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Trade Regimes And Domestic Industrial Policies: Their Impact On The Development Of The Textile & Apparel Industry In Ghana

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Abstract:
The decline and nonperformance of the ghanaian textile and apparel industries have been blamed on many factors; stiff competition from china, influx of substandard and often imitated products into ghana from neighboring ecowas countries, the presence of second-hand clothing as a substitute product, and the overall negative attitude towards "made in ghana" goods by the ghanaian consumer, etc. The study is focused on two components within the external business environment; domestic industrialization policy (post independent period) and ghana's membership of multilateral trade regimes (wto), which we assume have been the major determinant of the state of the textile and apparel industries in ghana to date. The study reviewed secondary data sources (trade and academic literature and economic theories, textile and apparel journals). Attention to the regional trade arrangement (ecowas), with trade facilitation as an instrument, suitable business models- the product cycle theory could be the window of opportunity for the revival of the textile and clothing industries in the sub-region. Emphasis on sustainable advantage strategy (defined by porter in two concepts – operational effectiveness and strategic positioning) would be the way forward to joining the global textile and clothing supply chain. The paper will aid both academia and industry in revamping the textile and clothing sector through the introduction of literature on the topic, as well as recommendations on business models, concepts and government policies.

***Key words**: Multilateral Trade Regimes; Import Substitution Industrialization; Regionalism; Sustainable Advantage*

1.Introduction

In an integrated world economy, no single country can be analyzed in isolation from the world-wide regime. This is true not only because countries engage in trade but because there are many regulating regimes at multilateral and/regional levels, constraining nations' trade and economic policies both legally and practically. Since the beginning of the last decade, Regional Trade Agreements (RTAs) have become an important feature of the global trading regime, imposing major changes in the international trade structure. Hence, national strategies and policies cannot be discussed independently of the prevailing global geopolitical regime (Monte and Memis, 2006). The paper begins with a brief profile of the global textile industry and then specifically, assesses the performance of Ghana's Textile and Clothing industry (post independent) and the implementation of import substitution industrialization policy to current globalization of the textile and apparel trade. As well, Ghana's association with the multilateral trade regime - (General Agreement on Trade and Tariffs-GATT, which transformed itself into World Trade Organization-WTO) with its respective regulating regimes, Multi-fibre Agreement-MFA and Agreement on Textile and Clothing-ATC, will be discussed. Propositions based on business models and theories will be put forward for study in the revival and sustainability of the textile and clothing industry particularly, Ghana and its immediate neighbours in the sub region.
The objectives of this paper are to:

- Give the profile of Global Textile and Clothing industry and the Textile and Clothing/Apparel supply chain.
- Discuss the effect of multilateral trade system (and its regulating regimes) and import substitution industrialization policy, on the performance and competitiveness of Ghana's textile and clothing industries.
- Highlight and analyze various trade theories and business models under a framework of regional trade agreement (RTA) especially, the Economic Community of West African States (ECOWAS) that presumably, will offer insight into the future directions of the textile and clothing trade.

2.Methodology

The study uses the intensive literature approach of the qualitative research methodology. It reviews and discusses pertinent literature on the global Textiles and Clothing Industry, Ghana Textile industry, the Global Textile and Clothing Value Chain/Buyer-Driven Commodity Chain, the Multilateral Trading System, effects of MFA/ACT on developing countries, post independent Ghana and Import Substitution Industrialization (ISI) Policy and draws conclusions and feasible recommendations on business models, concepts and government policies on textile trade aimed at revamping the domestic Textiles and Apparel Industry.

2.1.The Global Textile & Clothing/Apparel Industry

The clothing industry is labour-intensive and it offers entry-level jobs for unskilled labour in developed as well as developing countries. Job creation in the sector has been particularly strong for women in poor countries, who previously had no income opportunities other than the household or the informal sector (Nordas, 2003). Moreover, it is a sector where relatively modern technology can be adopted even in poor countries at relatively low investment costs. These technological features of the industry have made it suitable as the first rung on the industrialization ladder in poor countries, some of which have experienced a very high output growth rate in the sector (e.g. Bangladesh, Sri Lanka, Viet Nam and Mauritius). These characteristics, however, have also made it a footloose industry that is able to adjust to changing market conditions quickly. At the same time, the textile and clothing industry has high-value added segments where design, research and development (R&D) are important competitive factors (OECD, 2004; Nordås, 2003).

