



The Hague International Model United Nations

Forum: GA2

Issue: The question of the impact of protectionist policies on international trade

Student Officer: Kerem Korucan

Position: Deputy President

Introduction

Protectionist policies cover a wide range of economic methods that restrict international trade with one or multiple countries like tariffs and quotas. They have been used historically as a means to protect domestic industries to rise and prosper, to prevent other nations from economically advancing, or to stop trade with nations that are deemed to be using their economy for war or inhumane purposes by others. The recent change of office in the United States government to Donald Trump saw the reintroduction of the largest series of tariffs since the Great Depression without a physical war, not counting tariffs imposed on the Russian Federation. Many countries have responded in their own ways, but what remains as a fact is that international trade has been affected for all.

Canadians were cut from their jobs due to a drop in exports, Brazil lost a hefty revenue from coffee exports, Japan and Switzerland saw an economic contraction. Tariffs are not benefiting the US economy entirely as well, as many claim the loss of exports are being translated into increased tax revenue for the government from the citizens. Historical evidence from the Great Depression as well as years of economic studies conclude that protectionist policies end up with higher prices for everyone around the globe and restrain economic growth.

Although the US has been the popular focus of the issue the last year, protectionist policies are not just being employed by them. The European Union has had tariffs on agricultural products for many years to support their own farmers. It has been reported that China has kept its currency undervalued through control, disallowing the conditions for a free market.

Regardless of the amount one nation is putting tariffs on another, protectionism affects the entire world market by driving up costs of products, damaging international relations and trust, and leaving an uncertain future both economically and diplomatically.

Definition of Key Terms

Protectionism

Protectionism is a strategy deployed by governments to limit international trade by disincentivizing it. Its main aim is to foster domestic economic growth while decreasing foreign dependence.

Tariff

Tariffs are additional taxes imposed by governments on the goods and services that are imported from another nation to make trade unfavorable.

Trade War

A trade war happens when two governments are in an economic battle to respond to each others' trading policies. For example, a nation that is imposed tariffs from a nation can retaliate by imposing tariffs of their own, leading to a trade war.

Free Market

A free market is where the prices of goods and services are determined by the demand and supply with little to no intervention from government protectionist policies.

Background Information

The history of trade has seen a constant exchange between protectionism and colonialism through different periods. To understand the topic of protectionism deeply, four eras can be investigated primarily.

Mercantilist Era (1600s - 1930)

The first setting point of protectionism which ruled over European policy from the 16th to the 18th century was Mercantilism. Mercantilism was a policy that deemed trade not as a mutually beneficial ordeal, where one had to win and the other had to lose. The empires in this historical era believed that gold and silver was the important thing to be accumulated, so they viewed exporting as ideal and importing was not necessary since colonialism was spread wide and heavy duty could be laid on the people there. Eventually, these ideals were challenged by two people named Adam Smith and David Ricardo. They believed that nations specializing in certain areas or fields and engaging in trade would yield a world more prosperous, setting the basics of the world today.

One of the first manoeuvres toward liberalism was made from the United Kingdom which abolished the Corn Laws in 1846 to allow cheaper grain imports into the nation. However, this step taken by Britain was not viewed the same in the rest of the world. Other nations viewed this as another attempt to establish industrial and economic hegemony. Countries such as the US and Germany continued their heavy tariffs in order to grow their own industries and domestic growth.

The Great Depression (1918-1939)

Following World War I, the rise of the global economy slowed down which prompted nations to turn into isolationism, which is an extreme scenario of protectionism. One of the pinnacle stages of

isolationism was the US passing the Smooth-Hawley Tariff Act, which put countless many tariffs on countless goods and services. Its aim was to protect the American economy and American producers in the early stages of the Great Depression, which had already begun.

The turnout, however, was a great disaster for everyone involved, not just the US. Every country responded in a manner similar to the US to protect their own interests, so in the end, everyone was left isolated due to the massive tariffs. Global trade plummeted and with it radical nationalism also saw a rise in struggling European countries such as Italy and Germany, which led to the starting of World War II. The outcome of the isolationary and protectionist policies were clear, it set the pathway for global destruction and distrust. So, after the Second World War was over, something had to change.

