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Reconstituting the Constitution

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In Sect. 18.4, I turn to a discussion of the politics of international economic law-making in New Zealand in the light of the 1997 reforms. These reforms do provide some institutional avenues through which more holistic, domestic-oriented concerns might be pressed on trade policy experts. However, in practice the Foreign Affairs Trade and Defence Select Committee has been fairly quiescent in its reaction to the treaties put before it. After reviewing some potential explanations for this, I conclude that there is relatively little public political pressure for a less liberal and internationalist foreign policy in New Zealand. Reform to political institutions, then, is unlikely to remedy the lack of scrutiny over economic treaties unless it also succeeds in stimulating greater public engagement with the issues at stake. There are areas in which institutional reform might help, particularly greater openness about the agreements being negotiated, longer consultation periods and an opening up of the National Interest Analysis process. However, any real change in New Zealand trade policy will also require a more energised and activist civil society. Finally, in Sect. 18.5 I present the conclusions.

18.2 The Changing Significance of International Economic Law

This section reviews the changing shape of international economic law. It begins by drawing out some of the concerns about globalisation that stood behind pressure for constitutional change in New Zealand in the late 1990s. It goes on to look at the last 10 years, a period in which global economic regulation has stalled but New Zealand's signature of preferential trade agreements has kept up the liberalising momentum. There has historically been a strong pro-trade consensus amongst economists (though there have also always been dissenters even within the mainstream profession). New Zealand's recent agreements, though, spread into areas well beyond traditional trade concerns. Their main focus is on foreign investment and the competition law, intellectual property rights and other regulation that go with it. In these areas, economic opinion is far more divided. The strongly pro-market vision that might portray such agreements as uncontroversial was under increasing intellectual challenge (within the mainstream heart of the economics profession), even before the recent global financial crisis. In New Zealand, the disappointing results of the neo-liberal policies of the last 30 years are finally starting to provoke more intense debate about viable strategies for growth going forwards. Since the kinds of agreement MFAT is currently signing threaten to close off creative alternative growth strategies in the future, they are sufficiently controversial to warrant widespread public debate.

18.2.1 Background: Worries About Globalisation in the Late 1990s

"Globalisation" featured prominently in debates surrounding the 1999 reforms.[2] It has always been a slippery term. For our purposes, it is useful to distinguish "globalisation" as policy or legislation designed to enhance or support economic integration (which I will call "legal globalisation" and discuss in this section) from "globalisation" as some kind of exogenous pressure (either technical, economic or political) requiring legal globalisation.[3] In terms of "legal globalisation" it is also helpful to distinguish between:

1. The domestic choice to liberalise economic regulation (trade, finance and investment) in ways that allow or promote cross-border economic integration;
2. "Locking in" those choices through international legal commitments to maintain such liberal policies in ways that make a future change of policy course politically difficult; and
3. Making international commitments to alter a range of (arguably) ancillary domestic regulations to promote international harmonisation (product safety, corporate governance, government procurement, competition law, environmental issues, labour rights).

Legal globalisation in the first sense accelerated rapidly during the period of the Fourth Labour government.[4] By the late 1990s, debate had largely shifted to the second and particularly third types of activity.[5] Concerns were that international agreements might "lock in" the controversial liberal policies of the 1980s, removing the possibility of alternative economic strategies, and that international law-making in the economic field was increasingly moving towards the exploration of what WTO specialists call "behind the border issues".[6]

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[2] See New Zealand Law Commission (1997) and the international treaties section in James (2000).

[3] Though early literature sometimes suggested globalisation was a technical inevitability, most of the subsequent evidence suggests that this was never true. The previous episode of globalisation at the turn of the twentieth century was subsequently reversed during the Great Depression (Hirst and Thompson 1996). In any case, there continues to be significant national variation in overall levels of government spending, corporate tax rates, interest rates and government debt in ways that strongly suggests the persistence of some level of domestic choice. For empirically sophisticated accounts emphasising national variation, see Garret (1998); Mosley (2003); Hay (2008). For a more globalisation friendly view, see Held et al. (1999).

[4] Kelsey (1997); Easton The Commercialization of New Zealand; Bollard (1994); Goldfinch (1998).

[5] Particularly in New Zealand, which already had a very liberal tariff and investment regime by that point. In the United States and Europe issues around agricultural protection continue to have strong political salience.