Thus the textiles and clothing (T&C) comprise a unique industry in the global economy mainly for three broad reasons. First, apparel production is a springboard for national development, and often is the typical starter industry for countries engaged in export-oriented industrialization (Adhikari and Yamamoto 2007; Gereffi and Frederick, 2010). Second, this industry has very low entry barriers due to its low fixed costs and emphasis on labor-intensive manufacturing (Naumann 2006; Gereffi and Frederick 2010).Third, this industry is the most protected of all manufacturing industries in the global economy, both in developed and developing countries. Protectionist interests have been extremely ingenious in creating new protectionist instruments in the past 50 years (Adhikari and Yamamoto, 2007; Naumann, 2006).

2.2.Ghana Textile Industry: Outlook

Nearly two decades after independence, the textile sub-sector was the major key player in Ghana’s industrial sector, contributing significantly to employment and growth in the economy. However, the sub-sector which was once the leader in Ghana’s industrial sector has undergone a considerable decline over the years due largely to the liberalization program which made it almost impossible for Ghana’s textile products to compete with the cheap imports, particularly from Asia.Textile exports are an important source of foreign exchange and revenue to textile manufacturing firms (Quartey, 2006). Textile exports generated $ 27.2 million dollars in 1992 and this increased to $ 179.7 million in 1994 but revenue from exports declined consistently thereafter and by 1998 they had fallen to US $ 3.173 million (Egu 2009; Quartey, 2006).

2.3.The Global Textile And Clothing Value Chain/Buyer-Driven Commodity Chain

The Textile and Clothing (T&C) supply chain can be presented in four production segments:(1) raw material supply, including: natural and synthetic fibres; (2) the preparation of textile products that involves manufacturing activities where technological developments have resulted in huge productivity gains; (3) the clothing production goes through several steps before soft materials are sewn together into three-dimensional products and;(4) the retailing activities which have changed significantly (Exhibit 1 in Appendix: The Global Textile & Garment Industry) (Fernandez-Stark, Frederick and Gereffi, 2011; Gereffi and Memedovic, 2003).

The apparel industry is the quintessential example of a buyer-driven commodity chain marked by power asymmetries between the producers and global buyers of final apparel products. A commodity chain refers to the whole range of activities involved in the design, production, and marketing of a product (Gereffi, 2002). The most valuable activities in the apparel value chain are not related to manufacturing per se, but are found in the design, branding, and marketing of the products (see Exhibit 2 in Appendix: Main characteristics of Producer-driven and Buyer-driven Global Commodity Chain). These activities are performed by lead firms, which are large global retailers and brand owners in the apparel industry. In most cases, these lead firms outsource the manufacturing process to a global network of suppliers. Apparel manufacturing is highly competitive and becoming more consolidated, with increasing barriers to upgrading. Developing countries are in constant competition for foreign investments and contracts with global brand owners, leaving many suppliers with little leverage in the chain. The result is an unequal partition of the total value-added along the apparel commodity chain in favour of lead firms (Exhibit 3 and 4 in Appendix: explains the Global Value Chains and the main drivers) (Morris and Barnes 2009; Fernandez-Stark, Frederick and Gereffi, 2010; Gereffi and Memedovic, 2003; Naumann, 2006).

