

The Persistent Legacy of Protectionism in trade policies of globalized era: A Critical Analysis

الإرث المستمر للحماية في السياسات التجارية في عصر العولمة: تحليل نقدي

BELHAMITI Amel*, National institute for research in education (Algeria)

amel.belhamiti@inre.dz

Received: 22/12 /2023

Accepted: 07/05 /2024

Published: 18/05 /2024

Abstract:

This paper explores the complex history of protectionism in international trade. Despite post-World War II liberalization, protectionist policies have rebounded amid globalization and technological disruption. Tracing intellectual underpinnings, the research outlines seminal economic theories that justified trade barriers, as well as strategic motivations behind them. It details the array of restrictive policy tools governments have employed, from tariffs to quotas, analyzing their economic impacts. Although open trade expanded, protectionism endures by responding to legitimate anxieties. However, protectionism risks provoking retaliation and misallocating resources. History suggests building consensus and balancing interests better serves societies undergoing difficult transitions. By illuminating tensions between open and closed systems. This study aims to advance understanding of protectionism's causes, consequences, and leaders policies face in navigating protectionist pressures.

Key words: Protectionism, international trade policy, economic theories, trade tools and mechanisms, global economic landscape

Introduction:

The economic historian Paul Bairoch asserts that "historically, free trade was the exception and protection was the rule (Le Monde diplomatique, 2009)". Thus, international trade policies can be understood in two contexts: one favoring the liberalization of trade within exchanges integrated into regional and international blocs, and the other strengthening temporary protectionist measures that nation-states seek to implement to stimulate their national economy before integrating into other economies beyond national borders, whether at the regional or even international level.

In this context, this research aims to attempt a better understanding of the appropriate political mix for the political system that regulates its trade policies according to its unique economic conditions, priorities, and political constraints. Especially after the asymmetrical security threats generated by international variables which have brought back protectionist practices after decades of globalization expansion and its economic liberalization and trade policies. This highlights the need for a detailed analysis of how protectionism and liberalization interact in diverse contexts while reviewing what researcher Ruth Lapidot called the Government's procedural sovereignty.

* Corresponding Author

" The Persistent Legacy of Protectionism in trade policies of globalized era: A Critical Analysis"

This paper offers insights into the rich history of protectionism, its theories, tools, impact, and relevance today. It examines the history thinking, and analysis of protectionism in economics and political economy researches. Specifically, it traces key perspectives on protectionism since the classical economics era, summarizes core arguments put forth by proponents and critics, and relates historical debates to present-day disputes over trade policy. Analysis reveals consistent themes revolving around asymmetrical power relationships as drivers of protectionism demands. So, this paper aims to unpack its multifaceted aspects and complex relationship with free trade in modern trade dynamics.

Many studies in the political economy have dealt with protectionist policies and their adoption through regulations, respectively, of internal and external conditions, whether regional or international, this phenomena/ regulation/ rule has sparked the interest of numerous researchers and academics such as Yingjie Dan¹ & al (Yingjie, Xuanni, Yuto, Chantel, & Haoxuan, 2021), Merve Ahsen Demir, Ayçe Seppli (Demir & Ayçe, 2017), Suhail Abboushi (Abboushi, 2010). Overall, these studies intersect the effectiveness of protectionist policies over periods of time, although they impede the well-being of economic liberalization policies. Thus, our study is distinguished from previous studies by discusses the historical milestones of protectionism and evaluate its costs benefits to national competitiveness and development at different stage. It analyzes why some economies have enthusiastically embraced liberalization and global integration, including export-oriented nations, while others implemented higher protectionist barriers.

1- The Evolution of Protectionist Policies concept. A Historical Overview

In the field of international political economy, protectionism refers to a government's policies and practices of intervening in the economic sphere to shield domestic industries and companies from foreign competition. This is done through various trade barriers that restrict the influx of imported goods and services into the domestic market. Common protectionist measures include tariffs, quotas, subsidies, and regulations that favor domestic producers over foreign ones. Despite predictions of its decline, protectionism has endured as a pivotal aspect of trade dynamics. Its legacy as a policy is well documented in nations like the United States, with early foundations (Bown & Irwin, 2016). However, it has undergone cycles of resurgence and retreat based on economic and strategic priorities.

1.1- Protectionist Policies Protectionist Policies history

In the past, the roots of protectionism trace back towards the end of the Middle Ages, protectionist economic policies emerged within the economic sphere. Protectionism's origins can be traced back to the economic nationalism that emerged between the 16th and 18th centuries, closely associated with Mercantilism. Mercantilist theory initially emphasized the accumulation of wealth through a favorable balance of trade. However, Mercantilist thinking later developed a more liberal character while still advocating state intervention in the economy and safeguarding certain interests through protectionist measures (KICSI & Buta, 2010).

The advent of protectionist trade policies in 18th century Europe and America ostensibly aimed to promote domestic industries and augment economic resilience (Irwin, *The False Promise of Protectionism: Why Trump's Trade Policy Could Backfire*, 2017). Mercantilist doctrines, seeking trade surpluses and bullion accumulation, dominated this early period (Magnusson, 2015). Although major continental powers embraced protectionism, smaller nations often opted for more liberal approaches.