[6] Attempts to harmonise domestic regulation and provide national treatment for foreign firms in an attempt to facilitate international business.

In the sphere of international trade, critics of globalisation had woken up to the implications of the Uruguay Round, which created the WTO, and were increasingly concerned about proposals to launch a new and more ambitious round of negotiations at Seattle. Critics had realised that "trade in services" often meant the temporary or permanent presence of foreign firms in domestic jurisdictions. GATS (General Agreement on Trade in Services) protection therefore raised the potential for foreign governments to challenge a wide range of domestic regulation on the grounds that it unfairly prejudiced foreign business interests. GATS operates on a positive list system (so liberalisation only takes place in listed sectors) and currently covers a fairly narrow range of businesses. Nonetheless, critics were concerned that the implications of including new sectors were difficult to assess *a priori* and expansion could, for example, undermine remaining public service provision of education or utilities or make future environmental or health and safety controls difficult to impose.[7] TRIMS (Trade Related Investment Measures), though also quite limited, implied further pressure for international agreements affecting domestic regulatory capacity. Finally, a series of cases brought to the WTO's new dispute resolution panel showed that the panel could be called on to decide highly sensitive issues about the balance between economic interest and environmental protection. For example, in a dispute over whether EU bans on beef raised with hormones constituted protectionism, the Appellate Body decided that the issue could be resolved through "science" in a way that many felt confused factual findings with normative judgements about socially acceptable levels of risk.[8]

These changes in WTO jurisprudence were not universally criticised. Supporters argued that the benefits of new WTO initiatives in boosting trade and improving efficiencies outweigh the costs. Liberalising investment and trade in services might produce new competition in markets that were previously subject to monopolies, reducing prices to consumers and the costs of inputs to domestic business (financial services or telecommunications for example).[9] Regardless of one's assessment, though, it is clear that these new developments greatly expanded the impact of international economic law on the everyday lives of citizens (including employment conditions, consumer health and safety standards and environmental issues),

[7] The concern here is that once private and public provision of what were traditionally seen as public services co-exist, private providers may be able to request the ability to compete on an equal footing. So, for example, private education providers might be able to demand the same state support for students as their public sector counterparts. In terms of broader legislation, the fear is that legislation could be challenged as covert protectionism and would then need to be justified in front of an international tribunal that might not have the same values as appear in the domestic political system.

[8] For a balanced general discussion of these issues see Hoekman and Kostecki (2001). On the issue of science and the 'precautionary principle' see Weiler (2004). For a good presentation on debates about trade in educational services, see Sauve (2002).

[9] The trade in services agenda was also driven by Western governments, particularly the United States, whose economic output was increasingly concentrated in service sectors and how saw diminishing gains from increased liberalisation of manufactures: Destler (1995).

suggesting that such legislation required wide ranging public debate if it was to be regarded as legitimate. Given the level of potential controversy involved, it is perhaps not surprising that the 1990s saw increasing protests worldwide about the ways in which "globalisation" was eroding citizens' rights and abilities to engage with controversial laws that affected their everyday lives.

During the 1990s, the WTO was particularly controversial because of its enforcement powers. In the realm of international finance, in contrast, legal restraints have been much looser on developed countries. Since the collapse of the Bretton Woods system in the early 1970s, IMF discipline requires the ongoing maintenance of open current accounts but, beyond that, the Fund only operates "firm surveillance" over policies affecting the exchange rate.[10] Few questions were raised about exchange rate regulations during this period but, during the late 1990s, Fund staff and management tried to introduce rules that would lock in *capital account* openness. These proposals initially received fairly broad general support within the Fund but, in the wake of the Asian crisis and as negotiations moved from generalities to specifics, the move ended in defeat and calls for further research.[11] The early 1990s also witnessed an abortive OECD-led attempt to introduce a Multilateral Agreement on Investment, which would have eliminated many restrictions on foreign direct investment. This agreement was defeated, largely due to state concerns about its effects on cultural policy, although large-scale activist protests may also have played a part.[12]

Overall, the 1990s were a period of rapid expansion in the scope of international economic law in ways that had a relatively direct impact on citizens. As we will see, the blurring of the national-international distinction drove much of the debate about appropriate constitutional measures to control international economic regulation. Public concern may also have been driven by related but politically independent structural contemporary economic changes that decreased employment security, put pressure on welfare states and increased inequality across the OECD. Indeed some politicians always saw "anti-globalisation" protest as essentially a reaction to domestic dislocations.[13]

18.2.2 New Zealand's Recent Bilateral Agreements in a Global Context

Since the late 1990s, ambitions for international economic harmonisation have remained in some quarters but implementation has proven more difficult and the pace of new international law-making has slowed internationally. In New Zealand,

[10] Pauly (1997).

