

Strategic Arena Switching in International Trade Negotiations

edited by Wolfgang Blaas and Joashim Becker

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reviewed by Mike Pournarakis*

This book is dedicated to the political economist Egon Matzner, who spent the last years of his professional life researching a more functional institutional framework of globalization. The editors of the book address certain aspects of Matzner's research project "Global Rule Making" for trade negotiations.

The focal point of the book is forum-switching in international trade negotiations. The terms arena-switching and forum-switching are used to indicate that similar agendas of trade issues are dealt with in multiple negotiation fora. To begin with, forum-shifting in trade negotiations is seen as an evolutionary process over time. After the Second World War, the International Trade Organization (ITO) and the GATT were the first major attempts to shift the forum from the bilateral or plurilateral level to the multilateral era. In the 1970's the Third World countries were the protagonists in a second major attempt at forum-shifting, by bringing into being the UNCTAD arena - to the detriment of GATT. A third major forum-shifting attempt materialized in the 1990's, after the demise of state socialism, with the formation of the World Trade Organization (WTO). According to the authors, the treaty was much more constraining for the Third World.

The large number of attempts at forum-switching in trade negotiations is the major topic in all the chapters of the books. Basically, the two parties involved in most of the strategies for arena-switching are to be found in the US government and EU Commission on the one hand and the Third World on the other. A number of Third World governments (G-20⁺), aided on several occasions by NGOs, opposed the widening of the WTO agenda and successfully blocked the agricultural proposals by the US and EU. The Cancun summit in September 2003 is an example of the successful opposition of the G-20⁺. Less successful was the attempt by the governments of LDCs to reinvigorate the UNCTAD and oppose the attempt by the US and the EU to relaunch global trade negotiations following the first round failure of the Doha meetings.

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The Doha Round of negotiations and forum-switching is the main theme of the book. By drawing on the developments that followed the end of the Uruguay Round and the many problems confronted by the Doha Round, the book deals with the strategic behavior of the main players in trade policy. Arena-switching and forum-shifting are seen as deliberate changes from one negotiations arena to another for the successful promotion of the interest of trade negotiators.

The first half of the book, for the most part, deals with EU and US trade strategies. Arena-switching for the participants of the Doha Round involved switching and reswitching to the multilateral and bilateral level. The multilateral approach is seen as norm-making while bilateral agreements were used for gaining specific trading privileges in certain regions and/or specific states. A common trait of the EU-US strategies has been the reduction of policy space for national governments, something that ran contrary to the references of most Third World countries.

The second half of the book covers the world trade strategies of the LDCs that have played an increasingly prominent role in recent trade negotiations. Third World middle powers have been very active in arena-shifting activity. The authors select 5 countries: China, India, South Africa, Brazil and Turkey and discuss their strategies in an equal number of chapters in the book. Brazil and Africa were chosen for their involvement in regional grouping activities in South America and Africa respectively, while the choice of Turkey relates to its association with the EU. China and India are considered as having played an increasingly prominent role in recent trade negotiations. China's role in particular is of interest considering that, as a new member of the WTO, it is faced with the challenge of establishing itself as a negotiator which, owing to its size, can influence negotiation procedures single-handedly. Finally, India has a long pro-active history in forum-switching while the rapid growth and structural changes in its economy are additional reasons for attracting more attention from both developed and developing economies.

The book's main merits lie in the fact that it deals with a highly topical issue in view of recent developments in the process of trade liberalization following the experience with the Doha Round. The nine chapters of the book cover a wide spectrum of special topics on the general issue of required changes in the existing institutional framework of international exchange. The book certainly goes beyond the narrowness of the subject suggested by its title and provides a complete coverage of the role of the WTO in global norm-making. The reader is given the opportunity to familiarize himself with the full spectrum of developments on the subject and decide for himself whether he subscribes to the somewhat extreme position "that the WTO has proven a highly controversial organization".