2 billion and \$4 billion a year in 1978. (See D. Keesing and M. Wolf, *Textile Quotas Against Developing Countries*, Trade Policy Research Centre, October 1980, p.107.)
4. This study by the Foreign Trade Association, based in Brussels and Cologne, is summarised in D. Keesing and M. Wolf, *op. cit.*, p.107.
5. Glenn P. Jenkins, *Costs and Consequences of the New Protectionism — The Case of Canada's Clothing Sector*, Canada: The North-South Institute, July 1980.
6. The consumer cost is calculated by the Industries Assistance Commission as the gross subsidy equivalent (the increase in producers' gross revenue provided by assistance) plus the increase in the cost of imports resulting from assistance to Australian producers. In clothing in 1977-78, the average nominal rate of assistance was 76 per cent and the effective rate (taking into account the higher prices paid for Australian-made clothing) was calculated as 135 per cent. (See IAC, *Report on Textiles, Clothing and Footwear*, Canberra, 1980.)
7. This issue is discussed in T. E. Josling and D. Hamway, "Distribution of Costs and Benefits of Farm Policies", in T. E. Josling *et al.*, *Burdens and Benefits of Farm-Support Policies*, Trade Policy Research Centre, 1972.
8. See Commission of the European Communities, *Stocktaking of the Common Agricultural Policy*, 1975.

9. These estimates are from D. Gale Johnson, *World Agriculture in Disarray*, Macmillan, 1973, p.51.
10. The amounts were \$18.6 billion for dairy products, \$4.7 billion for wheat and \$3.7 billion for sugar. (Source: FAO, *Commodity Review and Outlook*, 1979/80, p.114.)
11. \$10.6 billion for rice and \$1.2 billion for dairy products. (Source: *ibid.*)
12. \$2.7 billion for dairy products and \$1.2 billion for sugar. (Source: *ibid.*)
13. See World Bank, *World Development Report 1981*, and C. Hamilton, "Shipbuilding: a Study in Adjustment", quoted by H. Hughes and J. Waelbroeck, in "Can Developing Country Exports Keep Growing in the 1980s?", *The World Economy*, June 1981.
14. UNCTAD, *op. cit.*
15. GATT, *International Trade 1980/81*, Table A23.