In 1841, in his book "The National System of Political Economy," the German economist Friedrich List argued that Germany's interests necessitate domestic production of all goods (Chang, 2002), even if they are of inferior quality or more expensive than foreign alternatives. Drawing inspiration from Alexander Hamilton's 1791 protectionist report to the U.S. Senate and

" The Persistent Legacy of Protectionism in trade policies of globalized era: A Critical Analysis"

the successful trade policies enacted during the Continental Blockade (Rainelli, 2011), List advocated for temporary economic protectionism. He did not propose outright rejection of free trade but rather stressed the strategic importance of protectionism for a nation ascending the ladder of economic development (List, 1841). Building on List's perspectives, the American economist Henry Carey vigorously promoted protectionism across all industrial sectors in his 1858 publication "Principles of Social Science" (Carey, 1858). He strongly advocated protectionism and recommended its expansion to all sectors. However, unexpected economic crises have prompted public opinion to call for other protectionist measures; Major States' Gates for Customs Barriers. (Khadidja, 2012-2013).

In the 19th century, divergences emerged amongst leading economies. Britain championed free trade while the United States, Germany, and Canada bolstered their protectionist frameworks (Bairoch, 1995). Amidst agricultural commodity price declines during the 1870s and 1880s, pressures resumed to protect European imports (O'Rourke, 2000). The early 20th century until the Great Depression witnessed intensifying worldwide protectionism. In the late 19th and early 20th centuries, European imperial powers often imposed protectionist policies across colonial holdings. The Ottoman Empire and Austro-Hungarian realms augmented protectionism while the Dutch and Danish retained relatively liberal stances. Up until the mid-19th century, Britain maintained high protective tariffs on imported manufactured goods. In 1820, Britain's average import duty rate on manufactured products ranged from 45% to 55%. By comparison, tariff rates were much lower in neighboring countries and trading partners at the time - approximately 6-8% in the Low Countries, 8-12% in Germany and Switzerland, and around 20% percent in France. Britain stood out with its exceptionally high import tariffs meant to shield domestic manufacturing from foreign competition. It was only in the mid-1800s that Britain began removing trade barriers and shifting towards free trade policies (CHANG, 2007).

The first half of the 20th century saw a widespread resurgence of protectionism, particularly during the Great Depression. As for during the period between World War I and II, the U.S. maintained high levels of protectionism between the World Wars (I & II), gradually shifting towards a more liberal trade regime post-World War II. From this war until 1974, protectionism seemed to be in decline. Successive rounds of negotiations in the GATT had cut tariffs on trade in manufactures – from an average level of 40 percent in 1947 to between 6 and 8 percent for most of the industrial countries – even before the last round of multilateral trade negotiations (the Tokyo Round, 1974-79) had taken place (Bown & Douglas, 2015). Despite this significant reduction in tariff rates achieved under GATT, protectionism has reappeared since the 1970s in new, more widespread and clandestine forms. New forms of protectionism include VERs, VIEs, anti-dumping and compensation measures, technical and health standards, exclusion from public procurement markets, currency manipulation and exchange rates. These new protectionist measures are more ambiguous and allow imports to be restricted without doing so openly (Sandretto, 1998).

In our increasingly interconnected world, the 2008 global financial crisis led many countries to adopt more protectionist policies, sparking what some have called a "second wave" of protectionism which has relied more heavily on non-tariff barriers such as subsidies, regulations, and procurement rules that discriminate against foreign companies, rather than traditional trade barriers like tariffs (Bown & Crowley, 2013). According to data from Global Trade Alert, implementations of these non-tariff barriers have increased rapidly since 2008 (Evenett S. , *Débâcle: the 11th GTA report on protectionism*, 2012). These protectionist responses have unfolded alongside rising economic tensions between major powers like the United States and China, tensions that stand out amid broader globalization trends in recent decades that have increased international trade and investment flows (Frieden, 2017). For example, while China

" The Persistent Legacy of Protectionism in trade policies of globalized era: A Critical Analysis"

joined the WTO in 2001 and became hugely integrated into global supply chains, relations with the U.S. and other major economies have also become strained over issues like intellectual property protections, technology transfer policies, and China's system of state subsidies. Bilateral differences boiled over into tariff volleys between the U.S. and China in 2018-2019, involving over \$360 billion in traded goods (Bown C. P., *How the United States Marched the Semiconductor Industry into Its Trade War with China*). Some see these growing U.S.-China tensions as reflecting broader anxieties in the U.S. and elsewhere over China's rapid economic ascent and competitiveness in high-tech sectors.

Hence the security threats of The COVID-19 pandemic has emerged as a profound global challenge, wielding severe economic repercussions. Mobility restrictions enacted to curb viral transmission disrupted cross-border investment flows and hampered manufacturing and tourism (IMF, 2020 (Pigato, Ryan Rafaty, & Jonas Kurle), (UNCTAD, 2020). As Farazmand (Farazmand, 2021) highlights, the pandemic's economic impact intensified appeals for protectionist policies to mitigate financial contraction. Consequently, uncertainty prevails regarding prospective reactions, including elevated prioritization of domestic markets, promotion of local consumption, and increased investment in strategic industries (Evenett, 2020). Overall, the pandemic highlighted the continued appeal of protectionism to states seeking to isolate key sectors from external shocks, protecting domestic industries through subsidies, trade restrictions and restructuring of the supply chain restructuring (Dudău & Mihnea Cătuți, *THE IMPACT OF THE COVID-19 CRISIS ON THE EUROPEAN GREEN DEAL. A Focus on Romania and Southeast Europe*, 2020).

