

Trends in World Trade

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Trends in World Trade
Essays in Honor of Sylvia Ostry
Alan S. Alexandroff

Trends in World Trade

Essays in Honor of Sylvia Ostry

Edited by

Alan S. Alexandroff

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Foreword

Alan S. Alexandroff, Volume Editor

It is with great pleasure that I present this volume to the reader. As the publishing notes make clear, this edited volume is about current trends in global trade and investment. In addition, the various authors address problems that have been central concerns to one of North America's greatest recent trade officials and analysts—Dr. Sylvia Ostry. You will find out much more about Sylvia and her interest in the global trading system through Dr. David Malone's thoughtful Introduction.

The idea of putting front and center Sylvia (as she is called by one and all, whether a prime minister or a president, or a research analyst or a student) in this volume came from the series editor, Raj Bhala. It was a brilliant idea. Edited volumes are notoriously difficult to produce. They seldom cohere around a subject or subjects. But in asking all the authors to reference Sylvia, either because they were acquainted with her personally or with her work or with both, we were able to hold the chapters together in a way that eludes most such edited works. Indeed, the subjects addressed in this volume by this eclectic group of scholars and trade officials have been Sylvia's focus at some point—either in her policy, her research, or her academic careers. Sylvia had an uncanny ability to focus on the defining issues that challenge the global trading system—whether as a Canadian trade official, international bureaucrat, or academic—even where her analysis has not always proven perfectly right, as will become evident in reading this volume.

The volume has taken longer to produce than either Professor Bhala or I had anticipated when the project was launched. Nevertheless, I believe the chapters represent, possibly unintentionally, the thinking of scholars and policy makers at the high-water mark of globalized trade negotiation. An element of uncertainty has crept into globalization and the global trading system in recent times. First, antiglobalization critiques of the trading system in the media—especially in trade and investment journals—and on the street have come to represent a significant voice in the debate over international economics and the global trading system. The Doha Development Round of trade negotiations in the WTO apparently reflects the presumptively changed world order. Sylvia herself has commented on the changed leadership of global trade in recent speeches and articles. But the demise of the “old club” of the so-called Washington Consensus—the United States, Canada, the European Union, and Japan (also called “the Quad”), a vital negotiating group during the Uruguay Round—is but one sign of the changed world of international trade and investment.

The angry opposition to global trade and its effects, whether nongovernmental groups or any number of member countries, appeared in 1999 at the Seattle Ministerial. The influence of these critical interests has only grown, except for a slight hiatus in

Qatar in 2001. In the global talks there is much discussion today over the apparent tectonic shifts in the global economy, most visibly the rise of China and the growing liberalization of India's economy. Brazil is yet another actor that has recently exercised leadership in the trade-negotiating rounds and at the numerous meetings that followed the one in Seattle. Today, the Doha Round throws up one group after another—G3, 5, 10, 20, or 22; G30 or 90, and so on.¹ Some observers suggest that the slow and difficult pace of trade negotiations merely mirrors previous rounds. Though the negotiations have been slow and halting, like other negotiations they will ultimately conclude successfully, if long after the original proposed deadlines—so goes the helpful analysis.² Yet others now voice a sentiment that the global trading system has undergone a dramatic structural shift, putting at risk the further liberalization of global trade and investment. New actors now jockey for influence in the global trading system and, indeed, in the global economy.³ The question still unanswered is whether these new economic powers can maintain, or indeed desire, an open trading and investment system.

The Sutherland Report (officially titled, “Report by the Consultative Board to the WTO Director-General Supachai Panitchpakdi on ‘The Future of the WTO: Addressing Institutional Challenges in the New Millennium’”) expressed growing concern and alarm over the fragmentation of the global trading system through the conclusion of regional and preferential—in particular, bilateral—trading agreements. The decision to “shelve” investment in this trade round following the Cancun Ministerial represents a major setback in the efforts to multilateralize and globally frame investment remedies and protections. Yet the effort to establish investment protections in free-trade arrangements or bilateral investment treaties (BITS) continues. How this ultimately impacts global investment is unclear, but it represents, perhaps, another challenge to an open global economy. So there are more questions than answers and a growing concern over the fallibility of globalization.

At the turn of the century, just a few years ago, it was not unreasonable for international relations experts to focus almost exclusively on globalization and its critics in international relations. For many scholars, the final triumph of what used to be called for decades “low politics” had occurred with the fall of the Berlin Wall and the demise of the Soviet Union. In the flush of such dramatic political events and in the rise of the Internet and of globalization themes generally, analysts seemed prepared to jettison not just the Cold War baggage—major power conflicts, mutually assured destruction, wars of national liberation, and realist diplomacy—but any central concern over security issues. But in the wake of the terrorism of September 11th, global security matters have returned to the global agenda to such a degree that terrorist threats to globalization itself are expressed increasingly by experts and commentators. Today there is concern that global terrorism and security issues might well swallow up globalization, or at least seriously impede its continued development. In a variety of ways, the authors of this volume reflect the concerns and the uncertainties that have arisen in the post-Septem-

1. Robert Wolfe, of Queen's University, School of Policy Studies, has worked diligently to uncover the complex network of negotiating groups within the Doha Development Round. He has spoken about it—in, for example, his talk and PowerPoint presentation at the Centre for International Governance Innovation (CIGI) in Waterloo, Ontario, Canada: “The WTO after Hong Kong: Is Reform Necessary to Save the Doha Round?” *CIGI “Food for Thought”* (lecture, February 10, 2006).

2. Bruce Stokes, “The FP Memo: Saving Free Trade,” *Foreign Policy* (March/April 2006): 68–72.

3. Sylvia Ostry, “Trade Development and the Doha Development Round” (paper, University of Birmingham, November 11–12, 2005).

ber 11th world. Yet in many of the chapters there is an evident battle over globalization in the form of criticisms of globalization's consequences and its path in the growing transformation of the global economy after September 11th. And Sylvia herself has commented with alarm on the lengthy, still fruitless negotiating efforts in the Doha Development Round. That sense of continuing uncertainty is reflected in many of the chapters of this volume.

It is fitting that this volume appears in the Carolina Academic Press series, Studies on Globalization and Society, edited by Raj Bhala, now the Rice Distinguished Professor at the University of Kansas School of Law. As noted by the general editor, the volume examines not just the technical aspects of trade but its wider societal implications. Sylvia understood trade details as well as any trade negotiator, but her interest and analysis always tried to keep people and societies in the forefront of her work. For Sylvia, trade and investment were never just about governments and trade statistics but about well-being and societal engagement. Consequently, many of the chapters in the volume draw conclusions about the societal well-being of those in the global trading system.

It was my great privilege to work with Sylvia on a project that commenced in 1996: China's accession to the World Trade Organization (WTO). This project, like everything else touched by China's accession, continued far longer than anyone had reasonably anticipated. For several years, extending into 1999, Sylvia, I, and many colleagues from countries around the globe, all of us identified through Sylvia's extraordinary international network, worked at the "margins" of the formal trade negotiations and the meetings of the Working Party on China Accession. What I know about trade policy is largely the result of Sylvia's extraordinary knowledge of trade people and of issues that move the global trading system.

The reader is likely to conclude that all of us in this volume and beyond have been deeply influenced by Sylvia's energy and deep thinking on the global trading system. With confidence I can assume that all my fellow authors would agree with this conclusion.

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