

A stylized world map in shades of blue, serving as the background for the slide.

Must Do Better: Trade & Industrial Policy and the SDGs

Presentation by Professor Simon J. Evenett
ARTNeT Webinar

2 March 2023

**St. Gallen
Endowment**
for Prosperity through Trade

Purpose of this presentation

- To summarise the principal findings of the 30th Global Trade Alert report.

Questions asked in this report seek to fill in a key knowledge gap:

1. How often has commercial policy choice contributed towards attaining SDG targets? Are their differences in rates of attainment across SDGs?
2. Did the contribution increase in frequency with the adoption of Agenda 2030?
3. Did the COVID-19 pandemic result in more SDG-impairing policy choice?
4. To what extent is there a tension between liberalising commercial policy and attaining a SDG target? Is this a particular problem for some SDGs?
5. Is there room for commerce-liberalising policy that improves the SDGs?

Scope of this study

- Considered 62 types of trade and industrial policy intervention taken worldwide and recorded in Global Trade Alert database of 50K+ interventions.
- 61 SDG indicators from 7 SDGs (1, 2, 3, 6, 7, 9, and 14) are in-scope.
- A literal reading of SDG indicators was taken.
- Created a mapping from sectors and policy intervention types to SDG targets.
 - Economic logic provided by a textbook short-run, single market partial equilibrium perfectly competitive model—links policy to potential SDG impact.
- No claim that this is the last word on this topic: others may choose different scope parameters, economic models, and dataset. But we need to start somewhere.

Findings

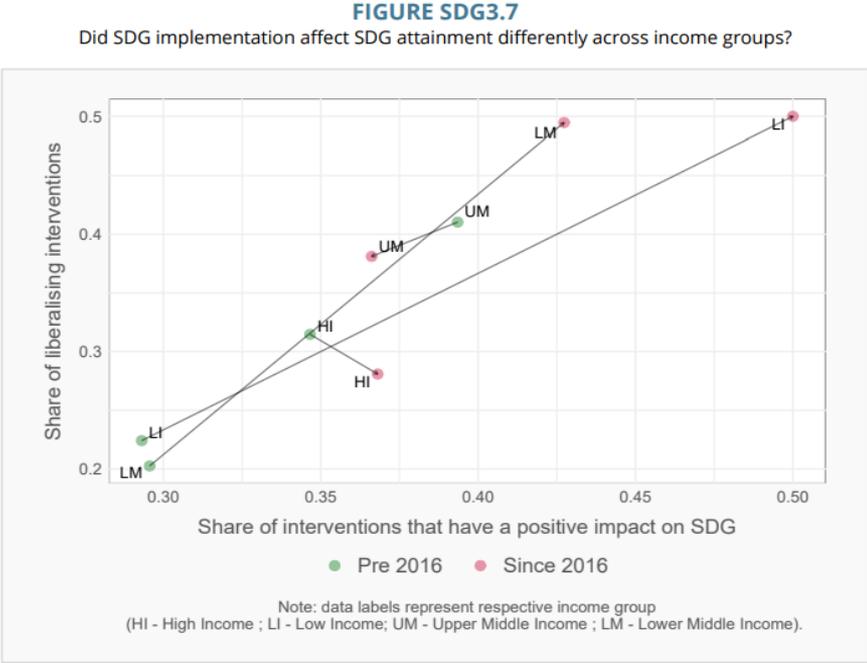
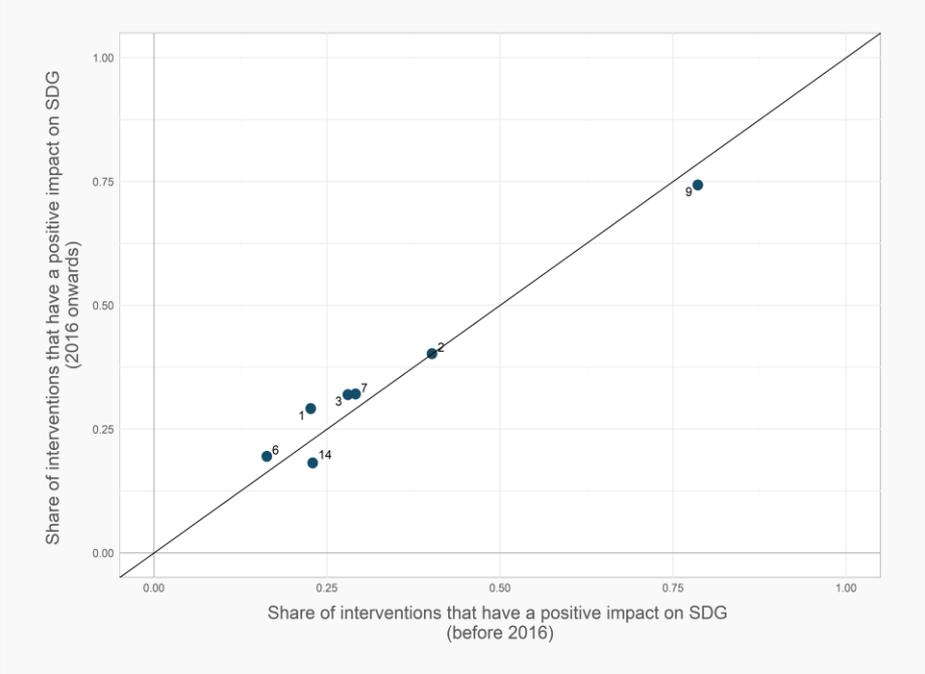
1. 45% of commercial policy interventions likely contributed to SDG targets.
2. Percentage of likely positive contributions unchanged after 2016, but the percentage of intervention overall likely to impact SDG targets falls.
3. Tension between policies to open economies and SDG attainment biggest in SDG 9 and least in SDGs 1 and 6.
4. On the whole, as far as commercial policy changes are concerned, the COVID-19 pandemic did not back attainment of SDGs considered here.
5. Other than SDG 9, future commerce-liberalising policy reforms would improve SDG outcomes. For SDG 9 liberalisation could be combined with non-trade private sector development policies.