2.4.The Multilateral Trading System

The General Agreement on Tariffs and Trade (GATT), which was signed in 1947, is a multilateral agreement regulating trade among 153 countries. According to its preamble, the purpose of GATT is the "substantial reduction of tariffs and other trade barriers and the elimination of preferences, on a reciprocal and mutually advantageous basis" (World Bank Observer, 1989).The first system of quantitative restrictions was implemented in 1960s and early 1970s under the Short-Term (STA) and Long-Term Arrangement (LTA) regarding International Trade in Cotton Textiles, which gave way in 1974 to the broader Multi-fibre Arrangement (MFA) lasting until 1994 (Naumann, 2006). During that period, textile and clothing trade policy was negotiated bilaterally and trade flows were generally subjected to quotas (OECD, 2004; Naumann, 2006). Acentral criticism of the persistence of multilateral restraints on T&C trade has been that the policies governing it have been at odds with the central principles underlying GATT, whose "purpose has been to promote a free and orderly trading system." Specifically, the restrictions on the textile imports are in contradiction with the basic principles of GATT**:** nondiscrimination through Most-Favored Nation (MFN) treatment and the general proscription against quantitative restraints (Alice and Wohn, 2001; Buelens, 2005; Naumann, 2006).

2.5.Effects Of MFA/ACT On Developing Countries

The trade-restricting quotas up to now have contributed to the international fragmentation of the Textile and Clothing supply chain (Gereffi 1999; Gereffi and Memedovic, 2003; OECD, 2004; McNamara, 2008). It is also noted that MFA's existence did encourage the entrance of several developing countries into the export of textiles and clothing that otherwise would not have been involved. Sub-Saharan African (SSA) developing countries with key interests in the textiles and especially clothing sector, and which have benefited from the quota imposed on other countries under the MFA, include Lesotho, Kenya, Madagascar, Mauritius, Swaziland, South Africa and Namibia. With the exception of perhaps South Africa, the sector has provided these countries with an important opportunity to diversify their respective economies, since many of them have largely agro-based economies (OECD, 2004; Naumann, 2006).

But ultimately this model discouraged low-wage countries from developing a competitive textile industry of their own, locking them into a situation where they would not go beyond offering a low-wage assembly line (OECD 2004; Naumann 2006). For example, Bangladesh showed success in clothing exports with the help of Korean companies, the developed countries negotiated bilateral restrictions with the poorer country. Thus MFA tends to maintain the present configuration of the T&C trade –and therefore discouraged dynamic shifts in trade based on comparative advantage (Goto, 1988). Also in post-quota environment, the most vulnerable countries are those small and remote developing countries and least developed countries that until now have handled only assembly/cut, make and trim (CMT) (Gereffi and Frederick, 2010).

The MFA also has an impact on the economic development in the long run. On the positive side, it attempts to evade MFA quotas stimulated foreign investment from restricted suppliers, like Hong Kong, to nonrestricted countries. Investrnents to less restricted regions have helped economic development of countries in Asia (and perhaps to less extent in Latin America, the Caribbean and Sub Saharan Africa-SSA) (Goto, 1988). According to Adhikari and Yamamoto (2005), under the MFA and ATC, the existence of quotas made it necessary for buyers (developed countries) to source from different locations. They were compelled to source from locations where quotas were available, instead of from locations with better competitiveness in textile and clothing production (Azhari, n.d.).

2.6.Post Independent Ghana And Import Substitution Industrialization (Isi) Policy

Industrial development has been recognized as one of the surest means of ensuring higher and sustained growth rates. Hence, African countries including Ghana pursued import substitution industrialization (ISI) policy in the 1960s and 1970s (Quartey, 2006; Dargin, 2010; Traub-Merz and Jauch, 2006). The rationale was to move African economies from their agrarian state to modern industrialized economies as it has been the case of the east and south-east Asian economies. Consequently, policies to promote import substitution industrialization were pursued and this led to the establishment of light industries to produce goods locally and operate behind tariff barriers. Like many African countries, Ghana's industrial strategy was meant to reduce economic dependence; hence, manufacturing industries were established to produce items that were previously imported (Quartey, 2006; Traub-Merz and Jauch, 2006). Consequently, industries making textiles, soap, wood works, aluminium, metal, to mention but a few, were established. For over two decades after ISI was started, the textile sub-sector dominated the manufacturing sector and contributed significantly to livelihood. It employed about 25,000 of the labour force, accounted for 27% of total manufacturing employment and operated at about 60% of plant capacity (MOTI 2004 as cited by Quartey 2006).

