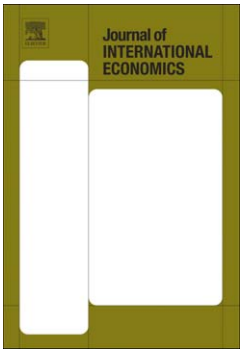
Accepted Manuscript



Cascading Trade Protection: Evidence from the US

Aksel Erbahar, Yuan Zi

PII: S0022-1996(17)30072-7
DOI: doi:10.1016/j.jinteco.2017.06.006
Reference: INEC 3058

To appear in: *Journal of International Economics*

Received date: 27 April 2015
Revised date: 23 April 2017
Accepted date: 21 June 2017

Please cite this article as: Erbahar, Aksel, Zi, Yuan, Cascading Trade Protection: Evidence from the US, *Journal of International Economics* (2017), doi:10.1016/j.jinteco.2017.06.006

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

ACCEPTED MANUSCRIPT

Cascading Trade Protection: Evidence from the US*

Aksel Erbahar† and Yuan Zi‡

April 2017
[Previous version: October 2016]

Abstract

In a world with increasingly integrated global supply chains, trade policy targeting upstream products has unintended consequences on their downstream industries. In this paper, we examine whether protection granted to intermediate manufacturers leads to petition for protection by their downstream users. We first provide a simple model based on the quantitative framework of Ossa (2014) which identifies the key factors and their interactions that cause cascading protection to motivate our empirical analysis. Then, we test our model by identifying the input-output relationships among the time-varying temporary trade barriers of the US using its detailed input-output tables. As predicted by the theory, we find that measures on imported inputs increase the likelihood of their downstream users' subsequent trade remedy petition over the 1988-2013 period. Moreover, our simulation exercise shows that cascading protection can cause additional welfare losses, and hence we propose that trade policy investigations should take vertical linkages into account.

JEL codes: F1, F13, F14, F68
Keywords: trade policy, protectionism, trade barriers, global supply chains, input-output, anti-dumping

ACCEPTED MANUSCRIPT

*We are grateful to Richard Baldwin, Nicolas Berman, Maarten Bosker, Chad Bown, Theresa Carpenter, Paola Conconi, Arnaud Costinot, Beata Javorcik, Marcelo Olarreaga, Ugo Panizza, and participants at several seminars for helpful comments at various stages of the development of this work. We thank the editor and the referees for insightful suggestions that helped improve this paper. Aksel Erbahar acknowledges funding provided by the project 'Dispute Settlement in Trade: Training in Law and Economics' (DISSETTLE), a Marie Curie Initial Training Networks (ITN) funded under the EU's Seventh Framework Programme, Grant Agreement No FP7-PEOPLE-2010-ITN_264633. Yuan Zi thanks additionally to the faculty of the Massachusetts Institute of Technology (MIT) for their hospitality during her visit as a doctoral researcher.

†Erasmus School of Economics (ESE), Erasmus University Rotterdam, the Netherlands, and Tinbergen Institute, *email*: erbahar@ese.eur.nl

‡The Graduate Institute of International and Development Studies (IHEID), Geneva, Switzerland, *email*: yuan.zi@graduateinstitute.ch

دریافت فوری ← متن کامل مقاله

ISIArticles
مرجع مقالات تخصصی ایران

✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
✓ امکان دانلود نسخه ترجمه شده مقالات
✓ پذیرش سفارش ترجمه تخصصی
✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
✓ دانلود فوری مقاله پس از پرداخت آنلاین
✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات