Protectionism in International Trade: The Case of the European Union Member States

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Abstract:

Purpose: The aim of the paper is to present an original concept of measuring the degree of protectionism (DP) by constructing a synthetic measure of DP on the basis of the Technique for Order Preference by Similarity to the Ideal Solution (TOPSIS). Owing to application of TOPSIS method, another goal was achieved in ranking and classifying EU member states in terms of degree of protectionism.

Design/Methodology/Approach: In the study of TOPSIS method, which is a multi-criteria decision-making method that allowed to measure the degree of protectionism, EU member states were investigated.

Findings: The results reveal that EU countries were not strongly diversified as regards to DP level (with some exception of Germany and The Netherlands). Furthermore, no EU member states can be qualified as purely liberal nor fully protectionist. The results of the study referring to top protectionist countries reveal some similarities to the results of other classifications based on different methodology.

Practical implications: The outcomes of the study might be used by decision-makers in terms of commercial policy, both at the EU institutional level as well as outside this framework - by EU trade partners. Ranking might also serve as an instrument for boosting commercial policy and practices promoting further trade liberalization.

Originality/Value: Although there are plenty of papers on protectionism, so far there is no universally accepted method of measuring the phenomenon. Furthermore, the majority of studies focus on tariffs only or selected trade instruments, what brings the risk of underestimation of degree of protectionism, as countries use plenty of different measures in this respect. Thus, in our paper a new approach was proposed. The application of TOPSIS method with data extracted from Global Trade Alert that provides comprehensive list of all diverse trade policy interventions. The paper contains an original authors’ concept of measuring DP, which might be also applied to comparisons of EU member states with other countries, thus the paper will contribute to the development of literature.

Keywords: Protectionism, international trade, European Union.

JEL classification: F13, F15.

Paper Type: Research study.

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1. Introduction

Considering the evolution of the world trade and economy, it is worth recalling that international economy was entering the XXth century with the freest flow of goods, services, and capital in human history. Although the previous century had witnessed expansion of global output and trade, and rising living standards, an abrupt disruption of trading and financial ties took place more than once: during the First World War, the Great Depression, and the Second World War. Since then, there has been an unprecedented revival of global integration, supported by technical change, and by international economic policies within multilateral cooperation that resulted in greatly reduced barriers to international flows, further acceleration in the growth rate of world output, the reduction of poverty and improved living standards (Krueger, 2006).

Although significant progress has been made in the liberalization of international trade, further development cannot be taken for granted. The first two decades of XXIst century already witnessed vast disruptions considering global crisis of 2008 and the coronavirus COVID-19 pandemic. In such circumstances, concerns that protectionist pressures will be strengthened, leading to wreckage the progress made in the past are justifiable. Thus, there is a need to track and measure protectionism pressure. However, measuring protectionism is challenging considering only plenty of different kinds of measures that countries implement within commercial policy.

Therefore, the aim of the paper is to present an original concept of measuring the degree of protectionism that covers all interventions. In our study we focused on European Union member states, considering EU’s share in international trade. The results indicate that EU member states were not strongly diversified as regards to degree of protectionism level, however with some exceptions - regarding more protectionist trade in Germany and the most liberal trade of the Netherlands.

2. Protectionism in the European Union

EU is the most important trading partner for around 80 economies (WTO, 2019). Together with the highest world share of trade in goods\(^3\) - at the level of 34.2\% in relation to export and 33.5\% in relation to import in 2018 - the European Union trade policy is by no means accidentally a spotlight of analysis. However, the share of EU trade in the world export and import is on a decline: in 2003 the share of EU-25 in the world export/import was 42.8 and 42\% respectively (WTO, 2019b). This numbers do not automatically mean that there is a premise for more protectionism, but yet, EU was already accused for “harmful lobbyism and protectionism” (Svendsen, 2003) and that “market protectionist tendencies are clearly present in the EU” (Böröcz, 2009), especially within Common Agriculture Policy, “a system

\(^3\)This share includes both intra- and extra-EU trade, and such data will be used in this paper, as protectionism in the EU refers both to intra-EU as well as extra-EU trade.
of protectionism aimed at giving advantages to EU produce over imported produce” (McCormick, 2017). Indeed, considering simple average MFN applied in 2019 one can notice essential predominance of tariffs on agriculture products (average tariff was 14.2%) versus the non-agriculture products (average tariff was 4.2%). As an average has many shortcomings, it is reasonable to add that the tariff range was between 0 and 171.6% with lower share of duty-free lines in case of agricultural products than in case of non-agricultural ones.