2.7.Outward And Inward Development –ISI

Conceptually, ISI could be outward-looking/export-oriented industrialization (EOI) in that it promotes exports (like in Asia, especially South Korea) or inward-looking without significant links to world markets (like in Latin America and most SSA countries) (Schmitz, 1984). The decision to adopt one or another perspective is frequently determined by external factors. The industrialization of South Korea and other Asian Tigers was in line with the USA's geopolitical strategy of building a "continental Belt" of capitalist countries around china and other communist states in Asia, which involved the granting of incentives for these countries to export to the USA. In contrast, Latin American countries, (and many other Sub-Saharan countries) which were outside the main areas of geopolitical concern, did not receive these incentives and therefore focused on ISI based on the theoretical heritage of dependency theory (Ajei, 2007). One of the intellectual insights that fostered dependency theory was the "Prebisch Thesis", which stresses that the global system was not a uniform marketplace with producers and suppliers freely making mutually beneficial contracts (Schmitz, 1984; Ajei, 2007). Thus the Inward-Oriented approach to industrialization sought to promote and protect domestic industries through an interventionist state that would attack bottlenecks and market failure (Ajei, 2007; Latin American Economic Dev., 2003).

The major impact of the inward-oriented approach to industrialization was that nationally manufactured goods often failed to meet quality standards, making them uncompetitive in the global market (Rohlender, n.d.).

3.Analysis

Ghana's post independent ISI policy and its membership of the multilateral trading system, both to a larger extent, have been the onerous genesis of the current problems face by the T & C sector in Ghana.The one major problem identified with the sector, especially under WTO's agreement of textile and clothing (ATC) regulating regime, has been the China factor, which is characterized by influx of imitated and substandard textile products on the Ghanaian market.

ATC ended the 40 years of quota system under multi-fibre arrangement (MFA), the latter regime witnessed the fragmentation of textile and clothing production to countries that did not have the comparative advantage and the efficiency. The MFA again, kept thelow-cost producers (least developed countries) of the textile and clothing production sector in its embryonic stage;assembly/cut, make and trim (CMT) of the international production system (see Exhibit 5in appendix for the stages of upgrading in the apparel value chain) which, according to Gereffi's "buyer-driven" commoditychain conceptcould not gain in the global textile and clothing supply chain. There is no doubt that China is the greatest beneficiary of the end of the MFA quota regime (Morris, 2006). Few countries are able to compete against it on price as is evident from the fact that its exports of clothing have already increased to approximately a quarter of the world total since it joined the WTO in 2001 (de Janquieres 2004 as cited by Morris, 2006).

For over two decades after ISI was started, the textile sub-sector dominated the manufacturing sector and contributed significantly to livelihood. African wax prints produced by these companies were in high demand on the Ghanaian market for making traditional apparels like "kaba and sleet" and other exquisite Africa wears (Egu, 2009). It employed about 25,000 of the labour force, accounted for 27% of total manufacturing employment and operated at about 60% of plant capacity (MOTI, 2004 as cited in Quartey, 2006).

The textile and clothing products were and still are uncompetitive in the global market especially for those countries (Latin America and SSA) who adopted the dependency and structuralism theoryof the ISI policy (Schmitz, 1984; Ajei, 2007). The indiscriminate nature of the policy led to the development of deeply inefficient and high cost industries to successfully compete with their counter parts, China and other Asian countries who adopted export-oriented ISI policy.

The influx of imitated and substandard products and the stiff competition from China could be solved by the government of Ghana application of theSafeguards provision in WTO as a"political" instrument to relieve pressure on government by Trade Unions and also as a measure to restore "efficiency" to domestic industries (Ghori 2010). The theory rationale behind the latter especially, is that safeguards provide time for local industries to raise investments in order to improve their competitiveness (Ghori, 2010).

4.Conclusion

The global textile and clothing sector is characterized as buyer-driven commodity chain, which is usually apply to industries where design and marketing play an important role, but where production is relatively labour intensive (Gereffi 2002; Farfan 2005; Naumann 2006). Again in the production sector, there is low entry barriers for new entrants due to easy-to-replicate sources of competitive (low skilled labor) advantage and there is also a large number of competitors due to global fragmentation and new entrants after the waive of trade liberalization and the phenomenon of globalization (Gereffi, 2002).

This means those involved in the Pre-production intangible (R&D, Design and purchasing) activities and Post-Production intangible (Distribution, Marketing and services) usually earned higher profitability and has increasing bargaining power in the T&C trade. Those in Production (tangible activities), however, get lower profitability as well as have decreasing bargaining power because it is assumed, they contribute little to the "value-added" stage in the apparel global value chain (see Exhibit6 in appendix : Curve of value-added stages in the apparel global value chain) (Gereffi and Frederick 2010). It is observed that the key to success in East Asia's buyer-driven chains was to move from the mere assembly of imported inputs (traditionally associated with export-processing zones) to a more domestically integrated and higher value-added form of exporting known alternatively as full-package supply or OEM (original equipment manufacturing) production (Gereffi, 2002).

Apparel thus embodies two contrasting production systems characteristic of buyer-driven chains: the assembly and the OEM models. Whereas the assembly model is a form of industrial subcontracting in which manufacturers provide the parts for simple assembly to garment sewing plants, the OEM model is a form of commercial subcontracting in which the buyer-seller linkage between foreign merchants and domestic manufacturers allows for a greater degree of local learning about the upstream and downstream segments of the apparel chain (Exhibit 3 in Appendix: Global Value Chain) (Gereffi, 2002).

There is therefore clearly a relationship between value chain dynamics and quotas, particularly in buyer-driven value chain, as is the case in textiles and clothing. Quotas have resulted in the global fragmentation of textiles and clothing production to regions where low-cost could not have been the determinant factor.

5.Recommendations

Various trade theories offer insight into the future direction of the textile and clothing trade. There is a two part approach to finding solutions to T&C trade in Ghana and West Africa sub region: Short and Long-term measures.

5.1.Short-Term Measures

Safeguard & Anti-dumping measures after quota expiration

A textile-specific safeguard measure in China's World Trade Organization (WTO) accession agreement allows the United States and other member countries to impose import quotas on textile and apparel/clothing imports from China if they determine that Chinese-origin imports of the targeted products are causing "market disruption" (see Exhibit 6in Appendix for theoretical rationale behind safeguards) (Ghori 2010). Same, by WTO Anti-dumping actions, if a company exports a product at a price lower than the price it normally charges on its own home market, it is said to be "dumping" the product. ThereforeGhana government (under the Ministry of Trade and Industries) could take action against dumping(selling at an unfairly low price) in order to defend their domestic industries (Ghori, 2010).

Steps taken by the Ghana government to address this trade "disruptions".

Since 2005, Ghana government has directed Customs, Excise and Preventive Services (CEPS) and the Ghana Standard Board (GSB) to subject commercial African prints imported through (the new entry point) Takoradi Harbour, to 100 percent physical examination (Egu, 2009). The Ministry of Trade has began implementing a trade policy (Section 19(3) of the Ghana Investment Promotion Centre (GIPC) Act 478, 1994),to prevent foreigners from involving in retail marketing for some specific products including textiles and clothing. Finally the government has established a New Economic Intelligence Task Force to check and deal with all cases of trade malpractices in Ghana, including but not limited to the textile sector (the Chronicle (Ghana), 05.19.2005 as cited by Egu, 2009). It has been observed that with all the efforts by Ghana government to curb these trade malpractices, the culprits identified are mostly the Ghanaian nationals in the T&C retail trade (they do the smuggling and also "front" foreigners) in violating these preventive measures. Educational awareness of the consequences of these trade malpractices to the economy and social fabric of Ghana should be disseminated to the T&C stakeholders.

