

Book Notes: The Evolution of the Trade Regime:
Politics, Law, and Economics of the Gatt and the
WTO, by John H. Barton, Judith L. Goldstein,
Timothy E. Josling and Richard H. Steinberg

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THE EVOLUTION OF THE TRADE REGIME: POLITICS, LAW, AND ECONOMICS OF THE GATT AND THE WTO, BY JOHN H. BARTON, JUDITH L. GOLDSTEIN, TIMOTHY E. JOSLING & RICHARD H. STEINBERG. PRINCETON: PRINCETON UNIVERSITY PRESS, 2006. Pp. xiv + 231. Preface, illustrations, and index. USD \$29.95 cloth.

BY MICHAEL SHOUR

To appreciate the ongoing debate over globalization and the contemporary issues of international trade, the authors of *The Evolution of the Trade Regime* advocate that a firm understanding of the development of the world's multilateral trade organizations is essential. To this end, the book provides an interdisciplinary analysis, founded in politics, economics, and law, spanning the creation of the General Agreement on Tariffs and Trade (GATT) through its evolution into the World Trade Organization (WTO) in 1995, and its ensuing expansion.

In the first chapters, the authors explore the inception of the GATT in the post-World War II era, discussing the first round of talks in 1946, the various influences leading up to that point, and the initial scope of the institution. In the third chapter, the authors explain that as the GATT/WTO scheme expanded in scope and membership, the judicial and legislative structure of the institution became increasingly complex. While the older GATT system employed dispute settlement as a means to achieve conformity, the new WTO scheme is governed by a more formalized judiciary, gravitating towards the creation of a common law of international trade. In the fourth, fifth, and sixth chapters, the authors discuss the evolving role of the GATT/WTO. Although its initial

focus was opening borders to trade, it is now engaged in a broad range of economic and domestic regulatory areas, such as product standards and agricultural subsidies. The WTO also now encompasses a much larger group of more economically and politically diverse nations.

Therefore, the contemporary WTO, as the authors argue in the final chapters, faces significant challenges. While the traditional like-minded power players of world trade—the United States, the European Union, and Japan—formerly shaped the trade dynamics, other countries such as India, China, and Brazil are becoming increasingly prominent. In addition, the interests of non-state actors must be taken into consideration as these groups grow more effective at garnering public opinion. The authors argue that the GATT/WTO regime, despite its flaws, has generally been quite successful in breaking down trade barriers and increasing world trade. However, if the modern incarnation of the WTO does not effectively address these emerging interests, the authors assert that it will face a crisis of legitimacy, ultimately leading to an increase in regional trade agreements as countries seek to circumvent the WTO's processes and rules. While regionalism potentially permits countries, such as the United States and the European Union, to achieve their immediate trading interests within a region bilaterally, it ultimately defeats the important initial objective of the GATT/WTO: to break down trade barriers, and ultimately, to spread economic prosperity.