In the context of an unpredictable security threat with unknown consequences, this crisis revealed the vulnerability of integration efforts, dealing a significant blow to the European Union at its core. This organization, once considered the epitome of integration for the contemporary world. This prompts us to examine the concept and connotations of these practices by addressing the phenomenon of protectionism by explaining, analysing and interpreting in order to better understand these policies.

1.2- Protectionism conceptual approach

Protectionism describes government policies that impose restrictions on international trade. It works by increasing costs on imported goods as well as restricting the quantity of imports allowed into a country in order to boost domestic production and protect domestic producers from foreign competition." (Abboushi, 2010).

Fundamentally, protectionism involves governmental restrictions on the flow of international trade and investment, encompassing both imports and exports (Irwin, *Free Trade under Fire: Fifth Edition*, 2020). These trade policies aim to shield domestic industries by imposing costs on foreign products, thereby enhancing the competitiveness of domestic goods (Bussière, 2020). Specific instruments utilized include tariffs, quotas, subsidies, prohibitions, and non-tariff barriers that discriminate against overseas companies (Feenstra & E. Weinstein, 2017). Despite variations in approach, these measures commonly prioritize domestic producers over international rivals, globally restricting commerce while stimulating national output and business interests. Effectively, protectionism artificially insulates domestic sectors from foreign competition, resulting in a less open world trading landscape.

In the field of political economy, Protectionism refers to policies that restrain trade among countries. Almost all nations attempt to limit foreign access to their markets to some degree. Protectionist policies are undertaken in an effort to shield domestic industries from foreign competition." (Suranovic, 2010). In economic theory and practice, protectionism indicates government intervention to provide domestic producers with relief from international

" The Persistent Legacy of Protectionism in trade policies of globalized era: A Critical Analysis"

competition. Usually such policies take the form of import tariffs or equivalent trade barriers." (Fredrik Erixon, Razeen Sally, 2010)

According to D. Cimino-Isaacs: "we define protectionism as government actions and policies that restrict or restrain international trade, whether through tariffs, quotas, subsidies, trade barriers, or other measures designed to favor domestic producers, service providers, and workers over their foreign competitors." (D.Cimino-Isaacs, 2021). While Lampe & Sharp defined protectionism broadly, so as to include all economic policies whose primary purpose is to shield some sector(s) of an economy from foreign competition. Thus defined, protectionism includes policies that raise the price and limit the quantity of imports, thereby shifting the terms of trade in favor of domestic producers." (Lampe & Sharp, 2014).

From these definitions, protectionism denotes government interventions to protect and promote domestic over foreign commercial interests by restricting international trade and investment flows. Specific policies may differ but achieve that same overarching purpose through raising costs on foreign companies to advantage domestic ones.

As outlined, protectionism has a long historical legacy tied to economic nationalism and mercantilist goals of amassing wealth. While free trade has expanded globally, protectionism endures as a pivotal aspect of trade dynamics, undergoing cycles of retreat and resurgence based on a nation's strategic economic interests. Despite predictions of its decline amid globalization, protectionism has shown persistence and adaption, now increasingly utilizing non-tariff barriers. Major events like the Great Depression, World Wars, and more recently, the COVID-19 pandemic, have prompted rises in protectionism as states aim to shield key industries from crisis.

Overall, the concept and practice of protectionism to shelter domestic economic interests has enduring appeal through history, with cycles of embrace and decline based on changing conditions, which prompts us to think about the reasons behind countries adopting these policies, as well as how to implement them, which will be discussed in the next chapter

2-Protectionist policies: justifications and applications

For the purpose of a deeper understanding of protectionist policies, in this part we will explain the justifications that drive the adoption of protectionist policies according to circumstances and objectives, and then we will discuss the applications of these policies in the national economy as a driver of the countries public policies

2.1- Protectionist policies justifications

Protectionist policies, as one of the important controls adopted by governments in order to preserve their local economy and economic security, are justified by internal and external determinants that overlap with each other, influence, and are affected by the state's general policy.

The strategic use of protectionist policies has historical precedent among nations seeking to advance economic development. As Hanssen (2010) discusses (Hanssen, 2010) , many governments have temporarily imposed trade barriers like tariffs and quotas to nurture industries considered critical to long-run growth or self-sufficiency. The goal of strategic protectionism is to allow domestic firms time to advance technologically and achieve economies of scale in order to become globally competitive later on. This approach succeeded in catalyzing industrialization historically in Britain, the United States, and East Asia's "tiger economies" (Chang, 2002). Advocates argue protectionism provides policy space to diversify an economy's production capabilities, create a more balanced economic structure less prone to external shocks, and foster alternative modern goods and services to primary product or resource exports with unstable world prices (ECLAC, 1950). Given success stories, new economies argue they similarly require selective interventions today to nurture strategic new industries, counter the asymmetric

" The Persistent Legacy of Protectionism in trade policies of globalized era: A Critical Analysis"

influence of the existing global trade agenda, and climb the knowledge-intensive value chain. However critics contend protectionism easily becomes captured by special interests, costing society far more than it returns economically while forestalling domestic pressures to become efficient and innovative (Tharoor, 2017).

