Public Affairs 856   Menzie D. Chinn
Fall 2004   Social Sciences 7418
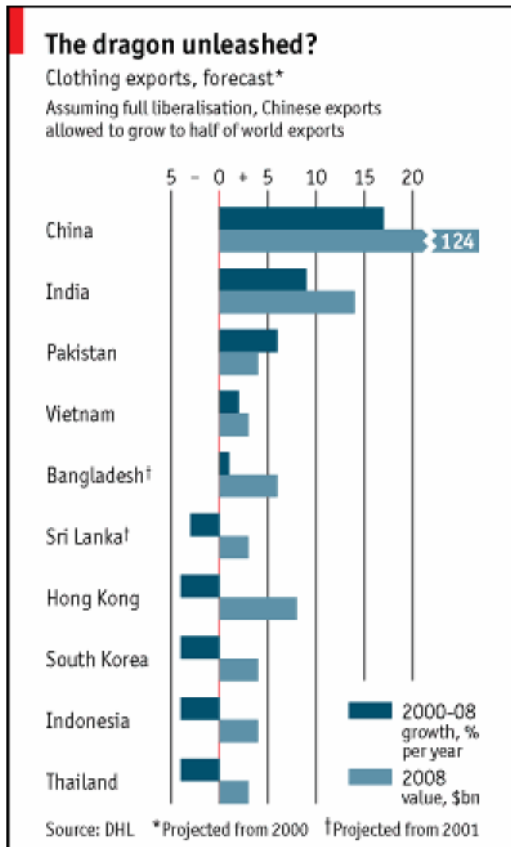University of Wisconsin-Madison
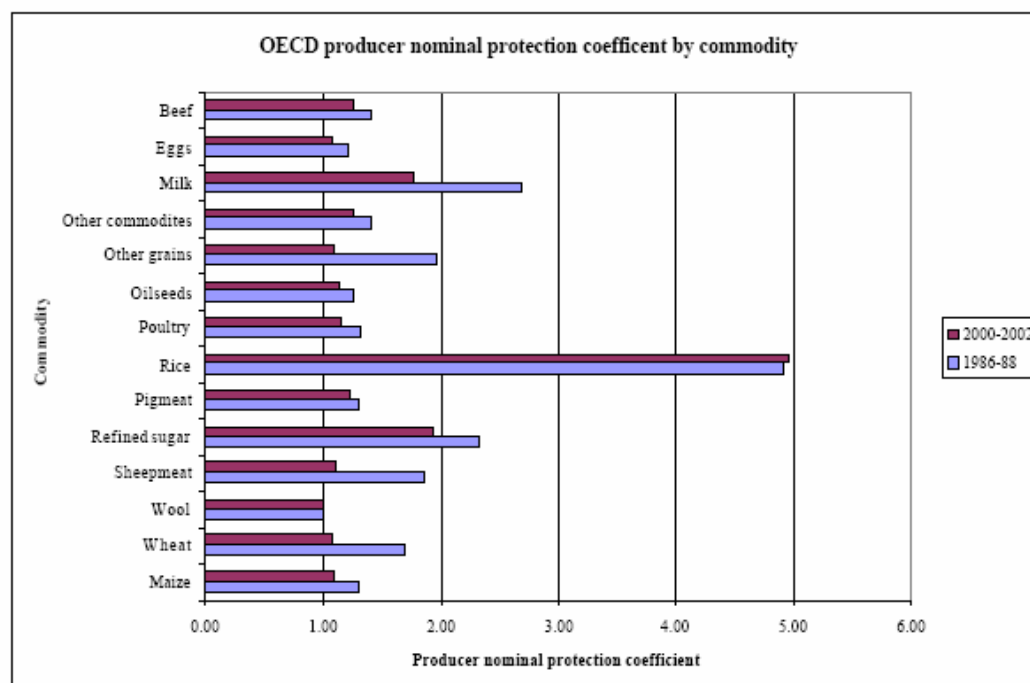
Handout on Developing Country Issues

MFA

China Textile Safeguard

- [List of Recent Requests for China Textile Safeguard Action.](#)

- Notices Seeking Public Comments Regarding Requests (**Federal Register Notices**) and Copies of Requests Filed.

    - 12/01/2004 [Category 620](#), Other Synthetic Filament Fabric.
      Copy of Request Filed: [Category 620](#), Other Synthetic Filament Fabric.

    - 11/18/2004 [Category 301](#), Combed Cotton Yarn.

Copy of Request Filed: Category 301, Combed Cotton Yarn.

- o 11/03/2004 Category 338/339, Cotton Knit Shirts and Blouses
  Copy of Request Filed: Category 338/339, Cotton Knit Shirts and Blouses.