The GATT and World Trade Organization (1945-2001)

After the war, a new financial system had to be established in order to prevent what had happened in the Great Depression. To lower trade barriers through negotiation and facilitate global trade, the General Agreement on Tariffs and Trade (GATT) was signed in 1947. The agreement was more than effective, as it saw global tariff rates plummet down to just five percent from where it was up at forty percent.

This development alongside rising liberalism, the idea of the free market, capitalism, and everything related saw its peak through the establishment of the World Trade Organization (WTO). However, it also complicated things by adding an international legal barrier, the laws of trade were now governed by an organisation, not the sheer economic power of individual nations. Although this was not a primary concern for the future, it still added complexity to liberalism. Furthermore, when China joined the WTO in 2001, it did not only connect millions of people but it also formed a vacuum for the rising power China to draw millions of people into manufacturing jobs from the West. This was the beginning point of the gradual return to protectionism seen today.

New Protectionism (2008-2025)

Another turning point was the 2008 financial crisis. As growth stalled once again in the world, governments opted for other methods of protectionism by introducing things such as “Non-Tariff Barriers” such as subsidies, regulations, and other restrictions.

By the time of the late 2010s, protectionism became more of a strategy to defend national interests rather than pursue economic prosperity. The most prominent example was the 2018 US-China trade conflict, where the main aim was not to halt economic growth but to prevent improvements in areas such as technology. The trend of protectionism saw a rise once again with the Covid-19 pandemic where it was exposed that too much foreign dependence might lead to catastrophic consequences in similar situations. Today, as is the example with Trump’s tariffs and all tariffs around the world, protectionism is being used as a method to only engage in trade with political allies and to prevent trade with enemies to halt their economic and national grow

Major Countries and Organizations Involved

The World Trade Organization

The World Trade Organization (WTO) is the primary international body responsible for overseeing global trade. It actively works to reduce the negative effects of protectionism by administering multilateral trade agreements, monitoring national trade policies, and resolving trade disputes between member states. The WTO emphasizes trade liberalization, transparency, and cooperation through frameworks such as:

- The Marrakesh Agreement (15 April 1994)

The Agreement established the WTO, which replaced the General Agreement on Trade and Tariffs (GATT) and created a stable environment for trade and reduced unilateral protectionist movement. The framework promotes an open, fair, and predictable global marketplace intended to raise living standards and drive economic growth through trade and investment.

- The Doha Ministerial Declaration (14 November 2001)

The Declaration rejects the use of protectionism and instead emphasizes trade reform, encouraging economic growth, recovery, and development in nations. It also sets the stage for negotiations aimed at opening up market access in the agricultural sector, eliminating or reducing tariffs and non-tariff barriers, and more.

United Nations Conference on Trade and Development (UNCTAD)

The United Nations Conference on Trade and Development is a UN body that focuses on the relationship between trade and development, consistently highlighting that protectionist policies disproportionately affect developing countries by restricting market access and slowing their economic growth and development. It has called for inclusive trade policies, strengthened multilateral cooperation, and greater consideration of development needs when addressing global trade challenges through initiatives like:

- The Accra Accord (25 April 2008)

The accord emphasizes the importance of policy space for developing countries, specifically in the Ghanaian context, to utilize tariffs and industrial policies for growth rather than solely exporting raw materials. It raises concerns about rapid tariff reductions that threaten industrial development, job creation, and government revenues while also highlighting that success requires a strategic approach by creating policies to ensure equitable benefits from trade.

- The Bridgetown Covenant (7 October 2021)

It addresses the need to strengthen multilateralism and make the global trading system more effective and beneficial for least developed countries in the aftermath of the COVID19 pandemic through increased diversification and sustainability. By having this stance, the document is against trade-restrictive measures like protectionism.

The United States (U.S.)