Beyond economic development, advocates argue protectionism can yield positive spillovers like increased employment and enhanced national security. By insulating domestic firms from foreign competition, trade barriers can absorb unemployed workers into protected sectors (Irwin, 2017). Many developing nations also pursued import substitution industrialization from the 1930s-1970s, leveraging quotas and tariffs to foster domestic manufacturing and reduce dependence on primary sector exports in agriculture and mining (BRUTON, 1998). Beyond the economy, protectionism aims to maintain sufficient domestic capacity in industries deemed crucial to national security—such as defense, manufacturing, energy, and food production. The ability to equip a military, build key technologies, feed a population, or power critical infrastructure without relying on imports is viewed as essential in the event of global supply disruptions during war or crisis. Self-sufficiency through protectionism provides resilience against foreign coercion. However, critics argue countries rarely transition from such defensive protection toward genuine competitiveness, instead allowing inefficiency to become further entrenched at a higher cost over time. They contend productivity, innovation and trade provides greater lasting security.

Advocates contend protectionist policies can also combat deleterious foreign trade practices and distortions affecting the national economy. Trade barriers aim to deter predatory dumping by foreign firms exporting below-cost to undercut local producers and unfairly gain market share (Taussig, 1930). Higher tariffs on imported consumer goods while maintaining lower tariffs on imported inputs also seeks to spur domestic industry and address substantial trade deficits. By restricting foreign competition, protectionism further hopes to increase labor's share of national income relative to capital. Governments similarly utilize protectionist tools to stabilize prices, incomes, production, and economic growth against volatility induced by unregulated trade. However, critics argue protectionism is an inefficient means to these ends that risks provoking retaliation while lowering prosperity long-term by limiting competition, misallocating resources to less productive uses, stifling innovation, and entrenching special interests (Bhagwati, 1989). The merits of strategic protectionism to remedy structural economic challenges continue to be debated among economists and policymakers.

Thus, these justifications can be seen as entry points for the consideration of protectionist policies from a different perspective in the globalization of economic policies within the interactions of capitalism's political economy. In order to analyze and explain these entry points, we decided to address the applications of these protective policies.

2.2- Protectionist policies applications

Governments have a extensive toolkit of policy instruments to promote domestic industry interests by restricting foreign competition and shaping international trade flows. As Irwin (2017) discusses, import tariffs are the most common trade barrier, enabling countries to levy differential taxes on imported goods based on origin to make foreign products less price competitive. Export tariffs may also be deployed when goods are locally scarce (Viner, 1950). While import tariffs aim to assist domestic producers, they can harm export sectors facing retaliation (Bown & Crowley, 2013).

Quantitative restrictions directly limit import quantities over a period to intentionally raise domestic prices so local firms can meet residual demand (Bhagwati, 1989). Administrative and technical barriers also impede access by imposing stringent standards, testing requirements and customs procedures that needlessly increase trade costs. Anti-dumping laws enable import

" The Persistent Legacy of Protectionism in trade policies of globalized era: A Critical Analysis"

penalties against foreign firms deemed to be deliberately underpricing goods to undercut local producers. Production subsidies, prevalent in agriculture, facilitate domestic output at below-market costs to curb imports (Orden, Blandford, & Josling, 2011). Export subsidies offer reimbursements to local firms for overseas sales to artificially improve price competitiveness, often distorting optimal trade patterns in the process (Krugman, 1986).

Beyond tariffs, import quotas directly restrict quantities of foreign goods to intentionally raise domestic prices. However quotas invite retaliation while creating opportunities for corruption in quota allocation (Krueger, 1974). Technical and administrative barriers around sanitary regulations, labeling policies, and customs procedures also advantage domestic producers by raising trade costs through red tape rather than transparent tariffs (Moisé & Sorescu, 2013). Anti-dumping duties try targeting foreign predatory pricing but risk misuse by domestic firms to block competitive imports (Prusa, 2001). Production subsidies sustain uncompetitive firms, drain public resources, and depress sector productivity (Krugman, 1986). Export subsidies aim to expand trade yet undermine efficiency by diverting resources based on government preferences rather than comparative advantage. In practice, protectionist tools prompt complex adjustments across interlinked global supply chains. Targeted supports tied to strict performance requirements may prove less distortionary (Noland & Pack, 2003). Policymakers face difficult tradeoffs given varied sectoral impacts.

