

SEE Questionnaire

Marketplace Ethics Q4



Has your company, or a representative association, pushed for protection against imports from developing countries?

Question developed with [ActionAid](#)

Rationale for question

International trade and investment can have a strong positive impact on developing nations. It can promote economic benefits such as employment and wealth creation, provide goods and services otherwise unavailable and encourage enterprise, innovation and creativity.

Business has the ability to positively use the tools of trade to increase wealth in developing countries. Alternatively, it can exacerbate poverty and increase vulnerability through the negative use of trade muscle. A company may act independently, through its trade associations, or in conjunction with its home government or a trading bloc. Certain bodies can exert undue influence when lobbying in the development of particular rules governing major international trade treaties which allow for more protectionist measures, for example in agricultural or industrial production or in professional services. In international negotiations, developing countries generally lack the negotiating capacity of wealthier ones.

Lobbying against imports by businesses in the industrial countries prevents people from developing countries gaining access to markets. However, it is generally not the small, domestic businesses that are pushing for these policies or particularly stand to benefit from them. In limited situations and in certain industry sectors, some forms of protectionist lobbying may be a reasonable response to particular market conditions or to environmental imperatives.

Conversely, aggressive corporate lobbying to open up developing countries' economies, particularly in sensitive sectors such as retail, utilities and finance, can be as damaging as import protectionism. Greater market liberalisation can prevent developing countries from developing, promoting and protecting fragile, new industries. Protectionism and trade policy are controversial and complex subjects. There are no easy answers.

Defining terms

'Developing countries' are defined by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) as 'low- and middle-income countries in which most people have a lower standard of living with access to fewer goods and services than do most people in high-income countries'.

'Protection' is defined as regulations designed to restrict and/or discourage imports. Such policies include tariffs on imported goods to increase the price of foreign competitor goods; quotas to prevent the influx of certain goods into the market; and subsidies to protect existing businesses in the face of industry change.

Primary and Secondary answer requirements

ANSWERING YES

Companies must:

1. state the industry, business sector or trade commodity at issue;
2. explain why they, or any organisations acting on their behalf, have lobbied for protection, such as tariffs or quotas on imports; and
3. detail the effects of the lobbying.

ANSWERING NO

Companies may:

1. state their business sector; and
2. state any efforts to grow trade to the benefit of developing countries.

DON'T KNOW is not a permissible answer to this question.

NOT APPLICABLE is not a permissible answer to this question.

NO ANSWER YET is only permissible under extraordinary circumstances and then for only a limited period.