[11] Moschella (2010).

[12] Egan (2003).

[13] Bowman Cutter et al. (2000).

however, liberalisation has continued through a series of preferential trade agreements.

In global finance, attempts to promulgate a "new international financial architecture" following the Asian financial crisis resulted in a wide-ranging set of "standards and codes" outlining best practice for wide areas of corporate and financial regulation from standards for public sector data dissemination, through codes on corporate governance to a range of banking standards produced by the Basel Committee. In intention, this new soft law regime represented a large scale expansion of international influence over domestic regulation, particularly of corporate governance, accounting and capital markets. However, these were all ultimately soft-law instruments with no formal legal ratification or enforcement mechanisms. The World Bank and IMF have helped to encourage the standards in developing countries through their "reports on standards and codes" and financial sector assistance programmes but the standards are not supposed to form part of IMF or Bank conditionality. Policy-makers had hoped that they might prove self-enforcing through market discipline but the standards themselves are difficult to assess and no-one has yet developed a "score-card" of the kind markets tend to prefer.[14] In trade, there has also been little multilateral action. The WTO has struggled to conclude a post-Uruguay trade round.[15] Even regional agreements have not demonstrated the same momentum that they showed during the 1990s. Overall, then global economic law-making has generally stalled during the last 10 years.

Regional arrangements have also remained largely static. The EU's attempt to introduce a new constitution was rejected by popular referenda, attempts to create a Free Trade Area of the Americas were prevented by a shift to the left in Latin American politics and Asian regionalism has largely stagnated.[16]

However, the Asia-Pacific has seen a proliferation of bilateral trade agreements.[17] New Zealand has been something of a leader in these developments, reflecting a natural desire to benefit as much as possible from Asia's status as the most dynamic growth poll in the current global economy.[18] The New Zealand-Singapore Closer Economic Partnership (CEP), for example, was the first of many bilateral agreements for both countries. The agreement provided some advantages for both countries but its primary motivation was to try and restart momentum towards broader trade liberalisation in the Asia Pacific.[19] Since then, New Zealand has gone on to conclude agreements with Hong Kong, China, ASEAN and most recently Korea. It has also

[14] Mosley (2001); Thirkell-White (2007).

[15] Wilkinson and Lee (2007).

[16] Ravenhill (2003); Bisley (2004); Ravenhill (2009).

[17] Ravenhill (2003).

[18] MFAT (2006).

[19] Hoadley (2003).

negotiated broader agreements with ASEAN and with its partners in the Trans-Pacific partnership and has recently started negotiating a bilateral deal with India.

While the geographical scope of New Zealand's agreements has been limited, they have often contained fuller liberalisation than has yet been achieved in the multilateral sphere. The New Zealand-China FTA, for example, includes a GATS-plus services agreement, very significant investment provisions and modest immigration provisions. In each of these agreements, the New Zealand government pressed for greater services liberalisation than its partners were willing to countenance.[20] New Zealand was most successful in obtaining such liberalisation in the context of the P4 agreement with Chile, Brunei and Singapore (which forms the basis for current negotiations for a Trans-Pacific Partnership), where services have been placed on a negative list system (so liberalisation takes place in all sectors that are not specifically excluded). The original plan had been to include ambitious investment and financial services provisions but these could not ultimately be agreed. Whilst this agreement has a relatively modest impact given the small size of the counterparties, current negotiations to expand it to include the United States would make its impact very significant indeed.[21]

The impetus behind these agreements is the attempt to open markets for New Zealand exports and, to a lesser extent, attract inward investment (for good accounts of the potential benefits, see the relevant National Interest Analyses).[22] However, there are reasons for significant caution about both the choice of a bilateral or minilateral (as opposed to multilateral or unilateral) negotiation process and about the ways in which the content of the agreements restricts government freedom in economic policy making. I review these two lines of criticism in turn.