- o 11/03/2004 Category 340/640, Men's and Boys' Cotton and Man-made Fiber Shirts, not Knit
  Copy of Request Filed: Category 340/640, Men's and Boys' Cotton and Man-made Fiber Shirts, not Knit.

- o 11/03/2004 Category 352/652, Cotton and Man-made Fiber Underwear
  Copy of Request Filed: Category 352/652, Cotton and Man-made Fiber Underwear.

- o 11/03/2004 Category 638/639, Man-made Fiber Knit Shirts and Blouses
  Copy of Request Filed: Category 638/639, Man-made Fiber Knit Shirts and Blouses.

- o 11/03/2004 Category 647/648, Man-made Fiber Trousers
  Copy of Request Filed: Category 647/648, Man-made Fiber Trousers.

- o 10/30/2004 Category 347/348, Cotton trousers
  Copy of Request Filed: Category 347/348, Cotton trousers.

- Announcement of Request for Bilateral Textile Consultations with the Government of the People's Republic of China and the Establishment of an Import Limit for: **(Federal Register Notices)**

  - o Category 332/432 and 632 Part, Cotton, wool, and man-made fiber socks.
    Removal of Export Visa and ELVIS Requirements for Certain Cotton, Wool, and Man-Made Fiber Socks in Category 432 and 632 Part Produced or Manufactured in the People's Republic of China.

  - o Category 222, Knit fabric

  - o Category 349/649, Cotton and man-made fiber brassieres

  - o Category 350/650, Cotton and man-made fiber dressing gowns

Agriculture

Figure 1 Producer nominal protection coefficients by commodity

Source: OECD PSE/CSE database.

Source: Ashraf, McMillan and Peterson-Zwane, "My policies or yours?"

Table 1: Agriculture's importance in economies by income classification

Countries	Agriculture value added (% of GDP)	Rural population share (%)	Arable land under cereal production (%)
High income OECD	2	21	38
Low & middle income	12	58	53
Least developed countries	33	76	60

Source: World Development Indicators. Notes: Low and middle income classification uses World Bank definition (income below about $9,000); least developed countries uses United Nations (UN) classification (44 poorest members of the UN).

Source: Ashraf, McMillan and Peterson-Zwane, "My policies or yours?"

Table 2 Leading net importers and exporters of OECD-supported commodities, 2000 ('000s of Metric Tonnes)

Rice				Maize				Refined Sugar				Wheat			
Net importers	QM	Net exporters	QX	Net importers	QM	Net exporters	QX	Net importers	QM	Net exporters	QX	Net importers	QM	Net exporters	QX
Indonesia	1,500	Australia	552	Japan	16,340	Moldova	50	Iran	720	Belarus	230	Brazil	7,201	China	428
Philippines	1,410	Burma	670	Korea	8,743	Thailand	166	Algeria	700	Korea	348	Iran	6,284	Hungary	963
Nigeria	1,250	Egypt	694	Mexico	5,911	Ukraine	371	Nigeria	685	Colombia	349	Egypt	6,050	India	1,128
Iraq	959	Uruguay	736	Egypt	5,268	Paraguay	458	Indonesia	542	Poland	363	Algeria	5,600	Turkey	1,135
Saudi Arabia	942	China	1,580	Taiwan	4,924	Hungary	717	Israel	490	China	367	Japan	5,431	Kazakhst	3,654
Iran	765	India	1,685	Canada	2,624	S.Africa	886	Sri Lanka	449	U.A.E.	521	Indonesia	4,020	Argentin	11,265
Senegal	735	U.S.	2,245	E. U.	2,591	Brazil	5,938	India	413	Turkey	613	Morocco	3,534	E.U.	12,066
Bangladesh	672	Pakistan	2,429	Malaysia	2,365	China	7,187	Syria	375	Thailand	1,802	Iraq	3,300	Australia	15,856
E. U.	641	Vietnam	3,488	Colombia	1,857	Argentina	9,653	Uzbekistan	313	Brazil	3,900	Philippin	3,050	Canada	17,117
Brazil	632	Thailand	7,521	Algeria	1,600	U.S.	49,140	Bangladesh	310	E.U.	6,019	Korea	2,999	U.S.	26,459

Cotton				Oilseeds				Dry Whole Mild Powder				Wheat	
Net importers	QM	Net exporters	QX	Net importers	QM	Net exporters	QX	Net importers	QM	Net exporters	QX	Net importers	QM
Indonesia	574	Burkina	113	E.U.	17,392	Ukraine	2	Algeria	110				
Mexico	389	Mali	125	China	13,037	Hungary	5	Brazil	108	Colombia	0		
Russia	359	Cote d'Ivoire	131	Japan	4,767	Uruguay	14	Venezuela	65	Poland	0		
Turkey	353	Benin	136	Mexico	4,381	Ecuador	30	Philippines	52	Canada	4		
Thailand	342		147	Taiwan	2,330	Zimbabwe	39	China	41	Ukraine	4		
India	321	Turkmenist Syria	229	Korea	1,404	Canada	316	Taiwan	38	U.S.	12		
Korea	306	Greece	306	Thailand	1,290	Paraguay	2,550	Mexico	34	Argentina	103		
Italy	289	Uzbekistan	739	Indonesia	1,127	Argentina	6,995	Egypt	30	Australia	164		
Japan	248	Australia	850	Israel	617	Brazil	14,570	Thailand	26	N.Zlnd	407		
Taiwan	226	U.S.	1,464	Malaysia	592	U.S.	27,006	Peru	22	E.U.	568		

