

early 1970's, has been mainly "micro" in origin. The new protectionism reflects incapacity or unwillingness to adjust to ongoing structural change. It is aggravated by supply shocks and by a hostile and turbulent macro environment.

Even without further supply shocks the pressures for adjustment will not abate. What is more, as I shall argue, the world economy faces an unprecedented conjuncture of forces for structural change which capture the two aspects of interdependence, vulnerability and opportunity. Before I go into that I should like to take a brief look at the new protectionism.

#### The New Protectionism

It sounds like the title of a magazine article -- the new feminism; the new lifestyle; the new skirt-length. But this time it really is new. The new protectionism, because it takes the form of domestic or border non-tariff measures, has been difficult to quantify. There have been plausible estimates of the impact of border measures such as quantitative restrictions, and voluntary export restraints, orderly market arrangements (often GATT-illegal). They suggest