On the other hand, much was done within, first EEC, and then EU to liberalize trade; this effort should not be neglected also considering the very beginning of European integration. With the creation of GATT and OECD in the 1940s under which trade liberalization in Europe took place, the European Economic Community was created by the Treaty of Rome in a climate of trade liberalization. Indeed, trade in goods was the core of trade liberalization efforts in 1950s within EEC that constituted a customs union and free movement of goods unrestrained by tariffs, quantitative restrictions or equivalent measures – albeit - among EEC member states only (Weiss and Kaupa, 2014; Thalassinos, 2007).

Another important stage of integration was creating common market, which efficiently transmits the forces of economic liberalization (Smith, 2005). However, in 1980 charges were levelled against the Community that project to complete the single market might create what was called then “fortress Europe”. There were fears that, in contrast to reduction of trade restrictions among member states, European trade policy may represent more protectionism toward import from outside world (Weiss and Kaupa, 2014). Indeed, whoever studied the stages of integration in the classic Bela Balassa approach (Balassa, 1961) – at least partly reflected in the processes of Western European integration - notes that the transition to higher forms of integration is accompanied by a gradual elimination of internal discrimination (between members), while maintaining discrimination in external relations (with non-member countries). Allegations of discrimination by regional trade agreements are part of a broader discussion as whether regionalization is an opponent of globalization or its ally.

There is no conclusion in this matter, nevertheless, assuming some external discrimination of regional integration groups, perhaps – as Samuelson stated - "some trade is better than no trade" (Samuelson, 1939). However, the fact that the EU is extending the range of free trade may be a good argument against the claim of “fortress Europe”. The EU is a world leader in terms of the number of trade agreements: at the end of December 2019, 42 agreements were in force (with 69 countries – not counting overseas countries and territories). A chief example of expanding the free trade area is the agreement between the EU and Japan, that has created the largest free trade area with the EU, that accounts for almost one third of world’s GDP and relates to a population of over 639 million citizens. What is more, after consolidating internal market, EU has become a supporter of multilateral trade liberalization under the auspices of WTO (Hitiris, 2003).
Although neither the Treaty on European Union nor the Treaty on the Functioning of the European Union (TFEU) mention protectionism directly, elimination of barriers is a goal of common market. Additionally, within common commercial policy, Union made a commitment in the Treaty “to the harmonious development of world trade, the progressive abolition of restrictions on international trade”. Aside from how these obligations are fulfilled, it is worth reflecting the role of institutions and member states in this respect. Common commercial policy as well as customs union and establishing of competition rules necessary for the functioning of the internal market are areas of exclusive competences of the EU.

However, the exclusive trade competence has not developed without controversy (Titievskaya, 2019). What is more, as EU member states differ in their economic interests, one can observe both protectionism by member states and EU bodies (Semeniuk, 2019). EU member states use for instance state aid to stimulate national businesses as not all kinds of state aid are forbidden by EU law (types listed on not so short list in Article 107 of TFEU that includes inter alia assistance to promote the economic development in areas where the standard of living is extremely low or areas with high underemployment). State assistance can range from a government loan guarantees, state loans to capital injection and equity stakes (including bailouts). One might find them in practice of EU member states. With the increasingly frequent attempts by member states to assert their protectionist interests by breaching the Single Market rules together with the Commission failure to fulfil its duty as guardian of this market, protection of barrier-free trade is no longer possible (Bolkestein and Gerken, 2015). Thus, both member states and EU institutions are responsible for protectionism, that can be not only directed inwards (within internal market) but also outward – in relation to the EU’s trade partners. In this paper, EU member states actions by them own as well as measures implemented by member states under the decision of EU institution are both studied.

3. How to Measure Protectionism?

Complex by its nature, protectionism is difficult to estimate. Plenty of different measures are undertaken including tariffs and non-tariff measures (NTM). With the reduction of the former, the latter may become more important as protectionism skillfully adapts to the prevailing conditions and countries use more sophisticated methods and measures (Sporek et al., 2019). One can find in UNCTAD classification (UNCTAD, 2019) nothing less than two hundred different non-tariff measures, including - inter alia - subsidies, rules of origin, labelling requirements, prohibition for security reasons, minimum import prices, and many, many other.

