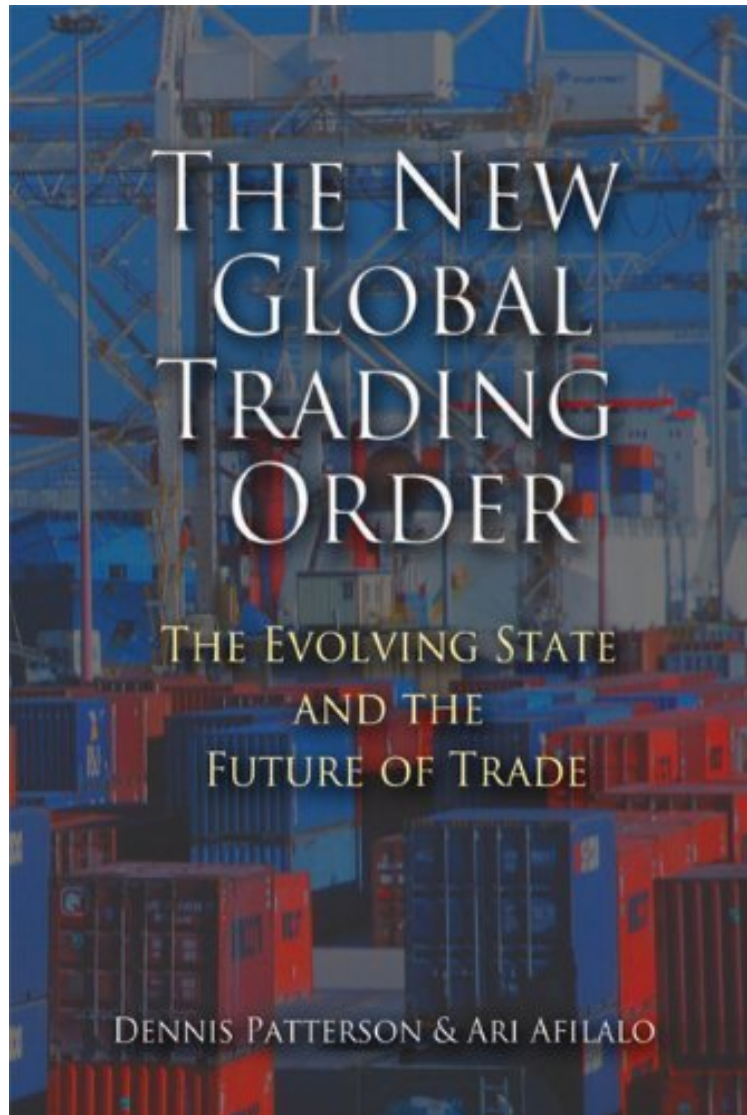


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The New Global Trading Order: The Evolving State and the Future of Trade

Dennis Patterson, Ari Afilalo

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Dennis Patterson, Ari Afilalo : The New Global Trading Order: The Evolving State and the Future of Trade before purchasing it in order to gage whether or not it would be worth my time, and all praised The New Global Trading Order: The Evolving State and the Future of Trade:

4 of 5 people found the following review helpful. A very disappointing book.By James T. RanneyThere are some good ideas (e.g., innovative measures to incentivize socially-worthy cross-border initiatives) here, but they are buried in a frustratingly disorganized repetitive jargon-laden jumble.Worse, many of their fundamental premises (which they

keep repeating, as if mere repetition could make them true) are wrong. Probably their central premise is that "there is a fundamental contradiction between...comparative advantage...and the...notion of welfare" (which they define as the totality of national regulations to improve the lives of citizens). And they dismiss out of hand the possibility of global economic regulation, citing the unhappy experiences with NAFTA. But one untoward experience ought not to serve as conclusive proof that global economic regulation is impossible. I am impatiently awaiting the upcoming book by Joseph Stiglitz and David Kennedy for that discussion. Meantime, their proposal for some kind of Trade Council, designed to implement their big (unexplained) mantra, "economic opportunity," is never spelled out, who would run it how it would work.

1 of 2 people found the following review helpful. *The New Global Trading Order: A Review* By Justine Kasznica
The New Global Trading Order: A Review Written by: Justine Kasznica
The saying goes, "If it ain't broke, don't fix it." The reverse is also true. But to "fix it," the real challenge is to understand why it is "broke" in the first place. This is the task that Professors Dennis Patterson and Ari Afilalo have successfully undertaken in their newest book, *The New Global Trading Order*. In this important book, Patterson and Afilalo examine the underpinnings of existing international institutions that govern global trade, such as the GATT and the WTO, to make the claim that these institutions are no longer able to satisfy the changing demands of global trade. The authors recognize that one cannot truly understand the current global trading order and its deficiencies without first understanding the relationship between trade and statecraft, and the changing nature of the State. The State, its internal structure and purpose, has evolved through various iterations throughout history, and the global trading order has adapted accordingly. Patterson and Afilalo argue that today, the twentieth century Nation-State has been supplanted by a new, evolving "Post-modern State." As traditional notions of sovereignty, welfare, and the balance of powers slowly erode, a transparent, multipolar economic and strategic world emerges. It is not surprising, then, that the existing institutional infrastructure of global trade, the byproduct of the Nation-State, is no longer adequate to meet the demands of the Post-modern State. Cast in this light, a pressing need becomes apparent for the current global order to adapt its structures of governance to satisfy these demands. Patterson and Afilalo tackle this daunting challenge in *The New Global Trading Order*. The authors effectively argue that the ethos of the post-modern global trading order is the enablement of global economic opportunity. The "architecture" of the global trading order must adapt in such a way as to facilitate this ethos by fostering, among other things, interdependent cross-border relationships in the areas of trade and security. Patterson and Afilalo propose a variety of ways to achieve this goal, including the reshaping of current international and domestic institutions, as well as the creation of new institutions.

Written with clarity and precision, *The New Global Trading Order* seeks to change current perceptions and misperceptions about the world in which we live. Not only do Professors Patterson and Afilalo convincingly argue that the existing infrastructure of the global trading order is in certain respects "broken," they lay the groundwork for "fixing," and invite the reader to join them in their quest. *The New Global Trading Order* is a must-read for anyone with an interest in trade, statecraft, policy and globalization.

1 of 2 people found the following review helpful. *How to Modernize the Global Trading Order* By Serge J. Van Steenkiste
Dennis Patterson and Ari Afilalo first clarify the essence of statecraft. Statecraft operates both internally and externally. Internally, the State is responsible for law and welfare. Externally, the State has strategic and trading relationships with the other States that make up the international society of States. Readers will benefit in this regard from first reading "The Shield of Achilles" by Philip Bobbitt to get the most from "The New Global Trading Order." In that book, Bobbitt spends most of his time covering the different mutations of the Modern State that was born in Europe before spreading to the rest of the world. Patterson and Afilalo correctly posit that the trade order of States follows the constitutional order of States. In other words, if there is a change in the internal constitutional order of the global society of States, that change will have an impact on the prevalent global trading order. It is in the best interest of the victorious States at the end of an epochal conflict to impose their vision on statecraft on the defeated States. However, some States have remained behind the prevailing constitutional and trading orders for a variety of reasons. The authors also point out that statecraft is constantly evolving, putting to rest "the end of history" claim that quickly proved to be a chimera. Furthermore, Patterson and Afilalo remind their audience that for the first time since the birth of the Modern State at the end of the 15th century C.E., a State structure is no longer necessary to constitute a lethal threat to a society. The growth of global networked terrorism and the proliferation of WMDs pose an unprecedented strategic challenge to the State. To illustrate the preceding paragraph, think about what the world has mainly witnessed since 1945 C.E. After crushing fascism during WWII, the victorious democratic nations succeeded to a large extent in imposing their model of statecraft on defeated Germany, Italy, and Japan. The theoretical foundations of the system of trade that was put in place after WWII in the aftermath of the Bretton Woods conference that was held in 1944 C.E. were 1) the respect for sovereignty (strategy), 2) the control on the redistribution of wealth as an inherent part of domestic policy (law and welfare), and 3) the interdiction of trade restrictions for protectionist purposes (law and trade). Comparative advantage replaced the disastrous mercantilism that became the trading benchmark of the 1930s C.E. The institutions that found their genesis at Bretton Woods were 1) IBRD (part of the World Bank), 2) IMF, and 3) GATT (now WTO). That trade system played a significant role in allowing the democratic "West" to subsequently crush communism as a mode of State governance by 1989 C.E. Despite the end of the Western colonialism after WWII, Africa and the Middle East are home to the many States that do not have the resources to build a modern