For enthusiasts, the growth of "hub and spoke" agreements across the Pacific is good preparation for further liberalisation in an eventual Doha round and, anyway, makes relatively modest difference to the existing trade regime in New Zealand. For others, though, it is a distinctly problematic strategy. Critics argue that preferential trade agreements reduce the potential efficiency of liberalisation as they do not ensure that resulting trade is delivering the most efficient production available world-wide. They create binding international obligations for New Zealand without producing the worldwide market access that a multilateral agreement might produce. Particularly in services, limited liberalisation of what are currently statutory monopolies could merely end up in the redistribution of rents in ways that actually lower overall national welfare. Unilateral deregulation would often do a better job of introducing the kinds of competitive gains that are supposed to spring from

[20] MFAT (2008).

[21] For a highly critical assessment, see Kelsey (2010).

[22] Most National Interest Analyses are available as appendices to the relevant select committee reports on the House website http://www.parliament.nz. (For this paper I reviewed NIAs for the New Zealand-China FTA, the Singapore CEP agreement, the Hong Kong China CEP, the Trans-Pacific Strategic Economic Partnership, and the New Zealand-Australia-ASEAN FTA.)

bilateral agreements but would also be easier to undo if perspectives on good economic management in New Zealand were to change. Sceptics have argued that FTA agreements of this kind are more important for political show and the advancement of careers within MFAT than they are for New Zealand's national interest.[23]

For those sceptical of liberalisation more generally, these agreements are also problematic. The National Interest Analyses MFAT prepares for the Foreign Affairs, Defence and Trade Select Committee tend to emphasise the limited change these agreements make to existing New Zealand policy. Often they involve only modest changes to tariffs on textiles and some manufacturing industries. The only significantly new measure is the fairly modest immigration liberalisation in the New Zealand-China FTA. The main concern is not so much that the treaties change existing policy but rather that they lock it in through creating international obligations that may be very difficult to unwind if future governments wanted to change their economic policy stance, particularly towards a more activist pattern of welfare and environmental protection or industrial policy.[24] For example, national treatment obligations for investment and services trade mean that, should the New Zealand government wish to subsidise research and development in these industries, it would also have to subsidise foreign companies working in New Zealand, something that would probably be politically impossible.

This issue of industrial policy is particularly significant in a climate where New Zealand MPs on both sides of the House are increasingly worried about New Zealand's low levels of investment and its fall down the OECD growth tables.[25] (Incidentally, they are less inclined to acknowledge that, over the last 30 years, New Zealand has also witnessed the sharpest rise in inequality of any OECD country. It is now joint third in the table, tied with the United Kingdom.)

Trade and capital markets policy since the 1980s have both been based on the idea that market incentives are the best drivers of resource allocation in the New Zealand economy. The complementarities in many of New Zealand's free trade agreements in Asia focus on New Zealand's export of agricultural products and import of manufactured goods. This reflects contemporary comparative advantage but does not look like a recipe for long-term growth sustainability. If the government wants to change New Zealand's comparative advantage by promoting more efficient production in manufactures or internationally tradeable services, it is

[23] For a more extended exposition of these arguments than space allows here, see (Australian) Productivity Commission (2010).

[24] Legally, most treaties can be revoked, often on little notice, but the political costs of revoking a treaty are much higher than those of changing national legislation since trade agreements are seen as gestures of international good will, as well as simply tools to establish economic rights.

[25] CTU (2009); Taskforce 2025 (2009); Shearer (2010).

likely to need to do so through increased research and development spending and perhaps some form of active industrial policy.[26]

Concerns with low productivity and limited investment also have implications for international treaty commitments on investment and financial services liberalisation. The Chileans, for example, included explicit provisions in the TPP agreement to allow them to institute short-term capital controls in the face of a run by foreign investors. The New Zealand government did not add similar restrictions.

The recent global financial crisis has raised serious doubts about the performance of international financial markets in the allocation of investment. Financial sector profits do not always seem to be aligned with socially optimal investment decisions and small economies can be devastated by irresponsible financial actors. In the most liberalised financial sectors, orthodox economic commentators belatedly noticed that an economy in which 40% of corporate profits were being made in financial services might be in an unhealthy economic situation. These kinds of developments are beginning to rekindle ideas that were popular in the 1990s about legislative restraints on financial sector dominance, designed to promote greater investment in long-term productivity enhancing relationships with productive companies, rather than short-term market speculation.[27] New Zealand's banks were more prudent at the turn of the millennium (though its finance companies were not) and the crisis has not hit us nearly as hard. Elsewhere in the world, though, the momentum is currently towards greater financial sector regulation in ways that are likely to reduce financial internationalisation. It will be interesting to see how the New Zealand executive reacts to international guidance that is *less* liberal than normal New Zealand practice, since that will provide additional evidence of the extent to which it is domestic ideology or deference to international norms that drives New Zealand policy.[28]

