

Soo Yeon Kim, *Power and the Governance of Global Trade: From the GATT to the WTO*. Ithaca, NY: Cornell University Press, 2010. xi + 182 pp. \$39.95 (hardcover), ISBN: 978-0-8014-4886-7.

Commodore Perry. The Opium Wars. These two hackneyed examples from the historical record have come to symbolize what Jacob Viner referred to as the interdependence of “Power” and “Plenty.” Both political power and economic considerations determine a state’s incentives and capacity constraints when acting on the world stage. The distribution of incentives and capacity constraints across states then influences the emergence of commercial contours throughout the globe. Potential feedback occurs.

In her new book, Soo Yeon Kim, Assistant Professor of Government and Politics at the University of Maryland, analyzes the Vinerian interdependence in the case of global trade patterns during the *Pax Americana*. She asks two questions. First, how did the institutional form of the GATT and WTO emerge? Second, given this form, are the benefits, as measured by increased trade, to GATT and WTO membership skewed in favor of some countries over others? The first answer is unsurprising, the second less so.

Kim’s book consists of two parts, each structured around answering one of her two main questions. Part of the book’s methodological contribution relates to this division. The first part of the book uses qualitative analysis to answer the first question about the emergence of the GATT and WTO. The second part of the book incorporates quantitative methods to measure the impact of GATT and WTO membership on the growth of trade. This methodological mix contributes mightily to the persuasiveness of Kim’s argument and also ensures the book’s wider appeal to a variety of scholars. Each part can stand alone if the reader so chooses (indeed, one of the two chapters in the second part is based on a previously published article appearing in *World Politics*), but taking in the complete product is the more satisfying experience.

Kim’s answer for why the GATT and WTO emerged the way they did will ring familiar for scholars in political economy. After the power vacuum created by two world wars, the U.S. emerged as the sole economic and political power among industrialized economies. The architecture supporting the global economy after World War II, including those traditionally cited institutions as the IMF, World Bank, and GATT, was fundamentally shaped by U.S. interests. These interests were not adopted out of enlightened benevolence but rather out of domestic considerations and the looming fear of cold war. Kim provides an analytical framework for understanding the role of U.S. interests in the creation of the GATT and highlights numerous incidences in the evolution of the GATT as supporting evidence for this framework. This part of the book provides a concise overview of the key forces explaining the evolution of the GATT and how these forces continue to define the areas of conflict between WTO members to this day. Kim’s lucid prose makes the discussion readily accessible to most audiences, and I highly recommend the first part of the book as a source for teaching undergraduates the history of the GATT and WTO.

The case of agriculture exemplifies well the impact of U.S. interests on the GATT and its lasting consequences for global trade patterns. To be brief, in 1955 the U.S. obtained a waiver to its obligations to reduce barriers on agricultural imports. Demand for the waiver was a direct

consequence of domestic interests seeking extension of protection granted under the U.S. Agricultural Adjustment Act. The unintended consequence of the U.S. exerting its power to obtain the waiver, however, was that agriculture became the sacred cow for industrialized economies in all future trade negotiations. The Common Agricultural Policy protecting European agriculture stems from the precedent set by the U.S. waiver. Agricultural protection remains to this day one of the main sticking points dividing industrialized and non-industrialized economies from further reducing barriers to trade. Agriculture is the mercantilist trap of the post-World War II era.

For Kim's purposes, the larger point about agricultural protection is that the GATT and WTO are designed by and for U.S. and industrialized interests. Does this, however, lead to different outcomes in the form of trade creation for industrial and non-industrial economies when joining the GATT and WTO? The second part of the book answers this question by using a standard gravity model approach common in the international trade literature. Gravity models measure the impact of variables like distance, language, GDP, and, in the case of Kim's book, entry into the GATT and WTO on bilateral trade flows. Kim finds GATT membership increases trade for only a set of industrial countries. Non-industrial countries experience no trade benefits from being GATT members. In the case of the WTO, membership results in increased trade between industrial countries, increased trade between non-industrial countries, but decreased trade between industrial and non-industrial countries. These results lead Kim to conclude the benefits from GATT and WTO membership are highly skewed towards advanced industrial countries.

The book's most important finding is the result showing trade actually decreases between industrial and non-industrial WTO members. Policy makers should be concerned. This suggests the institutional rules, dictated largely by U.S. interests after World War II, fail to accomplish the stated goals of the organization. As the failure of the Doha Development Round shows, concerns over these rules remain a significant obstacle to further trade negotiations. But, Viner would have predicted as much. The distribution of power and plenty changes. These changes bring with them uncertainty about the future of international trade policies.

In summary, Soo Yeon Kim makes a fine contribution to the study of international trade patterns in the Vinerian tradition. International trade economists in particular would do well to study her methodological approach.

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