Strategic currency devaluations may temporarily improve trade balances but risk retaliation through "beggar-thy-neighbor" policies abroad (Irwin, Peddling Protectionism: Smoot-Hawley and the Great Depression, 2010). Cheaper exports and pricier imports also raise inflation over time, unwinding the competitiveness gap as wages and input costs increase. Strong domestic patent protections slow diffusion of new innovations while reduced competition curbs pressures for continued progress (Qian, 2007). Buy-local procurement rules hamper multinational firms and can disproportionately harm small businesses lacking compliance resources (Evenett S. J., 2009). As with other interventions, protectionist instruments aim to support strategic domestic industries but risk efficiency losses across supply chains and the wider economy. Policymakers must weigh temporary gains against productivity declines, consumer welfare impacts, foreign retaliation risks, and entrenched government cronyism over the long term. Protections tied to transparent sunset provisions and performance metrics may mitigate distortionary impacts. Each instrument obstructs foreign rivals to assist local industry, but risks efficiency losses, reduced competitiveness and foreign retaliation (Irwin, The Rise of US Anti-dumping Activity in Historical Perspective, 2005).

Therefore, it can be argued that Key justifications for protectionism include supporting emerging industries, countering exploitative practices, correcting balance-of-payments imbalances, as well as national security considerations. Protectionist tools include tariffs, quotas, inspection procedures and subsidies which assess the justifications behind these interventions and their economic impacts.

3-The Enduring Legacy of Protectionism in International Trade Policy

To discuss historical tensions between protectionism and economic liberalization, and to assess the costs and benefits of each national development strategy, it is worth examining the reasons behind some economies' adoption of liberalization with others maintaining higher protectionist barriers.

In the midst of analyzing historical tensions between protectionism and economic liberalization, the costs and benefits of each strategy for national competitiveness and development must be assessed at different stages. This refers us to understand why some economies are passionately embracing global liberalization and integration while the practices of

" The Persistent Legacy of Protectionism in trade policies of globalized era: A Critical Analysis"

other countries show the extent of their focus on protectionist measures depending on the circumstances and situations. This is what raised Dawson & al:

"... today's strongest economies, in particular the USA and the EU, continue to follow Protectionist policies when it suits them, while preaching free market ideology to the developing countries – the height of hypocrisy" (Dawson, Jackson, & Norberg-Hodge, 2010).

Throughout history, nations have debated the merits of open versus closed economies. This discussion centers on the efficacy of protectionist trade policies that shield domestic industries versus economic liberalization policies promoting unfettered trade and open markets. Protectionism utilizes tariffs, quotas, subsidies, and other tools to restrict foreign competition and cultivate domestic production capacity (Irwin, *Clashing over Commerce: A History of US Trade Policy*, 2017). In contrast, economic liberalization seeks to eliminate trade barriers, privatize state-owned enterprises, reduce regulations, and integrate nations into the global economy (Williamson, 1990).

While protectionism promises greater self-sufficiency and domestic employment, liberalization provides access to cheaper imports and export markets to spur growth through comparative advantage (Bhagwati, 1989). However, the benefits of liberalization remain controversial, with critics arguing it harms workers in import-competing sectors and increases volatility from capital flows (Rodrik, 2011).

The advantages of open versus closed economies have been debated since the rise of global trade, centering on the efficacy of protectionist policies that shield domestic industries versus economic liberalization approaches promoting unfettered trade and open markets (Chang, 2002). Protectionism utilizes an array of policy tools including tariffs, quotas, subsidies, and regulations to restrict foreign competition and nurture domestic production capacity in selected industries (Irwin, 2017). These interventions aim to improve trade balances, employment, and national security self-sufficiency. In contrast, economic liberalization seeks to eliminate trade barriers, privatize state-owned enterprises, reduce regulations, and integrate nations into the global economy through regional trade blocs and multilateral institutions like the World Trade Organization (Williamson, 1990).

Proponents of liberalization argue that it enables countries to specialize on the basis of comparative advantage, giving access to cheaper imports and export industries where they are more efficient and productive. However, others argue that the benefits of liberalization remain uneven, often concentrating gains while harming workers in import-competing sectors, exacerbating inequality and job losses in developed countries (Anjaria, Z. labal, N. Kirmani, & L. L. Perez, 1983). Whereas, liberalization critics volatile also capital flows and financial crises as risks, arguing prudent regulation is needed.

Furthermore, the U.S advocated liberalization policies and actively supported trade agreements, a shift occurred in its trade policies when it deviated from liberalization and adopted a pro-protectionist stance. President Bush imposed tariffs on steel imports in 2003 to protect the inefficient US steel industry, in flagrant disregard of WTO rules. (Dawson, Jackson, & Norberg-Hodge, 2010). However, last US President Donald Trump also earned the title of "Tariff Man" (Delpeuch, Etienne, & Martin, 2021) under his revised policy direction, characterized by the extensive use of tariffs as a protective measure for the U.S. industry.

This shift disrupted the foundations of global trade through a trade war, involving the imposition of tariffs on billions of dollars' worth of European, Chinese, Mexican, and Canadian products. This move prompted the affected countries to reciprocate by imposing tariffs on American goods. The rise of protectionism is evident, driven by an increase in non-tariff barriers and a decline in popular support for globalization. In response, China implemented tariffs on American products. The United States has sustained this trend toward protectionism by

" The Persistent Legacy of Protectionism in trade policies of globalized era: A Critical Analysis"

withdrawing from various trade agreements, including those governed by the World Trade Organization, such as the Agreement on Government Procurement. Simultaneously, the United Kingdom has wielded its influence on the global trading system by disengaging from the European Union after almost five decades of membership, this separation is expected to have ramifications for the European Union and its future influence.

Moreover, many economists emphasize that there are appropriate circumstances for targeted protectionist interventions, such as cultivating infant industries during early development (Chang, 2002). Free trade is no longer the absolute rule and must give way to certain imperatives, starting with firms' participation in national solidarity, the protection of critical infrastructure and technologies, ecological transition, and the defense of the interests of national workers (THIONNET, 2023).

These decisions and attitudes find their explanations in the study (article) of), René Sandretto, entitled: "Protectionism at the turn of the century: opacity and stealth" (*Le protectionnisme au tournant du siècle: opacité et furtivité*), in which, Sandretto speaks of "secret protectionism", which seeks to obscure the protection of national interests without mutual concessions and undermine previous concessions. This "double play" between formal free trade discourse and actual protectionist practices reflects a deliberate strategy based on the clandestine use of restrictive means, which refers us to the argument that the impact of new protectionism is controversial: is it a moderate brake or a significant decline in free trade? Its new forms create an irreversible "escalation" effect. In that regard, the WTO's role and credibility in the face of national sovereignty should be reviewed. Its mission will be more about managing trade disputes than actively promoting free trade (Sandretto, 1998).

Undeniably, a nuanced equilibrium between protectionism and exposure to competition is imperative, as judiciously pointed out by Zambakari. This delicate balance, when appropriately struck, has the potential to catalyze development. However, Zambakari also emphasizes that when significant disparities exist in the competitive capabilities of domestic and foreign industries, state support becomes crucial for fostering a level playing field (Zambakari, 2020).

The COVID-19 pandemic has severely tested economic integration and assumptions of solidarity within the European Union. As the crisis emerged, nationalist interests sharply resurfaced, revealing limits in cross-border collaboration. Mandatory travel restrictions, impediments to tourism, and new trade barriers have strained economic ties across EU member states (Pitty, 2022). Key industries like manufacturing and travel faced adverse impacts from border closures and lockdowns. Relocating investments and supply chains grew more difficult under protective national policies (Zhang, Yuan Lu, & Lu, 2022). The bloc's critical tourism industry was also a hard hit.

Beyond economics, the pandemic dealt a blow to ideals of integration rooted in cooperative security. As Italy pleaded for help early in its COVID-19 outbreak, other EU states largely refused assistance, hoarding medical supplies for domestic use (Nölke, 2022). This exposed the weakness of collective action when national interests are at stake (Bergsten et al., 2021). Despite assumptions of shared identity and solidarity, nationalism persists strongly within member state decision-making. The crisis revealed the European project's vision of unity remains fragile when stressed by unpredictable threats like a pandemic (Mariani, 2021).

In frustrating core EU pillars of open borders and markets, COVID-19 sharpened nationalist instincts over collective interests. Interactions showed questionable reliability of bilateral and multilateral relations in times of emergency. What was once a model of contemporary cooperation failed to mount a unified pandemic response when needed the most. This crisis has thus underscored complexities that remain in achieving full integration in Europe.

" The Persistent Legacy of Protectionism in trade policies of globalized era: A Critical Analysis"

Conclusion:

Two centuries after the advent of liberal trade theory, protectionist policies persist in asserting themselves during times of crisis. Government responses to the coronavirus pandemic exemplify this trend, including measures undertaken by member states of the European Union – ostensibly the apotheosis of integration with international economic frameworks. Such developments prompt re-evaluation of the viability for such policies in the prevailing climate. Notwithstanding a long-standing ideological commitment to open borders and free trade, exogenous shocks to the system may yet engender retreat to insulating domestic industries. The pandemic has elucidated these proclivities across polities of varying size and constitution (Abrahám & Vošta, 2022). Further research can serve to contextualize these policy shifts within larger patterns of reacting to global supply and demand contractions. Assessing the efficacy of these protectionist trade policies could illuminate optimal responses to future systemic disruptions.

This tendency for protectionism to reemerge amid greater economic integration creates a contradictory context of trade policy that requires further examination (Albertoni, 2021). The peculiar resilience of protectionism, even in eras dominated by liberalization, underscores the need to continually reassess the appropriate balance between strategic trade barriers and openness. More research delineating this integral nexus at both the theoretical and practical levels can illuminate optimal pathways for states to harmonize protectionist and liberalization measures in the advancement of national and collective interests.

