

Summary

While various treaties and agreements have substantially reduced tariff rates on most traded goods, international trade is still burdened by restrictive laws and regulations. As a result, policymakers have shifted their focus to these non-tariff measures which have the potential to adversely affect trade flows. One such example is the Association of Southeast Asian Nations' (ASEAN) efforts to harmonize and reduce non-tariff measures, as well as eliminate non-tariff barriers, all of which are embodied in both treaty and soft law commitments. Nevertheless, these measures have persisted, and even increased, in ASEAN during the past decades.

This thesis aims to shed light on the persistence of non-tariff measures in ASEAN. It begins with an analysis of the issues on compliance with, and effectiveness of, the region's international law instruments relating to non-tariff measures. The persistence of non-tariff measures may be due to the trade regime's inability to provide the Member States with sufficient incentives to comply with their obligations. Not only did the vaguely worded instruments fail to identify the focal points for cooperative behavior, but they also granted the Member States a wide scope of discretion with respect to the fulfillment of their commitments. In addition, the weaknesses in the region's trade regime and enforcement mechanisms undermined the effectiveness of other compliance mechanisms.

As this persistence issue concerns the actions of States, it is also necessary to consider their underlying motivations. It is noteworthy that the persistence of non-tariff measures coincided with significant structural changes in the region's economies. This begs the question of whether structural changes may explain the Member States' demand and preferences for non-tariff measures. This thesis shows how these structural changes may have influenced the preferences of different actors in the Member States for non-tariff measures. For some Member States, their rising use of non-tariff measures may be due to an increased regulatory demand. As trade liberalization and globalization permitted the influx of imports, the resulting product heterogeneity created a demand for increased regulatory controls. In this context, non-tariff measures address market failures and externalities, such as by signaling and ensuring product quality. For others, however, the structural changes may have prompted declining sectors, particularly agriculture, to lobby for protection which came in the form of non-tariff measures.

The last part of this thesis builds upon these insights and extends the analysis to an examination of the underlying determinants of trade policy in the region. Relationships between non-tariff measure incidence and various political and economic factors were examined to determine possible links between them, and the strength and direction of association, if any. The results indicate that economic factors, particularly sectoral trends, do matter. Sectoral economic trends influence societal preferences for trade policies. Additionally, the degree of political insulation and accountability may affect how governments respond to these societal preferences, as reflected in laws, policies, and regulations.

In other words, non-tariff measures persist in ASEAN because its trade regime failed to overcome the policymakers' interests in catering to the societal preferences for different kinds of trade measures, which preferences resulted from the structural changes of the past decades.