Need for innovative marketing platforms

The T&C valuechain today is time and demand-driven and all stakeholders will have to accept these trends and adjust their business accordingly. Information and communication technology (ICT) has an important role to play as developing countries adjust to the new era (McNamara, 2008). The Ghana T&C companies should therefore take the opportunity to involve their business activities in the ICT revolution (many information technology tools available - internet, mobile,phones and other social networking) along the supply chain for cost efficiency, reduction in waste and quality product. Fortunately Ghana has various mobile operating companies (MTN, Tigo, Vodaphone, Zain and Glo mobile) for e-marketing platforms.Google (global internet provider) has launched Google Trader in Ghana, a free classifieds service that allows people to buy and sell products and services as well as search for jobs.Google Trader allows small businesses to advertise their products and services for free.Another way by which the T&C companies could reduce waste (inventory cost) is to apply lean manufacturing or Just-in-time (JIT) system of production (Egu, 2009).

5.2.Long-Term Measures

Regional Trade Agreements (RTAs) – ECOWAS

Regional trade agreements have become a prominent feature of the world trading system, andtheir proliferation has been one of the most visible trends in recent years (Mashayekhi and Ito 2005). With African leaders now calling for a continental free trade area by 2017 to boost trade within the continent, a new World bank report (2012) shows how African countries are losing out on billions of US dollars in potential trade earnings every year because of high trade barriers with neighbouring countries, and that it is easier for Africa to trade with the rest of the world than with itself (ECA 2006).It is therefore prudent Ghana and its neighbours, ECOWAS states (with a population of some 300 million) to seriously reconsider intra-sub regional trade (especially inthe T&C trade). However, the business strategy (production should be a departure from the "conventional" practice of assembly/CMT (by developing countries).

The business strategy for the T&C trade should be guided by Porter's principles of strategic positioning (meaning performing different activities from rivalor performing similar activities in different ways) for sustainable competitive advantage. Thus if the African textile industry is to have any hope of benefiting, with all the other developing countries, from this liberalization, it will have to make some radical changes and bring itself up to date (Mendy-Ongoundou, 2002).

African designers, drawing inspiration from their rich cultural heritage, should adapt – each in their own style – ancestral techniques to modern cuts and methods. They produce bubus, dresses, trousers and suits cut from authentic fabrics: rabal from Senegal, kita from Côte d'Ivoire, kente from Ghana and Aso-Oke from Nigeria, to name but a few. The dyeing business (indigo, dyed bazin, etc.), for many years the preserve of the Guineas, has become firmly established in Mali and Burkina Faso (Mendy-Ongoundou, 2002).

Instead of making do with the scraps left by the major industrial groups, it is time Africa organized itself to obtain its proper share of a business that includes the marketing of fabric, of accessories (such as pearls and cowries) and of crafts (Mendy-Ongoundou 2002) To optimize the T&C supply chain for cost effective, firms should pursue strategies of vertical integration within the sub-region. Cotton raw materials could be sourced from Burkina Faso, Mali, Cotonou and Senegal for manufacturing (into fabric) for garments.