Source: USDA/FATUS. Countries in bold are rich-country OECD members. Data excludes food aid.

Source: Ashraf, McMillan and Peterson-Zwane, "My policies or yours?"

Table 5: Do rich country agricultural policies affect the incomes of the poor?

Dependent variable: Log income per capita of first quintile						
	(1)	(2)	(3)	(4)	(5)	(6)
	OLS	OLS	OLS	OLS	OLS	OLS
OECDPOLICY	0.073	-0.036	-0.325	-0.373	-0.254	-0.390
	[0.046]	[0.058]	[0.130]**	[0.210]*	[0.226]	[0.185]**
OECDPOLICY squared			0.099	0.120	0.104	0.124
			[0.033]***	[0.053]**	[0.054]*	[0.048]**
Log average income per capita	1.049	0.950	0.948	0.960	0.936	0.959
	[0.046]***	[0.051]***	[0.052]***	[0.061]***	[0.074]***	[0.060]***
SOI anomaly	-0.016	-0.021	-0.012	-0.002	-0.005	-0.004
	[0.035]	[0.030]	[0.030]	[0.030]	[0.030]	[0.031]
ECE*OECDPOLICY				0.596	0.504	0.533
				[0.313]*	[0.304]	[0.387]
MENA*OECDPOLICY				0.155	0.049	0.100
				[0.187]	[0.189]	[0.259]
LAC*OECDPOLICY				0.203	0.140	0.160
				[0.134]	[0.139]	[0.191]
SSA*OECDPOLICY				-0.197	-0.259	-0.194
				[0.098]**	[0.115]**	[0.103]*
SA*OECDPOLICY				-0.080	-0.166	-0.124
				[0.172]	[0.179]	[0.246]
Arable land per capita					-0.045	
					[0.039]	
Non-program crops share, 1970						-0.131
						[0.320]
REGIONAL FIXED EFFECTS						
East and Central Europe		0.419	0.486	-0.029	0.205	0.042
		[0.077]***	[0.084]***	[0.321]	[0.364]	[0.404]
Middle East North Africa		-0.031	0.029	-0.095	0.116	-0.029
		[0.085]	[0.086]	[0.209]	[0.271]	[0.299]
Latin America Caribbean		-0.394	-0.315	-0.573	-0.413	-0.515
		[0.067]***	[0.070]***	[0.209]***	[0.247]*	[0.278]*
Sub-Saharan Africa		0.257	0.269	0.703	0.835	0.681
		[0.069]***	[0.071]***	[0.231]***	[0.264]***	[0.250]***
South Asia		-0.509	-0.468	-0.347	-0.167	-0.287
		[0.127]***	[0.128]***	[0.268]	[0.300]	[0.343]
Constant	-1.797					
	[0.377]***					
Observations	143	143	143	143	141	143
R-squared	0.79	0.88	0.88	0.89	0.89	0.89
F-stat	188.30	164.55	122.59	122.42	124.94	108.28

Excluded dummy variable in regressions with regional fixed effects is East Asia and Pacific. Huber robust standard errors in parentheses. Significantly different from zero at 90% (*), 95% (**) 99% (***) confidence. SOI is Southern Oscillation Index. Income measured in $1985, PPP. MENA is Middle East and North Africa, ECE is Eastern and Central Europe. LAC is Latin America and Caribbean, SSA is Sub-Saharan Africa, SA is South Asia. Program crops are defined as those for which a NPC estimate is calculated by the OECD.

Source: Ashraf, McMillan and Peterson-Zwane, "My policies or yours?"