Overall, it is clear that concern about globalisation in New Zealand has not gone away because the scope of international treaty obligations has remained constant or

[26] On the New Zealand case, see Callaghan (2009) and Wade (2001). The most sophisticated advocate for a twentieth century industrial policy is Harvard's Dani Rodrik. Rodrik argues that the kind of broad-scale economic planning of the 1960s and 1970s (in the New Zealand context, one might think of the Muldoon period) is probably too risky. Nonetheless, there remain extremely strong economic arguments for governments to selectively overcome market failures in particular sectors that have more potential than they are currently fulfilling, so long as tough conditions are attached to support and governments consult effectively with business in developing appropriate policy Rodrik (2008).

[27] Porter (1992); Hutton (1995).

[28] The current draft for Basel three includes liquidity provisions that require banks to hold sufficient local currency reserves. New Zealand banks are vulnerable on this front because of their large international exposures. The Reserve Bank has raised questions about the new liquidity provisions on precisely these grounds. However, New Zealand banks' difficulties in meeting these requirements illustrates their dependence on foreign capital for their liquidity, something that IMF has recently identified as an on-going vulnerability for the New Zealand banking sector. At time of writing it was still possible that international banking industry lobbying would water down these provisions so that New Zealand is not forced to take a position.

diminished. New Zealand's economic diplomacy has not changed greatly since the 1980s. This stance seems to be somewhat out of step with international trends.[29] More importantly, it locks in an existing economic strategy that, arguably, has not served the country particularly well. This is not to suggest that New Zealand should change its self-image as a trading nation. Rather, my argument is that international trade is not only promoted through market-access agreements. It also requires boosting the productivity and competitiveness of domestic businesses and there may be trade-offs between some aspects of liberalisation on the one hand and promoting domestic productivity on the other.[30]

18.3 The Politics of International Economic Agreements and the Dangers of Executive Dominance

If legal globalisation is still a live issue for New Zealand, what are the potential constitutional implications? There is a tendency amongst some international lawyers to see international law as generally "better" than domestic law on the grounds that it is more likely to embody universal values and is produced in a way that is somewhat insulated from politics. In the previous section I have suggested that it is very difficult to see international economic law in these terms. Economic choices tend to be technically contested and to have distributional consequences of kinds that make them unlikely to achieve universal support under any circumstances. As such they always represent particular kinds of political compromise.

In this section, I will argue that the International Relations literature increasingly sees globalisation in these political terms. Discussions emphasising a loss of national sovereignty to global processes tend to underemphasise the extent to which countries still negotiate and make choices about whether or not to enter into international agreements. These choices are inevitably shaped by global power structures over which countries like New Zealand have little control. However, the literature suggests that constitutional and institutional arrangements that might be

[29] The changing pattern of international economic regulation is driven more by rising resistance from an increasingly well-organised group of developing countries (in the WTO context) and popular resistance (in the case of the EU) than a change of heart by elite Western policy-makers. However, whilst orthodox liberal perspectives probably remain dominant amongst Western policy-makers, responses to the recent financial crisis have also demonstrated a greater willingness to consider industrial policy and state intervention in the developed countries. There are also far more high profile and effective voices within the mainstream economics profession willing to emphasise market failures and the need for regulation. It is too early to tell how far this balance will shift over the next few years.

[30] For statements designed for developing countries which, nonetheless, applies quite well to the New Zealand case (a resource-oriented economy with limited export diversification and an underdeveloped manufacturing sector) see Rodrik (2008).

altered domestically do have a significant impact on shaping the international economic agenda and the way issues are framed in international debate. In particular, there is a large literature emphasising a trend towards executive dominance in decision-making. Most obviously, the institutional arrangements for international negotiations impair scrutiny of executive policy by legislatures and civil society. More subtly, but equally importantly, the process of international negotiation itself may tend to socialise executive policy-makers into an internationalist perspective on economic policy that under-emphasises the specific circumstances of the domestic political economy, particularly in the form of interactions between trade policy and other legitimate concerns (promoting domestic industry, employment policy, environmental regulation and the like). In other words, the same forces that empower the executive may also weaken its ability to identify the national interest in a sufficiently subtle and complex fashion.