welfare State and have not benefited from the liberalization of trade. Finally, 9/11 and its aftermath resulted 1) in the implosion of the peace dividend that had been hard won by the end of the Cold War and 2) in a renewed focus on both terrorism and WMD proliferation. Patterson and Afilalo want to explain to their audience which changes in the prevalent global trading order are becoming necessary as a result of the irreversible transformation of the "Nation-State" into "Market State" since 1989 C.E. The key purpose of the "Market State" is to maximize the opportunity of its citizens rather than essentially focusing on the betterment of the welfare of the nation. Today's marketplace is diffuse, globalized, and interloped compared to what it was in 1945 C.E. Here follow a few examples. Market States are experiencing strains in their ability to redistribute wealth and protect their domestic economy due to factors such as ageing demographics, economic deregulation, communications revolution, exponential growth of capital markets, environmental and health threats, and terrorism. The world economy is now divided along industrial or sectoral, rather than national lines. WWII victors no longer dominate the world economy due to the emergence of countries such as the "Asian Tigers," Brazil, India, and China. Patterson and Afilalo are convinced that the world trade system is now experiencing a malaise similar to the breakdown of the 1930s. Think for example about the current blockage of the Doha round of negotiations. Both authors believe that new trade institutions are needed to handle the vacuum created by 1) the rise of successful entrepreneurs, self-employed people, professionals, etc. who have marketable skills or resources and benefit from a relatively high degree of economic security, and 2) by the failure of the Bretton Woods institutions to help "vulnerable middle classes" and excluded classes in both the developed and developing world. Think for example about the vulnerable classes of the Mexican maquiladoras or the poorly integrated immigrants in many French suburbs. To overcome that malaise, the authors plead for the creation of a new organization that they call the "Trade Council." In a nutshell, that council would bring together States, regional organizations (e.g., the Bangladeshi Grameen Bank), and industry representatives for addressing global issues that result from the transformation of the global trade order. The "Trade Council" would also aim at putting together programs that create the conditions necessary for the enablement of global economic opportunity as a complement to comparative advantage. The authors' reasoning is that when regulations fail, incentives might win. In that context, Patterson and Afilalo rightly observe that welfare in the States that can afford it is not the cure-all solution to all problems. The main criticism against the "Trade Council" is that it focuses too much on easing the pains of economic misery in the third world. Countries still poor need very different economic policies from those of countries already wealthy as Erik Reinert correctly observes in "How Rich Countries Got Rich ... And Why Poor Countries Stay Poor."

The international institutions that have governed global trade since the end of World War II have lost their effectiveness, and global trade governance is fractured. The need for new institutions is obvious, and yet, few proposals seem to be on offer. The key to understanding the global trading order lies in uncovering the relationship between trade and the State, and how the inner constitution of Statecraft drives the architecture of the global order and requires structural changes as the State traverses successive cycles. The current trade order, focused on the liberalization of trade in goods and services and the management of related issues, is predicated on policies and practices that were the product of a global trading order of the 20th-century modern nation-states. Today, a new form of the State - the post-modern State - is evolving. In this book, the authors propose a new trade norm - the enablement of global economic opportunity - and a new institution - the Trade Council - to overhaul the global trading order.

"In this important new book, Patterson and Afilalo address the largely neglected question of how the transformation of the constitutional and international order currently underway will affect the global trade regime. Their striking analysis is as formidable and serious as the question itself." --Philip Bobbitt, Author of *The Shield of Achilles: War, Peace, and the Course of History*, Director of the Center for National Security at Columbia University

"In this timely book, Patterson and Afilalo remind us that international trade is not just crucial to prosperity, but to world peace as well. Their analysis of the trade regime's current crisis, and their concrete recommendations for fixing it, should be required reading for all those with a stake in maintaining the global economy." --Ethan B. Kapstein, Paul Dubrulle Professor of Sustainable Development, INSEAD, Visiting Fellow, Center for Global Development

"The New Global Trading Order makes a significant and highly original contribution to the thinking about the international trade order. Well-written and well-argued, this book will be of great interest to those concerned with international trade law, international economics, history, and the issues of globalization. This book should be widely read." --Jeffrey L. Dunoff, Professor and Director of the Institute for International Law Policy, Temple University Beasley School of Law

"In this engaging new book, the authors show how the post-war Bretton Woods system for regulating the global economic order was predicated on a conception of the State that no longer holds. They develop a provocative and original thesis for radical institutional redesign of the existing trade regime to promote the enablement of global economic opportunity and growth for citizens of developed and developing countries alike." --Michael Trebilcock, University Professor and Professor of Law, University of Toronto