Thus, being one - but not the only protectionism measure, tariffs should not be an exclusive spotlight of analysis. Focus on tariffs only, brings risk in misjudgment of protectionism, as countries often use tariffs to liberalize trade, but not so often when they want to introduce protective measures – preferring other tools (Figure 1).
Calculations based on tariffs are only in the risk of underestimation of degree of protectionism. For instance, an Overall Trade Restrictiveness Indices (OTRI) – methodology developed by Kee et al. (2013) is undoubtedly valuable, as tariffs are not subject to a simple assessment, considering merely different forms of tariff rates: ad-valorem, specific, compound, of which the last two are less transparent. However, OTRI is focused on tariffs and antidumping duties only (Kee et al., 2013).

**Figure 1. Interventions in world trade: harmful (left side) and liberalizing (right side), by the share of policy instrument between 2009 and 2019 (in per cent)**

What is striking, despite the reduction of world average applied tariff - average world MFN tariffs have declined by one percentage point between 2008 and 2018 to 9 per cent (WTO, 2019b) - the interest in protectionism is on a rise. As these concerns might – to some degree - reflect state of affairs, thus one can observe abundance of protectionism indicators like Japanese Protectionism Indicator, US Monthly Trade Policy Uncertainty Index, China Trade Policy Uncertainty Index that reflect the frequency of articles in newspapers that contain one or more references to trade policy. However, such indicators based on the concerns on trade policy might be only a proxy for protectionism.

Another approach in measuring protectionism is tracking the number of infringement proceedings of law relating to trade. Such study was carried by Semeniuk (2018) in relations to EU with the focus on the European Commission’s actions against a country that violates the rules of the common market. However, with high value of such studies, there are a few limitations. Firstly, the number of proceedings is influenced by institution effectiveness. Secondly, EU bodies are accused of not being free of protectionist tendencies themselves. In this case - protectionism introduced by EU institutions that is harmful to the EU’s trade partners - WTO is in charge. WTO tracks the number of ongoing dispute
proceedings, trade remedy actions and numbers of SPS (Sanitary and Phytosanitary Measures) as well as Technical Barriers to Trade (TBTs) notifications, stating clearly however, that increased number of notifications do not automatically imply greater protectionism but rather enhance transparency regarding these measures (WTO, 2019a).

4. Measuring Protectionism of the EU Member States: Methodology

One of the aims of this paper is to present statistical analysis of protectionism based on more complex data that go beyond the average tariff rate to avoid the risk of underestimation of the actual degree of protectionism. Thus, statistical analysis is based on Global Trade Alert database, that provides comprehensive list of all diverse trade policy interventions - in case of EU member states both interventions introduced by the member states themselves, and interventions implemented by these states in response to the decisions of the relevant EU institution. A vital and precious feature of GTA is that it provides evaluation of each intervention that follows into three categories: red (the interventions that almost certainly discriminate against foreign commercial interests), amber (the interventions likely involve discrimination against foreign commercial interests) and green (the interventions that liberalize trade or improve the transparency of a relevant policy) (GTA, 2020). Although decision whether instrument shall be treated as a harmful one or liberalizing “is one of the attractive features of this initiative” (Evenett, 2019) the evaluation states clearly the character of trade instruments used.

From the Global Trade Alert database, trade interventions of EU member states (including United Kingdom), that were introduced between 01/01/2009 and 13/12/2019 were selected. For each country, a summary of interventions by three categories red, amber, and green have been made. Interventions within each category were analyzed considering their meaning corresponding to the nature of the category. The magnitudes of interventions in the 'red' and 'green' categories were the same as these interventions mean increased/decreased protectionism, respectively. However, the direction of “green” interventions was opposite to “red” interventions as they decrease protectionism. The magnitude of interventions in the ‘amber’ category has been reduced by half comparing to ‘red’ category, as they mean a possible increase in protectionism only. As the interventions had a different time range (from the inception until removal date), for the purpose of comparison, interventions that were in force for 10 years were given a weight of 1; interventions for a shorter time were given a proportionally lower weight. Within three categories, types of interventions were indicated (which shares in all interventions were above 0.75%; the rest has been moved to the ‘other interventions’). Consequently, the list of examined types of interventions was received (Table 1). Due to the significant differentiation of the share of individual EU countries in world trade, reduction of this differentiation was required. The time-weighted interventions were divided by
the square and cube root of the country's share in world trade/export/import, depending on the type of intervention (Table 1, 3rd column).