The United States advocates for free trade but adopts a pragmatic stance, employing

protectionist measures when necessary to safeguard domestic industries and combat unfair trade practices. Through previous UN and WTO discussions on the issue, the U.S. has advocated for reforms in international trade rules to ensure fairness while maintaining the right to impose tariffs and trade remedies, as it has done previously with tariffs on steel and aluminum imports. Through previous voting records and official statements, the U.S. reflects a preference for a rules-based trading system with the capacity to protect the nation's economic interests.

India

India advocates for a balanced international trade approach, emphasizing protection for domestic industries and economic development. India has adopted measures like import tariffs to protect domestic production while pursuing trade liberalization. Under initiatives like *Make in India*, India has issued tariffs on imported goods like electronics and agricultural goods to reduce dependency on foreign products and reduce foreign influence, and boost the national economy by promoting domestically produced goods. Previous UN voting records reflect a commitment to allowing developing nations the flexibility to implement protective policies without penalties in multilateral trade forums, underscoring the challenges they face in global trade.

European Union (EU)

The European Union promotes free trade within its single market while maintaining a common external trade policy for dealings with non-member countries. Through its policies, the EU can collectively negotiate and enforce trade agreements such as the EU–South Korea Free Trade Agreement and the EU–Vietnam Free Trade Agreement, both of which significantly reduced tariffs and expanded market access. The EU generally opposes unilateral protectionist measures and supports multilateral solutions through the WTO and related forums. It has also pursued regional and bilateral trade agreements to address protectionist trends globally. In resolutions and declarations like the Doha Ministerial Declaration, the EU has emphasized the importance of rules-based trade, transparency, and cooperation among nations. The EU, as one of the largest trading blocs in the world, has a major influence on global trade norms and responses to rising protectionism.

Timeline of Events

Date	Description of event
October 30, 1947	The General Agreement on Tariffs and Trade (GATT) was signed by 23 countries to reduce tariffs and promote trade liberalization. This is significant because it established the first multilateral framework to limit protectionist policies and promote predictable international trade.
April 15, 1994	The Marrakesh Agreement was signed, establishing the WTO and creating stronger enforcement mechanisms for trade agreements, and establishing a forum to settle disputes by addressing protectionist measures.
November 14,	The Doha Development Round was launched by the WTO to reduce trade barriers

2001	prioritise development issues. This highlighted that protectionism disproportionately affects developing countries and stressed the need for special treatment.
March 8, 2018	The United States imposed a 25% tariff on steel imports and a 10% tariff on aluminum imports, showing a modern example of protectionism disrupting global supply chains and provoking tensions in international trade.
March, 2020	Countries restricted exports of medical supplies and food as the COVID-19 Pandemic began. This is a good example of how protectionist measures can be adapted quickly in times of crisis and can affect international trade flows.

Previous Attempts to solve the Issue

Before trying to soften the damaging effects of protectionist policies, the idea was to encourage cooperation in trade on a multilateral level. After the serious harm to the economy caused by the increasing tariffs of the Great Depression, the General Agreement on Tariffs and Trade (GATT) was set up in 1947. Its function was to ease the trade barriers and to stop the protectionism that was done unilaterally. This project was further supported when the World Trade Organization (WTO) was set up in 1995. WTO brought about the trade rules that were binding and the disputes resolving mechanisms. Although these systems contributed to lowering the global tariffs and stabilizing the trade relations, they have become less efficient because of the political confrontations and the increase in the use of the unilateral trade actions in recent years.

Possible Solutions

One of the main solutions is to reinforce multilateral trade institutions, in particular by changing the WTO dispute settlement system in such a way that it guarantees more compliance and openness. Moreover, giving developing countries a few limited and controlled policy options will enable them to shield their domestic industries without causing trade distortions that last for a long time. Besides that, the world can benefit from further regional and bilateral trade agreements as well as better international cooperation during global crises to decrease the temptation of protectionist measures and at the same time keep international trade stable and predictable.

Endnotes

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2. World Trade Organization, Doha Development Agenda.
3. United Nations Conference on Trade and Development, *Bridgetown Covenant (2021)*.
4. World Trade Organization, *Trade Developments Report*, 3 July 2025.
5. European Commission, EU–Viet Nam Agreements.

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