References

- 1) (2009, March). *Le Monde Diplomatique*, P. 21.
- 2) Abboushi, S. (2010, October). Trade Protectionism: Reasons And Outcomes. *Competitiveness Review An International Business Journal Incorporating Journal Of Global Competitiveness*, 20, 384-394.
- 3) Abrahám, J., & Vošta, M. (2022). Impact Of The Covid-19 Pandemic On Eu Convergence. *Journal Of Risk And Financial Management*.
- 4) Albertoni, N. (2021). A Historical Overview Of 21st-Century Protectionism: How Did We Arrive At This Point? *Latin American Journal Of Trade Policy*, 19.
- 5) Anjaria, S. J., Z. Labal, N. Kirmani, & L. L. Perez. (1983). *Protectionism*. International Monetary Fund, Finance & Development.
- 6) Bairoch, P. (1995). *Economics And World History. Myths And Paradoxes*. University Of Chicago Press.
- 7) Bhagwati, J. N. (1989). *Protectionism*. Stockholm: The Mit Press.
- 8) Bown, C. P. (S.D.). How The United States Marched The Semiconductor Industry Into Its Trade War With China. *East Asian Economic Review*, 25(04), 349-386.
- 9) Bown, C. P., & Douglas, A. (2015). *The Gatt's Starting Point: Tariff Levels Circa 1947*. Cambridge: National Bureau Of Economic Research.
- 10) Bown, C., & Crowley, M. (2013). Import Protection, Business Cycles, And Exchange Rates: Evidence From The Great Recession. *Journal Of International Economics*, 90(01), 50-64.
- 11) Bruton, H. J. (1998, June). A Reconsideration Of Import Substitution. *Journal Of Economic Literature*, 02, Pp. 903–936.
- 12) Bussière, M. (2020). The Geography Of Protectionism: A Unilateral Trade Policy Analysis. *Journal Of International Economics*.
- 13) Carey, H. C. (1858). *Principles Of Social Science*. Philadelphia : J.B. Lippincott & Co.

" The Persistent Legacy of Protectionism in trade policies of globalized era: A Critical Analysis"

- 14) Chang, H.-J. (2002). *Kicking Away The Ladder. Development Strategy In Historical Perspective*. London: Anthem Press.
- 15) Chang, H.-J. (2007). *Bad Samaritans. The Myth Of Free Trade And The Secret History Of Capitalism*. Bloomsbury Press.
- 16) D.Cimino-Isaacs, C. (2021). *U.S. Trade Policy Primer: Frequently Asked Questions*. Congressional Research Service.
- 17) Dawson, J., Jackson, R., & Norberg-Hodge, H. (2010). *Gaian Economics Living Well Within Planetary Limits*. East Meon: Hyden House Ltd.
- 18) Delpeuch, S., Etienne, F., & Martin, P. (2021, January 30). *Trade Imbalances And The Rise Of Protectionism*. Récupéré Sur <https://cepr.org/publications/dp15742>.
- 19) Demir, M., & Ayçe, S. (2017, September 04). The Effects Of Protectionist Policies On International Trade. *People: International Journal Of Social Sciences*, 03(02), 136 - 158.
- 20) Dudău, R., & Mihnea Cătuți. (2020). *The Impact Of The Covid-19 Crisis On The European Green Deal. A Focus On Romania And Southeast Europe*. Energy Policy Group.
- 21) Eclac. (1950). *The Economic Development Of Latin America And Its Principal Problems*. United Nations Department Of Social Affairs.
- 22) Evenett, S. (2012). *Débâcle: The 11th Gta Report On Protectionism*. Récupéré Sur <https://cepr.org/voxeu/columns/debacle-11th-gta-report-protectionism>
- 23) Evenett, S. (2020, March 19). *Sickening Thy Neighbour: Export Restraints On Medical Supplies During A Pandemic*. Récupéré Sur <https://cepr.org/voxeu/columns/sickening-thy-neighbour-export-restraints-medical-supplies-during-pandemic>
- 24) Evenett, S. J. (2009). What Can Be Learnt From Crisis-Era Protectionism? An Initial Assessment. *Business And Politics*, 11(03), Pp. 01-29.
- 25) Farazmand, A. (2021). Globalization, Pandemics, And The Future Of Public Administration In The Post-Covid Era: What Global Crisis Changes Are Here To Stay? *Journal Public Organization Review*, 22, 25-41.
- 26) Feenstra, R. C., & E. Weinstein, D. (2017). Globalization, Markups, And Us Welfare. *Journal Of Political Economy*, 125(04), 1040-1074.
- 27) Fredrik Erixon, Razeen Sally. (2010). *Trade, Globalisation And Emerging Protectionism Since The Crisis*. Ecipe Working Paper.
- 28) Frieden, J. A. (2017). *Global Capitalism: Its Fall And Rise In The Twentieth Century*. New York: Northon & Company.
- 29) Hanssen, B. (2010). The Optimal Level Of Trade Protection In The Presence Of Retaliation. *Journal Of Policy Modeling*, 32(03), Pp. 353-369.
- 30) Irwin, D. A. (2005, May 23). *The Rise Of Us Anti-Dumping Activity In Historical Perspective* (Vol. 28). International Monetary Fund.
- 31) Irwin, D. A. (2010). *Peddling Protectionism: Smoot-Hawley And The Great Depression*. Princeton University Press.
- 32) Irwin, D. A. (2017). *Clashing Over Commerce: A History Of Us Trade Policy*. University Of Chicago Press.
- 33) Irwin, D. A. (2017, May- June). The False Promise Of Protectionism: Why Trump's Trade Policy Could Backfire. *Foreign Affairs*, 96(03), Pp. 45-56.
- 34) Irwin, D. A. (2020). *Free Trade Under Fire: Fifth Edition*. Princeton University Press.
- 35) Khadidja, A. (2012-2013). The World Trade Organization Mechanism To Evaluate Trade Policies. *Unpublished Magister's Thesis*. Comparative Business Law. Doctoral School, Oran College.