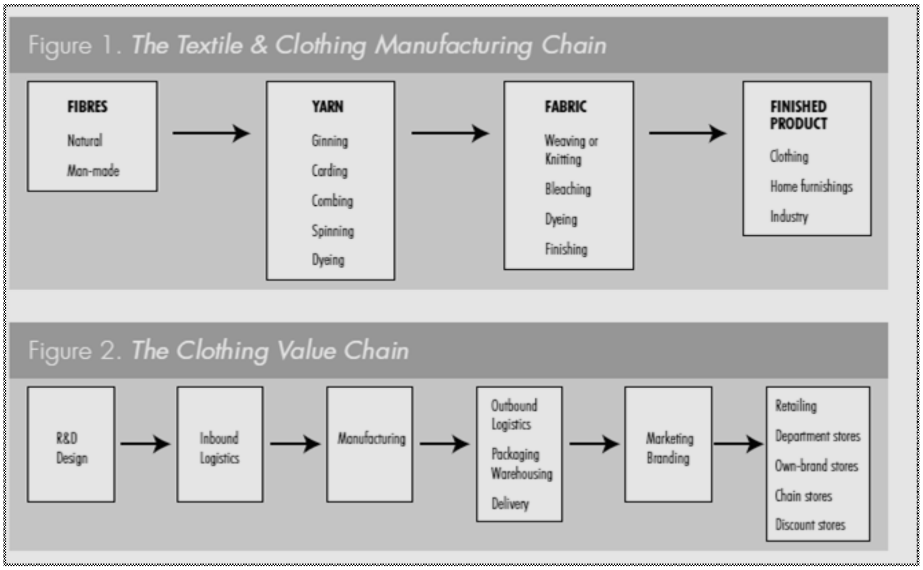

Figure 1 & Figure 2: The Global Textile And Garments/Clothing Value Chain
Source: Mcnamara (Infodev), 2008

Main Characteristics of Producer-Driven and Buyer-Driven Global Commodity Chains

	Producer-Driven Commodity Chains	Buyer-Driven Commodity Chains
Drivers of Global Commodity Chains	Industrial Capital	Commercial Capital
Core Competencies	Research & Development; Production	Design; Marketing
Barriers to Entry	Economies of Scale	Economies of Scope
Economic Sectors	Consumer Durables Intermediate Goods Capital Goods	Consumer Nondurables
Typical Industries	Automobiles; Computers; Aircraft	Apparel; Footwear; Toys
Ownership of Manufacturing Firms	Transnational Firms	Local Firms, predominantly in developing countries
Main Network Links	Investment-based	Trade-based
Predominant Network Structure	Vertical	Horizontal

Table 1: A Commodity Chains Framework For Analyzing Global Industries
Sources; Adopted From Gereffi (1999)

