

Heterogeneity in trade preferences, political action, and utilization of Free Trade Agreements (FTAs) among firms in production networks

November 28th
15:30-16:30 JST

Thu 2024

Seminar Room 213
Inamori Center, CSEAS Kyoto University

Zoom URL
t.ly/8vqir



Abstract

HYBRID In-person & online

Firms in production networks often prefer liberalization through free trade agreements (FTAs) to multilateral liberalization (most favored nation principal), due to its potential discriminatory effects (trade diversion) against states/firms outside the FTA (trade diversion, outside the scope of the talk), but also in relation to competing firms within the FTA. The study theorizes about certain conditions—specific configurations of FTAs and inter-firm heterogeneity in the organization of production—that allow FTAs to asymmetrically (or even selectively) favor some firms within the FTA, accommodate firm heterogeneity in trade preferences, and encourage firms to lobby individually in ways that multilateral liberalization cannot. These arguments were explored in the automotive industry in the context of the FTAs signed by Thailand with other Southeast Asian countries, Japan, India, and Australia using interviews and administrative records. Empirical evidence supports the relevance of the herein identified conditions to explain the heterogeneity of firms in their trade preferences, political action, and use of FTAs. Firms pushed for FTA configurations that liberalized their trade flows as selectively as possible relative to competitors and used FTAs primarily for hierarchical and captive cross-border input trade with subsidiaries and long-term suppliers.



Speaker

Antonio Postigo (IBEI, ISEAS, LSE)

Currently, he holds positions at the Institute of International Studies (IBEI), the Institute of Southeast Asian Studies (ISEAS), and the Department of Development at the London School of Economics. In Southeast Asia, he previously served as a visiting fellow at Thammasat University in Thailand and the Institute of Strategic and International Studies in Malaysia.

In addition to his academic roles, he has worked as a staff member and consultant for various international organizations, including the UN Secretariat and several UN agencies in Bangkok (UN-ESCAP, UNDP, and WHO) and the Thai and Malaysian World Bank's offices. During his tenure with these organizations, he also participated in organizing high-level intergovernmental and government-business conferences.

His research in social sciences spans several key areas, namely: The international political economy of trade, investment, and technological upgrading, with a focus on trade and investment policies; the political economy of economic integration through free trade agreements (FTAs); socioeconomic development policy, pathways to economic growth, digital transformation, and the digital economy; health policy and international cooperation in addressing health emergencies. His primary regional focus is Southeast Asia, with emphasis on Thailand and Malaysia.

CSEAS location