Share of policy intervention contributing to SDGs varies from 20% to 76%

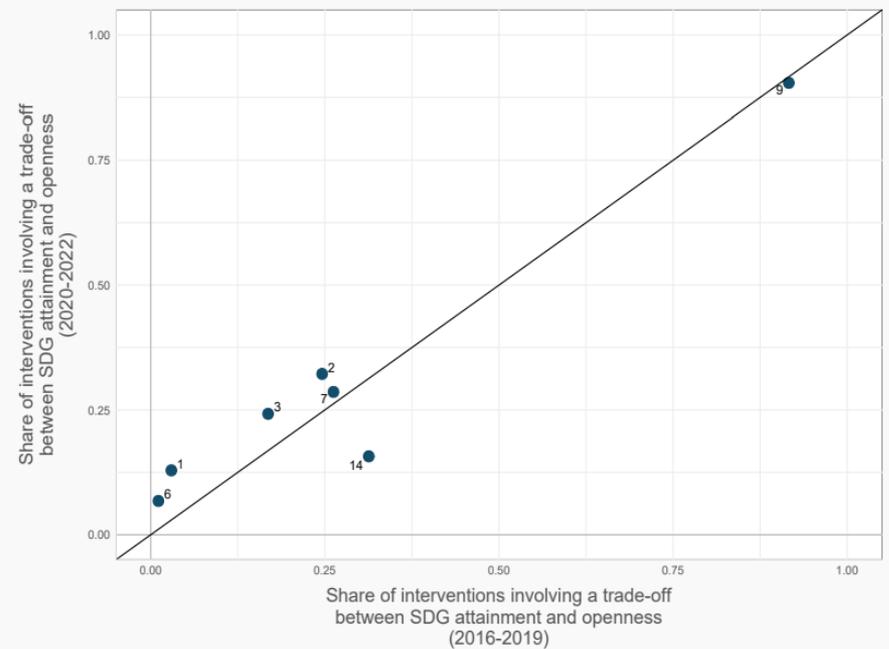
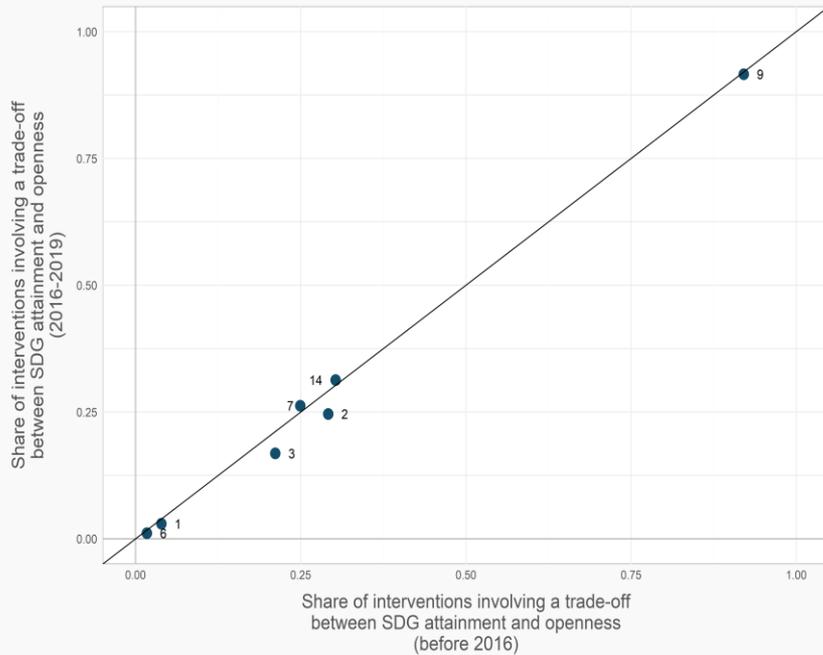
TABLE 4

SDG	"Total number of relevant commercial policy interventions (all years in Global Trade Alert database)"	"Total number of relevant commercial policy interventions (2016 onwards)"	"Share of commercial policy interventions contributing positively to this indicator (2016 onwards)"	"Share of commercial policy interventions that liberalise commerce (2016 onwards)"	"Number of customs territories implementing commercial policy interventions (2016 onwards)"
1	20408	10946	0.25	0.22	183
2	12772	7070	0.71	0.28	176
3	2838	1825	0.33	0.22	117
6	5414	3291	0.2	0.19	123
7	12616	7198	0.53	0.16	157
9	28585	15391	0.76	0.19	178
14	3737	2023	0.25	0.16	146
All SDGs	37528	19672	0.45	0.24	192

Little overall change in share of interventions positively affecting SDGs



For some SDGs there is a tension between target attainment and liberal policy moves



Caveats and concluding remarks

- Our approach is best thought of as characterising trade and industrial policy stance and changes in such stance over time—we do not estimate effects on SDG indicators.
- Our findings rest on a mapping that in turn is based on a literal reading of the SDG indicators, the economic model chosen, and the 50K policy interventions in the GTA database. This is not the last word on this subject.
- Generalisation across the 7 SDGs considered here is unwise.
- Generalisation on findings over time is on more solid ground: there is little evidence of enhanced trade and industrial policy contributions once Agenda 2030 came into effect.
- Tagging policy intervention according to potential SDG target impact is possible and should facilitate better policy choice and ex-post evaluation of policy impact.