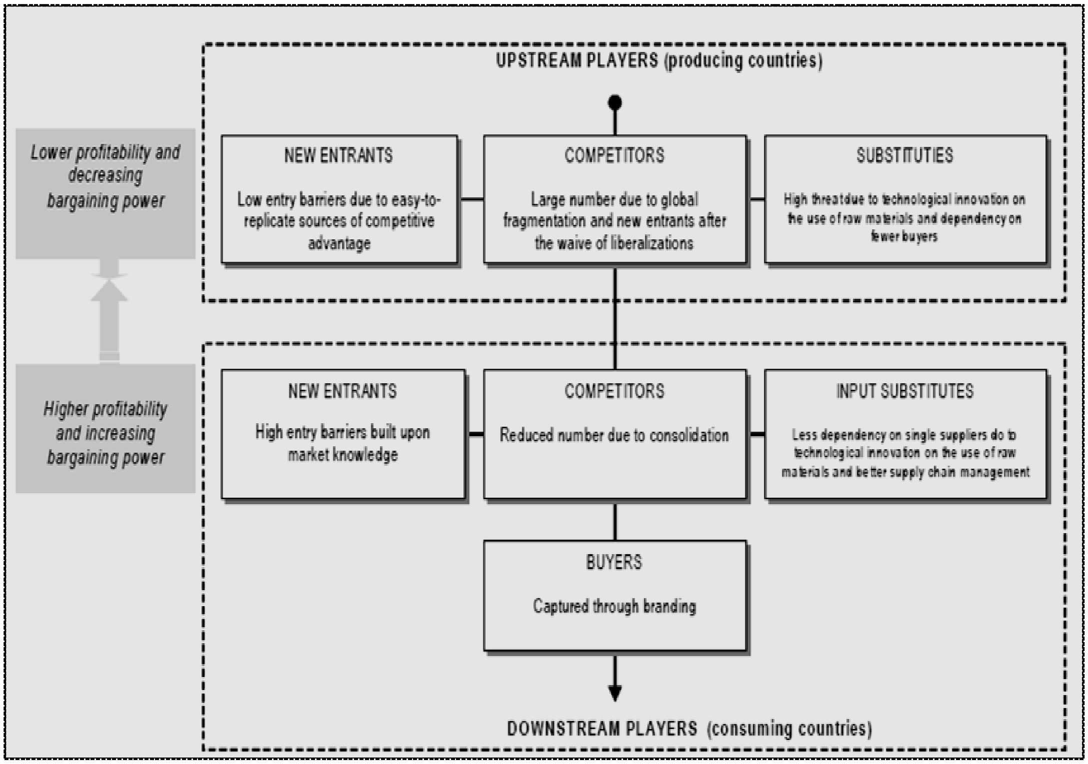

Figure 3: Main Drivers Of The Governance Shift In Global Commodity Chains
Source: Farfan (2005)

Box 1 International production systems

Assembly is a form of industrial subcontracting, in which garment sewing plants are provided with imported inputs for assembly, most commonly in export processing zones (EPZs).

Original equipment manufacturing (OEM) is a form of commercial subcontracting. The supplying firm makes a product according to a design specified by the buyer; the product is sold under the buyer's brand name; the supplier and buyer are separate firms; and the buyer lacks control over distribution.

Original brand name manufacturing (OBM) is the upgrading by manufacturers from the production expertise of OEM to first the design and then the sale of their own brand products.

Figure 4: The Global Apparel Value Chain: What Prospects For Upgrading By Developing Countries? UNIDO

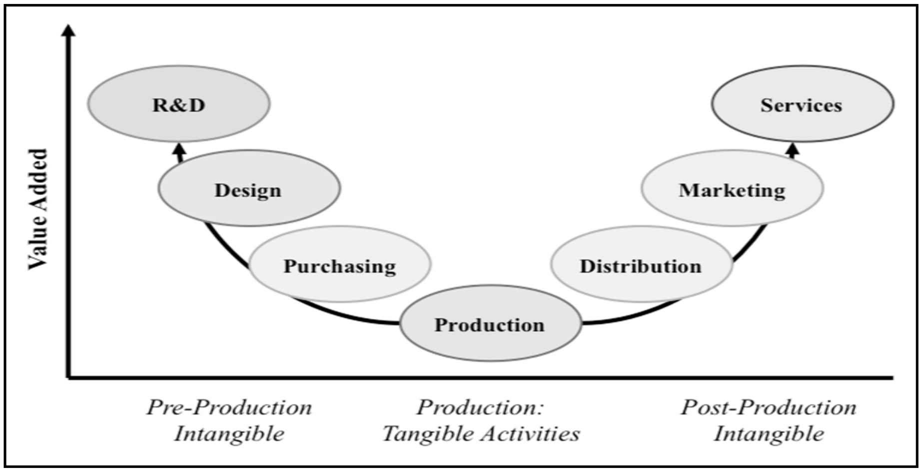

Figure 5: Curve Of Value-Added Stages In The Apparel Global Value Chai
Source: Frederick (2010)

Possible theoretical rationales behind safeguards
(Alan Sykes, Henrik Horn & Petros Mavroidis, Micheal Trebilcock and Robert Howse)

Rationale	Summary
Safeguards as **'compensation'**	Trade and economic liberalisation brings uneven effects for different groups. Safeguards acts as a compensatory mechanism for such groups.
Safeguards as a measure to restore **'efficiency'** to domestic industries	Domestic industries require additional investments and trade protection to restore competitiveness with foreign imports. Safeguards provide time for local industries to raise investments in order to improve their competitiveness.
Safeguards as a measure to reduce **'adjustment'** costs	Plain implementation of safeguards leads to no gain rather increases the costs of protectionism. Therefore, safeguards have to be implemented in such a manner that they slow the decline in local industries.
Safeguards as a **'political'** instrument	Trade concessions that affect local industries lead to political pressures on governments/politicians in office. Safeguards can be imposed on imports to relieve this pressure, thereby dissipating political pressure being exerted by local industry groups and trade unions.

Table 2: Quotas, Safeguards And Conflicting Interests In Global Textiles & Clothing Trade
Source: Ghori (2010)

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