Table 6: Determinants of agricultural support in the OECD

Dependent variable: OECDPOLICY$_{it}$

	(1) OLS	(2) OLS	(3) OLS	(4) OLS	(5) OLS
EU Budget year? (0/1)	0.135 [0.214]	0.217 [0.193]	0.134 [0.195]	-0.089 [0.163]	
Japanese election year? (0/1)	-0.203 [0.164]	-0.189 [0.133]	-0.144 [0.133]	-0.200 [0.107]*	
US election year? (0/1)	-0.048 [0.158]	-0.070 [0.156]	-0.014 [0.144]	0.043 [0.116]	
France election year? (0/1)	0.459 [0.207]**	0.362 [0.186]*	0.409 [0.187]**	0.338 [0.131]**	
Output per farm, US		1.457 [0.279]***	0.967 [0.304]***	0.219 [0.276]	0.081 [0.382]
Output per farm, EU			11.793 [3.221]***	6.574 [3.280]**	6.670 [3.463]*
Concentration of production in US				9.859 [1.069]***	11.750 [2.440]***
Concentration of production in EC				-0.691 [0.842]	
SOI anomaly	-0.056 [0.067]	-0.062 [0.059]	-0.091 [0.061]	-0.092 [0.045]**	-0.030 [0.039]
Constant	1.305 [0.092]***	0.716 [0.159]***	0.277 [0.179]	-0.337 [0.162]**	-0.301 [0.155]*
Observations	143	143	143	143	143
R-squared	0.04	0.17	0.23	0.55	0.53
F-stat	1.11	5.30	8.31	21.31	31.69

Output per farm and concentration of production variables are weighted averages across commodities like the dependent variable where weights are country-specific and defined as fraction of agricultural production in each commodity class in 1970. Huber robust standard errors in parentheses. Significantly different from zero at 90% (*), 95% (**) 99% (***) confidence. SOI is Southern Oscillation Index.

Source: Ashraf, McMillan and Peterson-Zwane, "My policies or yours?"

Table 8: My policies or yours?

Dependent variable: Log income per capita of first quintile- instrumenting for income only							
	(1) IV	(2) IV	(3) IV	(4) IV	(5) IV	(6) IV	(7) IV
Log average income per capita	0.998	0.849	0.883	0.988	0.799	1.048	0.319
	[0.205]**	[0.131]***	[0.164]***	[0.218]***	[0.253]***	[0.193]***	[0.449]
SOI anomaly	-0.004	0.005	-0.008	-0.011	-0.002	-0.014	0.013
	[0.032]	[0.030]	[0.030]	[0.030]	[0.027]	[0.031]	[0.043]
OECDPOLICY	-0.651	-0.431	-0.435	-0.443	-0.459	-0.159	-0.799
	[0.354]*	[0.234]*	[0.245]*	[0.385]	[0.251]*	[0.292]	[0.449]*
OECDPOLICY squared	0.208	0.119	0.129	0.137	0.142	0.070	0.296
	[0.100]**	[0.054]**	[0.054]**	[0.078]*	[0.058]**	[0.096]	[0.173]*
ECE*OECDPOLICY	0.801	0.480	0.546	0.626	0.618	0.490	1.445
	[0.396]**	[0.293]	[0.333]	[0.371]*	[0.285]**	[0.406]	[0.801]*
MENA*OECDPOLICY	0.193	0.089	0.181	0.213	0.216	0.042	0.447
	[0.197]	[0.193]	[0.182]	[0.289]	[0.180]	[0.279]	[0.402]
LAC*OECDPOLICY	0.234	0.259	0.297	0.235	0.297	0.220	0.506
	[0.172]	[0.149]*	[0.168]*	[0.219]	[0.163]*	[0.172]	[0.191]*
SSA*OECDPOLICY	-0.335	-0.155	-0.163	-0.209	-0.164	-0.188	-0.547
	[0.183]*	[0.106]	[0.124]	[0.106]**	[0.127]	[0.197]	[0.363]
SA*OECDPOLICY	0.014	-0.000	-0.031	-0.052	-0.090	-0.282	-0.069
	[0.236]	[0.195]	[0.192]	[0.251]	[0.191]	[0.219]	[0.254]
Exports+Import/ GDP	-0.310						-0.604
	[0.310]						[0.319]*
Gov't consumption / GDP		-1.095					-1.449
		[0.828]					[0.959]
1+inflation rate			-0.160				-0.179
			[0.109]				[0.070]*
Stock of secondary educ.						0.036	0.399
						[0.098]	[0.200]*
Rule of Law Index 1997-98					0.118		0.215
					[0.142]		[0.129]*
Deposit money/total bank assets				0.021			0.503
				[0.283]			[0.420]
F-statistic							
Observations	132	143	143	135	140	114	107

Log average income instrumented using 5-year lagged growth. All regressions included regional fixed effects where excluded dummy variable is East Asia and Pacific. Huber robust standard errors in parentheses. Significantly differen from zero at 90% (*), 95% (**) 99% (***) confidence. SOI is Southern Oscillation Index. Income measured in $1985, PPP. MENA is Middle East and North Africa, ECE is Eastern and Central Europe. LAC is Latin America and Caribbean, SSA is Sub-Saharan Africa, SA is South Asia. All control variables measured as five-year averages except Rule of Law Index.

Source: Ashraf, McMillan and Peterson-Zwane, "My policies or yours?"