Table 1. Types of interventions by share in total interventions and reference.

<table>
<thead>
<tr>
<th>Type of intervention</th>
<th>Share in total interventions (in %)</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red</td>
<td>54.51</td>
<td>Share in world import</td>
</tr>
<tr>
<td>D1 Antidumping</td>
<td>3.44</td>
<td>Share in world import</td>
</tr>
<tr>
<td>E6 Tariff-rate quotas (TRQ)</td>
<td>3.85</td>
<td>Share in world import</td>
</tr>
<tr>
<td>L Subsidies (excluding export subsidies under P7)</td>
<td>21.59</td>
<td>Share in world trade</td>
</tr>
<tr>
<td>P7 Export subsidies</td>
<td>4.26</td>
<td>Share in world export</td>
</tr>
<tr>
<td>Tariff measures</td>
<td>19.70</td>
<td>Share in world import</td>
</tr>
<tr>
<td>Red: other interventions</td>
<td>1.67</td>
<td>Share in world trade</td>
</tr>
<tr>
<td>Amber</td>
<td>2.34</td>
<td>Share in world trade</td>
</tr>
<tr>
<td>L Subsidies (excluding export subsidies under P7)</td>
<td>0.96</td>
<td>Share in world trade</td>
</tr>
<tr>
<td>Amber: other interventions</td>
<td>1.38</td>
<td>Share in world trade</td>
</tr>
<tr>
<td>Green</td>
<td>43.15</td>
<td>Share in world trade</td>
</tr>
<tr>
<td>E1 Non-automatic import-licensing procedures</td>
<td>1.86</td>
<td>Share in world import</td>
</tr>
<tr>
<td>E6 Tariff-rate quotas (TRQ)</td>
<td>5.03</td>
<td>Share in world import</td>
</tr>
<tr>
<td>L Subsidies (excluding export subsidies under P7)</td>
<td>7.30</td>
<td>Share in world trade</td>
</tr>
<tr>
<td>P13 Licensing- or permit requirements to export</td>
<td>1.68</td>
<td>Share in world export</td>
</tr>
<tr>
<td>P7 Export subsidies</td>
<td>1.02</td>
<td>Share in world export</td>
</tr>
<tr>
<td>Tariff measures</td>
<td>25.72</td>
<td>Share in world import</td>
</tr>
<tr>
<td>Green: other interventions</td>
<td>0.54</td>
<td>Share in world trade</td>
</tr>
<tr>
<td>∑</td>
<td>100%</td>
<td>Source: Authors' own elaboration based on data from Global Trade Alert Database (2020).</td>
</tr>
</tbody>
</table>

The result has become the basis for construction of synthetic measure that allows ranking countries by degree of protectionism. For this purpose, the TOPSIS (Technique for Order of Preference by Similarity to Ideal Solution) method was used. The lack of one comprehensive indicator of the degree of protectionism (DP) allows to consider it as an unobservable variable. Within a TOPSIS method, all red and amber variables have been recognized as stimulants, meaning that their high value should indicate a high degree of protectionism; green variables are destimulants as their high value reduces protectionism.

The shares of EU countries in trade are characterized by exceptionally large differences (asymmetry coefficients of each variable exceed 100%) and extraordinarily strong right-sided asymmetry (classical asymmetry coefficient over 2). For this reason, the decision was made to calculate square roots and cube roots of this share. Initially, the authors considered logarithm, but it became troublesome as some countries had a low (below 1%) share of world trade, what gives a negative logarithm value. In case of square root, the variables were characterized by high diversity and strong right-sided asymmetry (variation at around 70%; asymmetry at around 1.1). The use of the cube root allowed the variables to be "freed" from high differentiation and strong right-sided asymmetry (Marcinkiewicz, 2019). Coefficients of variation of about 45% and classical asymmetry coefficients of 0.75 were obtained. Both results of a synthetic measure, based on square root and cube root were presented (in table 2). One can notice only a slight difference between these results.
TOPSIS method proposed by Hwang and Yoon (1981) is about determining the distance of the considered objects from an ideal and anti-ideal solution. The result of the analysis is a synthetic indicator that creates a ranking of the examined objects. The best object is the one that has the shortest distance from the ideal solution and at the same time the largest from the anti-ideal solution. It is worth mentioning that TOPSIS is not the only method of objects’ ordering - the author of a similar method is Hellwig. The use of the Hellwig method to organize objects can be found in the works of Tarczyński (2002), Marcinkiewicz (2012), and Kilon and Marcinkiewicz (2014). The stages of research using the TOPSIS method are as follows:

1. Construction of the data matrix regarding diagnostic variables:

\[ X = [x_{ij}] \]

where:

\( x_{ij} \) - value of \( j \)-diagnostic variable (\( j = 1, 2, \ldots, 15 \)), \( i \) – country (\( i = 1, 2, 3, \ldots, 28 \)).