" The Persistent Legacy of Protectionism in trade policies of globalized era: A Critical Analysis"

- 36) Kicsi, R., & Buta, S. (2010). Protectionism And "Infant" Industries. Theoretical Approaches. *Economics And Applied Informatics*(01), 173-180.
- 37) Krueger, A. O. (1974). The Political Economy Of The Rent-Seeking Society. , 64(3),. *The American Economic Review*, 64(03), Pp. 291-303.
- 38) Krugman, P. (1986). *Strategic Trade Policy And The New International Economics*. Cambridge: Mit Press.
- 39) Lampe, M., & Sharp, P. (2014, March). Greasing The Wheels Of Rural Transformation? Margarine And The Competition For The British Butter Market. *The Economic History Review*, 67(03).
- 40) List, F. (1841). *The National System Of Political Economy*. London: Longmans, Green, And Company.
- 41) Magnusson, L. (2015). *The Political Economy Of Mercantilism* (Vol. 243). New York: Routledge Explorations In Economic History.
- 42) Mariani, P. (2021). The Eu Market In Times Of A Global State Of Emergency: Internal And External Trade Barriers In The Age Of Pandemics. *Legal Issues Of Economic Integration*, 48(01), 05-18.
- 43) Moïsé, E., & Sorescu, S. (2013). *Trade Facilitation Indicators: The Potential Impact Of Trade Facilitation On Developing Countries' Trade*. Oecd Trade Policy Papers. Oecd Publishing.
- 44) Noland, M., & Pack, H. (2003). *Industrial Policy In An Era Of Globalization: Lessons From Asia*. Peterson Institute For International Economics.
- 45) Nölke, A. (2022, May 10). *Trade Policy: Liberalism Or Protectionism?* Bristol University Press.
- 46) Orden, D., Blandford, D., & Josling, T. (2011). *Wto Disciplines On Agricultural Support: Seeking A Fair Basis For Trade*. Cambridge University Press.
- 47) O'rourke, K. H. (2000). Tariffs And Growth In The Late 19th Century. *The Economic Journal*, 10(463), 456-483.
- 48) Pigato, M. A., Ryan Rafaty, & Jonas Kurle. (S.D.). *The Covid-19 Crisis And The Road To Recovery: Green Or Brown?*
- 49) Pitty, R. (2022). The Historic Failure Of The Eu And Nationalism In The Covid19 Pandemic. *Australian And New Zealand Journal Of European Studies*, 17.
- 50) Prusa, T. (2001). On The Spread And Impact Of Anti-Dumping. *Canadian Journal Of Economics*, 34(03), Pp. 591-611.
- 51) Qian, Y. (2007). Do National Patent Laws Stimulate Domestic Innovation In A Global Patenting Environment? A Cross-Country Analysis Of Pharmaceutical Patent Protection, 1978-2002. *The Review Of Economics And Statistics*, 89(03), Pp. 436-453.
- 52) Rainelli, M. (2011). *L'organisation Mondiale Du Commerce*.
- 53) Sandretto, R. (1998). Le Protectionnisme Au Tournant Du Siècle: Opacité Et Furtivité. *Etudes Internationales*, 29(02), Pp. 349-364.
- 54) Suranovic, S. (2010). *International Trade: Theory And Policy*.
- 55) Taussig, F. W. (1930). The Tariff, 1929-30. *The Quarterly Journal Of Economics*, 44(02), 175-204.
- 56) Tharoor, S. (2017). *Inglorious Empire: What The British Did To India*. London.
- 57) Thionnet, P.-R. (2023). La Fin De La Mondialisation Libérale : Entre Réalité Concrète Et Utopie Nécessaire. *Tribune*.
- 58) Unctad. (2020). *Impact Of The Covid-19 Pandemic On Trade And Development. Transitioning To A New Normal*. United Nations. Geneva: United Nations Publication.

" The Persistent Legacy of Protectionism in trade policies of globalized era: A Critical Analysis"

- 59) Williamson, J. (1990). *Latin American Adjustment: How Much Has Happened?* Peterson Inst For Intl Economics.
- 60) Yingjie, D., Xuanni, F., Yuto, I., Chantel, L., & Haoxuan, Y. (2021). The Impact Factors Of Protectionism On China. Dans B. A. Advances In Economics (Éd.), *Proceedings Of The 2021 3rd International Conference On Economic Management And Cultural Industry (Icemci 2021)*. 203, Pp. 1804-1810. Atlantis Press.
- 61) Zambakari, C. (2020). The Role Of State In Economic Development: Infant Industry Production In South Sudan. *The Georgetown Public Policy Review*, 25(01), Pp. 123-133.
- 62) Zhang, S., Yuan Lu, & Lu, Y. (2022). The Covid-19 Pandemic And Tourists' Risk Perceptions: Tourism Policies' Mediating Role In Sustainable And Resilient Recovery In The New Normal. *Sustainability*(15).