I begin by arguing that executive dominance is an important aspect of the politics of globalisation, one that is often neglected in favour of an over emphasis on the idea of a "loss of sovereignty". I then go on to explain how international processes not only empower the executive but also promote an outlook amongst trade policy-makers that is overly technical, narrowly-trade focussed and internationalist. Finally, I underscore what is wrong with executive dominance by providing a somewhat idealised vision of the role the legislature should play in pressing a more holistic outlook on economic policy-makers. This account of an idealised legislature elucidates the kinds of roles we might hope to foster in any reforms to constitutional arrangements in New Zealand, which I discuss in more detail in the final section of this chapter.

The main problem with talking about international agreements in terms of a "loss of sovereignty" is that this only represents half of what is involved in treaty negotiation. Entering into international agreements does restrict state action but it also provides states with at least some control over their international environments. Indeed, the International Court of Justice:

> declines to see, in the conclusion of any treaty by which a State undertakes to perform or refrain from performing a particular act, an abandonment of its sovereignty. . .the right of entering into international engagements is an attribute of sovereignty.[31]

Binding other states into international agreements is a key tool for states to shape their international relations. In terms of bilateral trade agreements, for example, the only way for New Zealand companies to acquire legal guarantees of market access in Asian countries is through an international treaty. At the same time, Asian countries will only sign such a treaty if they receive reciprocal legal guarantees of access to New Zealand markets. It may be less helpful, then, to ask questions about "sovereignty" and more helpful to compare the costs and benefits of particular agreements, including both the contents of the agreements concerned and the difficulty of altering them once they have been put in place.

[31] *The Wimbledon* (1923) PCIJ Ser A Vol.1 p. 25 cited in Brownlie (1998).

In bilateral negotiations, the choice is one of entering into an agreement (accepting the domestic-international trade off) or refusing to sign. It is reasonable to assume that state officials only make bilateral agreements when they are happy with the bargain they have struck. That need not mean that all aspects of the agreement are ideal but it should mean that the potential difficulties presented by reluctantly accepted provisions should be offset by the benefits that the agreement creates. In multilateral agreements, more compromises may need to be struck to satisfy a wider range of participants. It is less likely that a relatively small state with a small domestic market will be able to shape agreements very substantially. Think, for example, of New Zealand's limited potential to shape the WTO agreement (except in cooperation with like-minded states). New Zealand may find itself faced with the choice of taking the agreement it can get or walking away. Lloyd Gruber has highlighted the possibility that walking away may even leave countries worse off than before the negotiations begin if other parties decide to "go it alone". Countries choosing to stay out may find trade diverted away from them as the new agreement takes hold.[32] It is possible, then, that globalisation has produced competitive pressure for deregulation. However, the evidence I alluded to in the previous section about considerable ongoing variation in countries' responses to globalisation suggests that governments should avoid a knee-jerk fear of being left out and think carefully about the strategic costs and benefits of liberalising agreements for their particular economies.

If choices need to be made, we need to ask who exactly gets to choose whether a particular treaty is appropriate for the country as a whole, which is where the main constitutional issues come into play. As the debate on globalisation progressed, a range of authors began to emphasise the extent to which international economic law-making tended to promote executive dominance.[33]

At the most dramatic end of the spectrum, executives have deliberately sought to use international regimes to achieve results that were likely to be impossible through the domestic political system. Prior to the 1990s, the IMF willingly allowed itself to be used as a scapegoat for unpopular adjustment policies. "The IMF made us do it" cut short political debate, arguably enabling governments to do what had to be done.[34] Recently the IMF has been more reluctant to engage in this kind of activity, emphasising country ownership, but elements of the strategy remain.[35] In the context of trade, there is also good evidence that the Salinas administration in Mexico deliberately used NAFTA to "lock-in" neoliberal reforms at the international level so that they would be harder to unravel by subsequent administrations.[36]

[32] Gruber (2000).

[33] Torres Perez (2006).

[34] Now ad (1982).

[35] For example, there is well documented evidence that the Korean Executive used the 1998 IMF programme to push through aspects of *chaebol* reform that they had been seeking for some time. Matthews (1998); Blustein (2001).

[36] Gruber (2000).