2. Normalization of values of diagnostic variables for stimulants and destimulants in the formula introduced by Roszkowska nad Filipowicz-Chomko (2017):

\[
\begin{align*}
Z_{ij} & = \frac{x_{ij} - \min_{t}[x_{tj}]}{\max_{t}[x_{tj}] - \min_{t}[x_{tj}]} \quad \text{for stimulants (Red, Amber)} \\
Z_{ij} & = \frac{\max_{t}[x_{tj}] - x_{ij}}{\max_{t}[x_{tj}] - \min_{t}[x_{tj}]} \quad \text{for destimulants (Green)}
\end{align*}
\]

3. Determination of weighting factors for indicators. For the purpose of the construction of the synthetic measure weights based on coefficients of variation were used, following Grabiński, Wydymus, Zeliaś (1989):

\[ w_j = \frac{V_{sj}}{\sum_{j=1}^{15} V_{sj}} \]

where:

\( V_{sj} \) – coefficient of variation of the \( j \)-variable
\( w_j \) – weight of each variable

\[ \sum_{j=1}^{15} w_j = 1 \]

In addition, in the case of Amber variables (due to their potential impact on protectionism) their importance was reduced (weight 0.5).

4. Calculation of the Euclidean distance for each country to the ideal solution, according to the formula introduced by Roszkowska, Filipowicz-Chomko (2016):
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5. Calculation of the value of the synthetic measure for each country and ranking, according to formula proposed by Hwang, Yoon (1981):

\[ q_t = \frac{d_t^-}{d_t^- + d_t^+} \]  

6. Results and Discussion

The values of the synthetic measure of DP were calculated for each EU member state and, on this basis, countries were ranked. The obtained results are presented in Table 2. Both results regarding differentiation of countries’ share in world trade/export/import respectively (see 4th footnote) were presented. Both results are highly convergent. A correlation coefficient regarding the value of synthetic measure is 0.99 and regarding ranking position is 0.98.

<table>
<thead>
<tr>
<th>Country</th>
<th>Value of synthetic measure*</th>
<th>Ranking position</th>
<th>Country</th>
<th>Value of synthetic measure**</th>
<th>Ranking position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>0.754</td>
<td>1</td>
<td>Germany</td>
<td>0.757</td>
<td>1</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0.417</td>
<td>2</td>
<td>United Kingdom</td>
<td>0.488</td>
<td>2</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>0.307</td>
<td>3</td>
<td>Luxembourg</td>
<td>0.337</td>
<td>3</td>
</tr>
<tr>
<td>Malta</td>
<td>0.294</td>
<td>4</td>
<td>Malta</td>
<td>0.325</td>
<td>4</td>
</tr>
<tr>
<td>Italy</td>
<td>0.280</td>
<td>5</td>
<td>Italy</td>
<td>0.316</td>
<td>5</td>
</tr>
<tr>
<td>Latvia</td>
<td>0.274</td>
<td>6</td>
<td>Latvia</td>
<td>0.300</td>
<td>8</td>
</tr>
<tr>
<td>Sweden</td>
<td>0.271</td>
<td>7</td>
<td>Sweden</td>
<td>0.307</td>
<td>6</td>
</tr>
<tr>
<td>Slovakia</td>
<td>0.270</td>
<td>8</td>
<td>Slovakia</td>
<td>0.303</td>
<td>7</td>
</tr>
<tr>
<td>Slovenia</td>
<td>0.268</td>
<td>9</td>
<td>Slovenia</td>
<td>0.295</td>
<td>10</td>
</tr>
<tr>
<td>Poland</td>
<td>0.263</td>
<td>10</td>
<td>Poland</td>
<td>0.292</td>
<td>11</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>0.260</td>
<td>11</td>
<td>Bulgaria</td>
<td>0.297</td>
<td>9</td>
</tr>
<tr>
<td>Cyprus</td>
<td>0.259</td>
<td>12</td>
<td>Cyprus</td>
<td>0.284</td>
<td>14</td>
</tr>
<tr>
<td>Hungary</td>
<td>0.258</td>
<td>13</td>
<td>Hungary</td>
<td>0.289</td>
<td>12</td>
</tr>
<tr>
<td>Croatia</td>
<td>0.257</td>
<td>14</td>
<td>Croatia</td>
<td>0.283</td>
<td>15</td>
</tr>
<tr>
<td>Estonia</td>
<td>0.255</td>
<td>15</td>
<td>Estonia</td>
<td>0.268</td>
<td>19</td>
</tr>
</tbody>
</table>

