

Trade Links

The World Trade Organization is undergoing an existential crisis. Trade links the world not only through the flow of international commerce in goods, services, and ideas, but also through its economic, environmental, and social impacts. Trade links are supported by a WTO trading system founded on rules established in the twentieth century that do not account for all the modern changes in the global economy. James Bacchus, a founder of the WTO, posits that this global organization can survive and continue to succeed only if the trade links among WTO members are revitalized and reimagined. He explains how to bring the WTO into the twenty-first century, exploring the ways it can be utilized to combat future pandemics and climate change and advance sustainable development, all while continuing to foster free trade. This book is among the first to explain comprehensively the new trade rules needed for our new world.

JAMES BACCHUS is Distinguished University Professor of Global Affairs and Director of the Center for Global Economic and Environmental Opportunity at the University of Central Florida. While a member of the Congress of the United States, he helped create the World Trade Organization. He was a founding judge and the chief judge for the WTO during its first decade. Among his previous books is *The Willing World: Shaping and Sharing a Sustainable Global Prosperity*, published by Cambridge University Press in 2018 and named by the *Financial Times* as one of the "Best Books of the Year."



Trade Links

New Rules for a New World

JAMES BACCHUS

University of Central Florida







Shaftesbury Road, Cambridge CB2 8EA, United Kingdom
One Liberty Plaza, 20th Floor, New York, NY 10006, USA
477 Williamstown Road, Port Melbourne, VIC 3207, Australia
314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre, New Delhi – 110025, India
103 Penang Road, #05–06/07, Visioncrest Commercial, Singapore 238467

Cambridge University Press is part of Cambridge University Press & Assessment, a department of the University of Cambridge.

We share the University's mission to contribute to society through the pursuit of education, learning and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781009098106

DOI: 10.1017/9781009105941

© James Bacchus 2022

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press & Assessment.

First published 2022

A catalogue record for this publication is available from the British Library

ISBN 978-1-009-09810-6 Hardback

Cambridge University Press & Assessment has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.



For my mother, who taught me to read and took me to the Maitland Public Library.



Contents

	Introduction: Fraying Links	I
I	Links to the Global Economy	16
	Globalization in the New Pandemic World	16
	The Continued Necessity of Trade Links through the WTO	27
	Links to Nature and Sustainable Development	34
	Links to a Green Recovery	41
2	Links to the Pandemic	52
	A World Turning Inward	52
	The Evolution of Global Supply Chains	60
	The Link between Trade and Health	67
	The Composition of World Medical Trade	68
	Tariffs on Medicines and Other Medical Goods	71
	Pandemic Export Restrictions on Medical Goods	73
	The New Rules Needed on Trade and Health	75
	The Antidote to Vaccine Nationalism	80
	The Link between Trade and Food	88
3	Links to the Pre-pandemic World	94
	The Existential Crisis of the WTO	94
	The Rise of China and the WTO	99
	The Return of Economic Nationalism	107
4	Links to the Trade Inheritance	114
	The Basic Rules	114
	Food and Agricultural Trade	118
	Trade in Manufactured Goods	125
	Trade in Services	132

vii



viii		Contents
5	Links to the New Commercial Economy	137
	Rules for Digital Trade	137
	Rules for Intellectual Property	147
	Rules for Competition	159
	Rules for Facilitating Investment	167
6	Links to Climate Change	173
	The Kaleidoscope of Sustainable Development	173
	Climate Change and a Carbon Price	173
	Border Carbon Adjustments	182
	Border Tax Adjustments	186
	The Case for a WTO Climate Waiver	187
	The Content of a WTO Climate Waiver	194
	What Is a Climate Response Measure?	196
	Trade and Transport	199
7	Links to Sustainable Development	204
	Trade and Sustainable Development in the New Pandemic World	204
	Biodiversity on Our Imperiled Planet	209
	Trade in Environmental Goods and Services	214
	Fisheries and Fisheries Subsidies	219
	Fossil Fuel Subsidies and Sustainable Energy	224
8	Links to Ecology and a Circular Economy	233
	Links to Ecology	233
	Animal Life and Wildlife Trade	233
	The Nexus of Natural Resources	239
	Land Use, Water, and Sustainable Agriculture	248
	Links to a Circular Economy	253
	Sustainable Consumption and Production	253
	Trade Solutions to Plastics Pollution	257
9	Links to Cooperation, Equity, and Inclusion	263
	Links to Cooperation	263
	Links to Equity	267
	Links to Inclusion	271
	Conclusion: Lasting Links	288
Notes		293
Index		379