WORLD TRADE ISSUES

Regime, Structure, and Policy

by Young Whan Kihl and James M. Lutz



Contents

	Page
PREFACE	v
LIST OF TABLES	×iii
LIST OF ACRONYMS	xv
1 INTRODUCTION Commodities and Regionalism The World Trade Regime: Conceptual Foundations World Trade Development in Perspective Organization of the Volume	1 2 5 7 10
PART I: THEORY AND POLITICS OF REFORM	
2 POLITICAL ECONOMY VIEWS OF WORLD TRADE The Competing Perspectives on World Trade Theory of Free Trade Neomercantilism The Reformist Perspective Dependency-Neocolonial Views Neo-Marxism Contrasting the Perspectives Trade Policy Implications	15 16 16 18 19 21 24 26
3 THE CALL FOR A NEW INTERNATIONAL ECONOMIC ORDER Origin and Background Substantive Issues and Programs Perspectives on the NIEO The NIEO as an Institution The NIEO as an Ideology The Politics of Global Reform PART II: CHANGING COMMODITY STRUCTURES	32 33 36 41 41 43 44
4 TRADE IN MANUFACTURES I: THE INDUSTRIALIZED COUNTRIES Importance of Manufactures	49 49

Ch	apter	Page
	Trends in the Trade of Manufactures	51
	Nations and Manufactures Data	51
	Country Patterns	54
	Relationships Among the Industrialized Nations	59
	Measures	59
	Results	61
	Summary	73
5	TRADE IN MANUFACTURES II: THE NEWLY	
	INDUSTRIALIZING COUNTRIES	78
	Manufactures Exports from the Developing Countries	78
	The NICs: A Profile	82
	Export Composition and Partners of the NICs	85
	The NIC Phenomenon: Dependency or Diffusion?	88
	The Political Consequences of the Emergence of the NICs	00
	Neomercantilism in the Developed States	90 91
	Authoritarian Politics	93
	Toward Integration and Accommodation	95 95
_	•	
6	TRADE IN PRIMARY COMMODITIES	97
	The Role of Commodities in World Trade Commodity Prices and Proposed Solutions	97 100
	Terms of Trade for Primary Commodities	100
	Indexation of Raw Materials Prices	103
	Price Stabilization	105
	Agreements Among Commodity Producers	108
	The Success and Failure of OPEC: A Case Study	108
	Other Associations of Commodity Exporters	111
	Prospects for Exporters of Raw Materials	113
7	WORLD FOOD TRADE AND POLICY ISSUES	115
•	Patterns of Agricultural Production and Trade	116
	Policy Issues and Problems in World Food Trade	121
	Agriculture and Free Trade	122
	World Food Security	125
	Use of Long-Term Grain Agreements	127
	Food Trade as a Diplomatic Tool	128
	The Costs of Protectionism	129
	PART III: REGIONAL PATTERNS AND TRENDS	
-8	THE UNITED STATES AND THE WESTERN HEMISPHERE	133
	Derivation of the Trading Systems	133

Chapter		Page
	The Americas Connection	136
	Policy Issues and Responses	146
	From Hegemony to a Regional Trading System The United States and the Western	146
	Hemisphere Developing Nations	148
	Responses to NIEO Issues	151
	Free Trade or Protectionism in the	
	United States?	153
	Globalism or Regionalism?	156
9	WESTERN EUROPE AND AFRICA	158
	A Trading System by Design	158
	Europe and the ACP States	160
	Regionalism and Protectionism in the Western	
	European Trading Systems	171
	The Developing Countries in the Trading	
	Systems	172
	The Prevalence of Protectionism and	
	Neomercantilism	175
	An Enlarged Common Market?	. 178
10	JAPAN AND THE ASIA-PACIFIC BASIN	180
	Pacific Basin Trade in Perspective	180
	Advantages for the Pacific and Asia-	
	Pacific Basin	181
	Japan and the Trade Pattern in the Pacific	
	Basin	182
	The Japanese Trading System	184
	Policy Issues in the Asia-Pacific Basin	191
	Japan's Role in the Trading System	191
	Greater Regionalization of Trade?	195
	Regional Integration via PAFTA and OPTAD?	198
	The Future of Regional Trade Expansion	202
11	THE SOVIET UNION AND THE CENTRALLY	
	PLANNED ECONOMIES	204
	A System of Developed Countries	205
	Issues and Responses	210
	The Question of Soviet Dominance	211
	Interactions with the World Trade Regime	215
	The Soviet Trading System in the Future	218

Chapter	Page
PART IV: PERSPECTIVES ON WORLD TRAD	ÞΕ
12 CONCLUSION	223
Trade and Domestic Economic Growth	224
Regime, Structure, and Policy	227
The Uncertain Future of the World Trading	
System	234
APPENDIX	
A Two- and Three-Digit SITC Level Manufacture	s 239
B Countries in Trading Systems	240
BIBLIOGRAPHY	245
INDEX	
AROUT THE AUTHORS	