5 This does not indicate positive or negative assessment of the feature; ideal solution indicates only the maximum intensity.
Germany was found to have the highest level of DP in the years 2009-2019, followed by the United Kingdom. The results are consistent with the ranking of the top ten protectionist countries worldwide that includes two European countries: Germany (fourth place), and UK - tenth place (Semeniuk, 2019). Furthermore, Germany was on the list of ten topmost discriminatory countries ranked by the share of sectors affected (8th globally, 1st in the EU) and trading partners affected (8th globally, 3rd in the EU) (Evenett, 2009).

The position of the United Kingdom in ranking might be perceived in the light of the Brexit vote in the UK that demonstrated increasing skepticism in UK on international interference with its domestic policies. United Kingdom’s political leaders’ vocal opposition to the multilateral trade system of which the UK (together with the United States) used to be the foremost proponents – was a surprise to many scientists (Williams, 2019). It follows that, the results of the study regarding the most protectionist EU member states correspond to a hypothesis of regime transformation, according to which, developed countries that face competition from countries producing substitutes with different factor proportion (it is mainly about low labour costs) might become more protectionist (Aggarwal, 2018).

On the other hand, The Netherlands and Belgium had the lowest DP value, ranked respectively 28th and 27th. The ranking position of The Netherlands is not surprising, bearing in mind that this country together with other EU countries formed the New Hanseatic League – a coalition of states that advocates a free-trade oriented Eurozone (Lewicki, 2019). In some sectors, The Netherlands relies almost entirely on imports of semi products necessary for Dutch production (like cocoa beans for chocolate production). Protectionism and higher resource prices could affect its competitiveness (Weterings et al., 2013). The results of a study indicate that the value of synthetic measure in case of most countries was in the range between 0.2 - 0.3. What is more, there are no extreme cases, this is, commercial policy of no EU
member states could be defined as purely protectionist or purely liberal one (in such case, the value of synthetic measure would be 1.0 and 0 respectively).

7. Conclusion

European Union is an important player in the world trade, being the most important partner for dozens of economies around the world. Although, much effort has been made since the European Economic Community regarding limitation of trade barriers, yet “the victory is never total” (Baldwin, 2000). Protectionism is still present in the EU, albeit to varying degrees in EU member states.

The aim of the paper was to reveal this differentiation by proposing methodology that allows ranking countries in this respect. In the light of results, EU member states are not much diverse when it comes to applying trade measures. The rationale behind this is that a plenty of measures are implemented by all member states within common commercial policy. What make a difference are national measures undertaken by each country (like government loan guarantees or bailouts).

However, EU member states do not impose protectionist measures only, but they also introduce actions toward trade liberalization (like tax reliefs). In our study, both protectionist as well as liberalizing measures were taken into consideration, as to reveal the whole picture of the trade policy. To reach this goal all measures must be considered, what might be a challenge, as countries use plenty of different kinds of actions that go far beyond changes in tariffs only. Owing to access to GTA database, this barrier was overcome. Once the data were gathered, the TOPSIS methods could be used.

Authors of this study are aware that the protectionism is a complex, multidimensional phenomenon, and application of TOPSIS method is a proposal of synthetic measure not panacea that solves all issues regarding trade policy. Many questions are still left behind concerning – inter alia - the causes and consequences of protectionism in international trade. Notwithstanding, in authors’ view, an approach presented in this paper, with the application of TOPSIS method, allows for a comparison of the degree of protectionism between countries and their classification in this respect.

The study was focused on EU Member States, but the methodology is universal and allows comparison of other countries, in further studies. What is more, dynamic approach can be also considered. In our paper, over 10-year period was studied as to present path of trade policy. Still, analysis for selected years could be also valuable, showing shifts in trade policy that affect international trade. Whereas this trade is mutually beneficial, benefits might be achieved provided that the country is not excluded from international trade – by protectionist measures.
References:


