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by

Sir Howard Davies, Director, London School of Economics

Trade in the Chinese 21st Century

I am greatly honoured to have been asked, by the Worshipful Company of World Traders, to deliver this year's Tacitus lecture. But I confess I am intimidated by the list of my predecessors, from the ubiquitous Colin Marshall to Peter Sutherland, a former Director General of the World Trade Organisation.

There is more intimidation, too, in the very title of the lecture, named after Tacitus, and explicitly with reference to his "dialogue on orators". That raises the stakes quite high. Tacitus begins that dialogue by noting that he is going to enquire into "how it is that while the genius and the fame of so many distinguished orators have shed a lustre on the past, our age is so forlorn and so destitute of the glory of eloquence that it scarce retains the very name of orator". (1) He is surprised that should be so since, from his perspective, addressing a crowd is the most exciting thing a man can do with his clothes on. "What a delight it must be," he says, "to rise and stand amid the hushed crowd, with every eye on him alone". But, alas, or o me miserum, as we said in our Latin classes, there are no very practical tips in the Dialogue on how to revive this lost art. Yet another reason to ask, "what have the Romans ever done for us"?

Tacitus also had relatively little say in his writings about the World Trade Organisation's rulebook, or about the Doha Round. In that respect, Tacitus is quite unlike Digby Jones, who devoted last year's lecture to some very personal reflections on the Doha meeting and its aftermath. His title owed more to Monty Python than to Tacitus. It was "Multilateral World Trade: Dead or Just Resting?"(2) In response to his question, Digby, my cheerful successor but one at the CBI, took an optimistic line. He believed the negotiations would restart. His optimism has been at least partially justified in the intervening 12 months, though I am sure he would acknowledge that there is a lot more work to do before we can be confident that the Round is fully back on track.

There are four separate strands of negotiation: on goods, agriculture, services and on trade rules. As the FT noted the other day, 'the need for trade-offs between them means delay in one can hold up progress in all.' (3) At present, the services negotiations seem to be generating the least progress, and not only for political reasons. There is little movement on some of the more delicate financial dossiers. Foreign ownership of banks is always a difficult issue in Europe as well as in Asia. Some European financial institutions are not keen as they might be about market opening. The Association of British Insurers have acknowledged that 'businesses must take some of the responsibility for not pushing hard enough for a deal.' (4)

But my aim this evening is not to talk about the cut-and-thrust of current negotiations. I am no longer well placed to do so, certainly not as well-placed as Digby. I would prefer instead to reflect on some rather longer run themes, from my remote perch in academia. I spent many years at the Bank of England and the FSA, involved in various ways in the financial services dimension of trade liberalisation. But I do not propose to limit myself to finance on this occasion. I will take advantage of the cherished irresponsibility of the academic to talk also about subjects of which I have little first-hand experience.

I propose to offer some thoughts, first, on the political framework within which trade policy is determined, then about the way in which the globalisation debate has developed, and finally some suggestions on the way in which the growing significance of China as a global trader will affect us in the future.

In the LSE's international student body trade policy is a hot button topic. Certainly hotter than the UK election or the EU constitution – right up there with the price of Grolsch in the Student Union bar. Peter Mandelson, now ensconced in Brussels as the European Union's tax-exempt Trade Commissioner, came to the School earlier this month to deliver a lecture on his policy aims. (5) He was greeted by an inflated puppet, which didn't resemble him terribly closely, but which was manipulated by caricatures of big business tycoons. The demonstration was disciplined and polite, I am pleased to say, and Mandelson is one of those politicians who reacts very well to a challenge. The questioning he received came largely from the perspective of those who see the trade liberalisation agenda as one driven exclusively by the interests of multinational corporations, with little concern for or relevance to the lot of the poor in developing countries. It was a useful reminder that what we might call the Seattle agenda is alive and well, even though the numbers of demonstrators who seek to disrupt international conferences have greatly reduced. At Davos this year there were a hundred or so at most – a fraction of the turnout at a midnight IKEA store opening.

Since these arguments are perhaps heard less frequently, and certainly with less force, in EC4 than in WC2, I will spend a moment or two on them this evening. It is not entirely straightforward to assess the arguments advanced. Not surprisingly, the bodies which made up what we might call the Seattle coalition are somewhat diffuse. It is not reasonable to expect them to present a tidy, cut-and-dried manifesto. Indeed part of the challenge these groups pose to governments and international organisations lies in their lack of structure and process. They are, as Jagdish Bhagwati notes in his book 'In Defence of Globalisation' – "a motley crew, a melange of anti-globalisers animated by different ideas and passions and appearing to be an undifferentiated mass". (6)

At the risk of oversimplification, I identify three strands of criticism in this melange.

The first, we might call the conspiracy theory. The argument has been put forward by commentators like Noreena Herz of Cambridge University, whose book 'The Silent Takeover', subtitled Global Capitalism and the Death of Democracy, argues that the cause of aggressive trade liberalisation has been hijacked by big business interests, working with the Far Right in the US and the UK, in the interests of raising corporate profits in the developed world. (7) Big business cares nothing for the people in developing countries. On her analysis, even where she reluctantly concedes that economic growth has been enhanced by Free

Trade, the benefits have been so unequally distributed that they are not worth having. The WTO is fundamentally anti-democratic, and individual citizens need to take to the streets to reclaim their rights.

While we have to accept that Ms Herz, and people of a like mind, are sincere in their views, I do not find their case persuasive. Martin Wolf, in particular, has been caustic in his demolition of this line of argument, in his important book 'Why Globalisation Works?' (8) He points to the damage that would be done to developing countries if their ideas were adopted, and the process of market opening were put into reverse. But there are far more sophisticated critics of the WTO, and of trade liberalisation in general, than Ms Herz.

There is no single source to which one can easily point for their critique. They argue a combination of the following points. That while it may be that liberalised trade will, in the long run, benefit developing countries, the version of liberalisation on offer from the West is not straightforward. The most obvious case is that both the US and the European Union continue to subsidise agricultural production, and can afford to do so, making supposedly free competition in agricultural produce nothing of the kind. The EU has recently reintroduced wheat export subsidies, for example, to the annoyance of the Cairns Group of agricultural exporters. Western countries also subsidise the production of other export goods: the transatlantic spat about Airbus and Boeing is a case in point.

There is a separate strand of argument, to the effect that while the end point of free trade might be desirable, the transition process can produce many casualties if previously protected and underinvested industries are suddenly required to compete on a global level playing field. So industrial capacity can be removed, which may never return to the country which lost it. There are so-called infant industry arguments, to the effect that it may make economic sense to nurture industries behind protective barriers until they are able to compete effectively.

Furthermore, it is argued that there is too little linkage between trade policies, and development, which sometimes generates perverse effects. Without more explicit linkage, poorer countries find it hard to assess the risks and benefits of the proposals put to them. Finally, critics point to the dangers of entirely unregulated rapid capital flows. Jagdish Bhagwati notes that 'some of the hostility to globalisation stems not from globalisation per se, but from the speed with which it is pushed… the Asian financial crisis could have been avoided if the financial liberalisation had been less hasty.' (9)

All these are serious points, which need to be rigorously assessed.

Then, thirdly, there is a separate strand of criticism which speaks to the accountability, representativeness and transparency of the global organisations which write and police the rules in different areas of economic activity. The WTO is the most prominent, but we might also add the IMF, the World Bank, and indeed the Basel Committee when it comes to banking rules, or the International Accounting Standards Board who produce global accounting standards. There are no developing country representatives on either of the last two bodies.

A good source for a general description of that critique is an article on global governance, participation and the public sphere in a very recent book called 'Global Governance and Public Accountability', edited by two members of the faculty at the LSE. (10) The authors of the article (Nanz and Steffek) argue that there is a massive democratic deficit in global governance. Their case is that the procedures of the WTO keep marginal political players, domestic interest groups and the critical public out of the heart of the organisation's business, and that it is categorised by "obscure and secretive ways of international decision-making". They see this as part of the trigger for the complaints by NGOs on the one hand, and developing country governments on the other. What they describe as the "club system", operated by the WTO in their view "tends to privilege the concerns and interests of the key trading nations". They maintain that the WTO "inhibits informed public debate and critical reflection". They are not surprised, in other words, that it should have become the focus of resentment on the part of those who perceive themselves to be economically weak and excluded from decision-making on matters which they see as central to their economic prosperity.

This criticism is one we have to take seriously. As Martin Wolf says in his book: "When I first became interested in the then GATT in the 1970s, most people were unaware of its existence. Now the WTO is a hated symbol of globalisation. The move from indifference to malevolence is not altogether an improvement". (11)

How far should the WTO itself, and the leading participants in it, which are still the US and the European Union, respond to these criticisms? Is it possible to envisage changes which would meet some of the legitimate concerns of the organisation's critics, while not invalidating the principles on which the WTO is built – and especially the principle that mutually beneficial trade will best be promoted within a framework of rules which tend towards liberalisation and free trade.

The WTO has itself sought to address some of these questions, and the current Director General, Supachai Panitchpakdi, invited a consultative board, chaired by Peter Sutherland, a former Director General himself, to make recommendations, which were published last month. (12) Niall Fitzgerald, until recently UK chairman of Unilever, was also a member. That report is most useful, but its thinking is inevitably situated very much in the context of the organisation as it now exists. My own suggestions are not quite those of the consultative board, but they are built on them, and they owe something to the reflections of Martin Wolf of the Financial Times, and of those LSE academics who have recently been working in this area. None of them, however, would recognise my own list of propositions as their own.

I identify five areas in which changes might be made, all with the intention of enhancing the legitimacy of the WTO, and broadening the support for its activities. None of my points goes anywhere towards meeting the criticisms of those who are fundamentally hostile to the principles of multilateral trade agreements. I do not think it sensible to think of compromises in that direction.

First, and here I strongly agree with the conclusions of the consultative board under Peter Sutherland, it is important that the arguments for globalisation and free trade should be clearly argued and powerfully reinforced by politicians. As Sutherland himself wrote in the Financial Times on 18 January, "political leaders and the WTO itself must go back to the basic arguments in favour of open trade and a rule-based trading system. These have been lost or corrupted by often well-intentioned, but misinformed, reactions to the largely beneficial processes of globalisation". (13)

The case in favour of globalisation, to use that convenient shorthand, is very strong. A World Bank analysis, a couple of years ago, related growth in incomes per head in developing countries to their openness to international trade. The average incomes of 24 countries which had experienced significant increases in their openness to trade had risen by two thirds in the two decades from 1980. 49 more closed economies had seen their incomes per head rise by only 10 per cent. This is a very powerful relationship.

<u>Second</u>, and this is a very closely related point, the constitution and powers of the WTO need to be more clearly articulated. By comparison with other international organisations like the IMF or the World Bank, or even the European Commission, the WTO is little understood, even by politicians in member countries. Its work is often highly technical, and does not easily lend itself to clear public exposition. Furthermore, in Europe, trade policy is at one remove from the electorate since nation state governments have ceded their competence in trade negotiations to the European Commission. That seems to me to make sense for a single trading block like the European Union. I wonder how effective the UK would be in advancing its interests in global institutions on its own. But EU competence has the interesting and perhaps undesirable consequence that domestic politicians say little on the subject. Of course there is the European Parliament, but the UK is not the only country in which voter participation in European elections is very limited, and where the Parliament's deliberations have yet to make much impact on public opinion. So there are few articulate and knowledgeable defenders of the

WTO in British politics. That deficit is matched elsewhere in the developed world, and especially in Europe.

So there is an important task in Europe to re-engage popular opinion with issues of trade policy. In that context, we might regard the appointment of Peter Mandelson to the trade policy portfolio as a great opportunity. Whatever one's views of Peter Mandelson's policies, there is no doubt that he has a very good understanding of the political and electoral process, in this country at least. And he is certainly well-known. Re-engaging Europe's population with trade policy sounds like a challenge which Peter Mandelson ought to be willing to take on. Indeed, I would say he made a start on it in his presentation to the LSE a couple of weeks ago.

Thirdly, and this point speaks more directly to the critics of the WTO whose opinions I briefly outlined earlier, I believe it is important to develop the link between trade, aid and development.

It is clearly an opportune moment to do so. Under our Prime Minister's leadership, the interest of the G8 this year in development issues is clearly greater than it has been for some time. It is not the place this evening to go into detail on the various different proposals, including Gordon Brown's favourite international finance facility, which have been put forward to ease the financial problems of developing countries. We do not yet know what will emerge. The Bush administration continues to oppose the IFF. But some further progress on debt forgiveness for the poorest countries seems likely.

At the LSE Peter Mandelson, with perhaps forgivable political hyperbole, argued that "2005 represents a once in a generation chance for change. With a coherent package of WTO, EU and G8 measures I believe that we can take the power of the global trade agenda and put it at the service of development". (14) He set out a number of measures which might be taken to integrate consideration of development issues, agricultural export subsidies and broader tariff and quota free market access arrangements within the European Union's "everything but arms" initiative. That regulation grants duty-free access to imports of all products from least developing countries without any quantitative restrictions, except to arms and munitions. Furthermore, he argued for new funds to help poor countries trade more effectively through capacity building – investment in the infrastructure that helps developing countries take advantage of preferential market access and to help ease the social costs of adjustment in vulnerable economies.

This is an appealing framework. Are the finance ministers ready adopt it? That has to be an open question. It was notable that while Peter Mandelson cross-referred to G8 initiatives in his speech, there was no similar signal extended in the other direction. There is a lot more to do before the development, aid, financial market and trade agendas are brought together. Bhagwati makes the point very clearly: 'when poor countries have embraced free trade, they will want to have domestic adjustment assistance programmes to assist import-competing industries that experience disruption from international competition, as in fact the rich countries have long had. But since they do not have the resources to finance such programmes, agencies such as the World Bank should be mobilised to provide the necessary finance. Then domestic and international action would have to be joined to facilitate the poor countries' beneficial trade integration into the world economy.' The Sutherland report picks up that point, recommending the international development agencies, particularly the World Bank, should enhance their funding of trade policy adjustment programmes.

This links closely to my <u>fourth</u> point, what I described earlier as the infant industry argument. We need to be very cautious on this point. After all, British trade unions in the car industry used to advance similar arguments to defend their comfortable lifestyles. But there are some examples of market opening which have generated negative short-term consequences, and indeed consequences which have been more difficult to correct in the medium term than they might have been. The fundamentalist free traders here may regard this as woolly thinking, or even apostasy. But I am encouraged in my view by discovering that Martin Wolf, who might normally be thought of as being firmly at on the liberal trading end of the spectrum, has himself argued that "the question of legitimate infant industry protection needs to be examined…. The international community needs to consider whether developing countries should have greater freedom to introduce export conditions, export subsidisation and other means to promote early stage industrialisation".

<u>Fifthly</u>, and lastly, there is a need for more to be done to promote dialogue with those whom we now refer to loosely as representatives of civil society. Peter Sutherland's consultative board argues that the WTO membership should develop a set of clear objectives for the organisation's relations with civil society and the public at large, though they are cautious about establishing a privileged dialogue with any particular groups, particularly not groups "whose express objective is to undermine or destroy the WTO". This might, perhaps unkindly, be

characterised as being in favour of a dialogue with those who agree with you. In my personal experience, those are the dialogues which I greatly prefer, but on occasion it is good for one to consider something else.

Bhagwati – an articulate defender of globalisation I remind you – points out that NGOs have often been quicker in identifying emerging social and environmental problems than have governments – especially, though not exclusively, in developing countries.

One proposal put forward by Patrizia Nanz and Jenz Steffek of Bremen University in the article I mentioned earlier is to establish "a procedure that forces decision makers to respond to stakeholders and to publicly justify their actions". (15) They propose a public assembly for the WTO that could precede every ministerial conference. The assembly would include the heads of national delegations and representatives of civil society, with the media in attendance. They recognise that this would require some discipline to be exercised by NGOs and others. But, they argue, such a procedure would promote public debate and, if successful, would generate increased legitimacy for the WTO's ends. Wolf argues that the politics of trade should remain at domestic level. There is logic in that, but there is very little of it, in practice, especially in Europe for reasons I have explained. Perhaps an attempt at globalising the debate would be cathartic and beneficial in the long run.

So, in my view, in spite of the risks of generating a global tower of Babel, this is an idea worth further consideration.

It may be argued that these suggestions for change are embedded in an out-of-date view of the state of the world. That they pay too little attention to the changing balance of economic power attributable to the growing significance of China, and perhaps also India, in the world economic system. Is that true? Is it the case that the dramatic growth of China as a trading superpower will soon transform the way in which we manage the world economy?

This is a question which polarises opinion. There are those who argue that China changes everything, and others who believe that nothing will change – that China will comfortably integrate itself into the world's trading rules, without our needing significantly to adapt them. They point to Chinese accession to the WTO as proof of that contention.

China's entry into the world trading system has been a dramatic story. In 1979 the scale of china's trade with the rest of the world was trivial. Foreign investment in China was non-existent and, in spite of its one billion population, the People's Republic barely figured in global statistics. 25 years on, after an average annual growth rate of 9 per cent throughout that period, China is on the verge of becoming an economic superpower. It already accounts for more than 5 per cent of the world's manufactured exports and was the second largest host country for inward foreign direct investment in 2003, after the USA.

But did I say entry into the world's trading system? Surely I should have said re-entry. Professor Nick Crafts of the LSE's Economic History Department has recently published a fascinating paper which reminds us that China was almost as significant an economic power in the late nineteenth century as it is today. (16) In 1880, China accounted for 12.5% of world manufacturing production. That fell to only 2.3% by 1950, and had recovered barely at all, to only 2.7%, by 1990. Ten years later the Chinese percentage was back to 7%, and climbing rapidly – but still well below the 1880 level. So what we experienced during the twentieth century was a remarkable withdrawal from global trading relationships on the part of the Middle Kingdom, as it wrestled with civil war and the consequences of a communist revolution, before an equally dramatic re-entry in the last decade. China accounted for only 0.7% of world trade in the early 1970s. Now, as I say, it is closer to 6%.

In terms of living standards the Chinese people are still a good distance away from the relative position they enjoyed in the late nineteenth century. Cross-country comparisons of GDP per head are remarkably difficult. Many factors, notably exchange rates and different consumption patterns, complicate the picture. Crafts' calculations show that Chinese GDP per head in 1870 was around 22% of the US figure. By 1950 it had fallen to below 5% and barely changed in the first 25 years of Communist rule. Now it is back up over 12%. (Africa, incidentally, which on this measure was at around 20% of the US figure in 1870, is now down to 5% and still falling). We are also beginning to see the arrival of major Chinese companies in world capital markets. There are more than a dozen Chinese companies in the Fortune 500, and Lenovo's deal to buy IBM's PC operations was a wake-up call in the US. Here, the fate of our remaining independent car company, the Rover Group, depends on decisions made by the Shanghai Automotive Industry Corporation.

So although what we have seen recently may be interpreted as a recovery to levels we have seen before, if the Chinese continue to progress as they have been doing in recent decades, then the world could look a very different place in 20 or 30 years time.

Some of you will have heard of what is called in the trade the Bric analysis by Goldman Sachs. (17) They have looked at the four major emerging or re-emerging economies of Brazil, Russia, India and China and projected their growth rates forward. These projections are startling. For example, the Chinese economy will almost certainly be larger than the UK's by the end of 2005: it has already overtaken three members of the G7 – Canada, Italy and France. On current trends the Chinese economy could well be bigger than that of Germany by 2007, and, more speculatively, could overtake the USA by 2041.

One ought to be sceptical of this futurology based on straight line projections. After all, it is not so long ago that we forecast Japanese economic domination of the 21st Century – then it was the Asian Tigers, which did not include China at that time. And I, for one, am content to let the world in 2041 look after itself. There are few examples in history of uninterrupted economic growth at this kind of heady rate. Overheating, and boom and bust (which Gordon Brown has abolished here) is a risk. No doubt that is one reason why the Chinese authorities have been trying to engineer a soft landing recently.

Some critics go further and point to the incompatibility of rapid economic liberalisation and a closed political system. A recent book on Chinese politics called 'China's Democratic Future' by Bruce Gilley argues (18) that China is now in the territory, in terms of GDP per head, which is traditionally inconsistent with an authoritarian political regime, and that some turmoil and disruption can be expected. There are few if any examples of wealthy countries which sustain a one-party state for any length of time. This historicist analysis can be challenged, and it takes too little account of the subtleties of the Chinese political system. But it gives pause for thought.

For now, though, we have to deal with the world as she is. China demands to be taken seriously in world trade negotiations. What happens in China is no longer at the margins of our concerns, as frankly it was even as little as a decade ago. The evolution of the Chinese economy is a material influence on what happens in the USA, and the UK. It is no doubt for that reason that some have started to argue that we need to bring the Chinese into more of the decision-making fora.

In the run-up to the recent G7 meetings in London, Mervyn King said that the G7 should include both China and India in their formal currency discussions. I expect it will not be too long before we need to consider longer term structural change in the G7 and other bodies. There are already lively debates about representation on the UN Security Council: pressure for broader representation from developing countries is growing. We will soon have similar debates about the membership of the G7 and its associated groupings, about voting weights at the IMF, and even about membership of groups like the Basel Committee, which is hugely important in the world financial system, yet whose membership is heavily skewed towards Europe. 10 of the 13 members of the Basel Committee are European, a dominance which it is extremely hard to justify these days.

It may seem difficult, and even dangerous to relinquish control over these bodies. But in the long run we should benefit from bringing the new economic giants inside the tent. The alternative could be far more risky. The Chinese trade surplus with the US, and the renminbi/dollar exchange rate, are among today's most politically charged topics in the US. Even though, overall, China runs a small current account deficit, it has a large surplus with the US, which some Americans associate with a fixed, and too low exchange rate. While the dollar has fallen over the last couple of years against the euro, and sterling, which may help to correct global trade imbalances, there has been no such adjustment across the Pacific. That creates pressure on the transatlantic trade relationship, too. We Europeans not unreasonably worry about the prospect that the US current account deficit might be corrected entirely thorough changes in transatlantic trade flows. If so, those changes would need to be massive.

This issue requires careful analysis and negotiation. The risk is that if no progress is made, protectionist interests in he US will press for more drastic action. There is already draft legislation in Congress which would impose an across-the-board tariff on Chinese goods of 27.5 %, if the renminbi is not soon revalued. That could trigger a round of tit-for-tat responses which would have a major impact on confidence. So finding fora in which to engage the Chinese Leadership is essential.

I would draw one other crucial conclusion from this growth of new economic superpowers. We can be sure that the days when international trade negotiations essentially revolved around agreements between the United States and the European Union are over. At Cancun and Doha we saw a willingness on the part of groups of developing countries to assert themselves in a way they had not been prepared to do before. Whether the policy lines they took in those meetings were entirely compatible with their long-term self-interest is a more moot point. Certainly it is possible to argue that those countries which contributed most to the failures have most to lose in the event of a descent into a global trading free-for-all. But the reality of new centres of power is with us.

In my view that does not in any way argue against the continued importance of the WTO. Quite the reverse. In a multipolar world the need for a rules-based system is even greater. A system based on what the Sutherland Commission described as a "spaghetti bowl" of discriminatory preferences negotiated on the bilateral basis would be unmanageable.

However, and this is a point which Peter Mandelson emphasised, as a few developing countries make the leap into being trading superpowers, there will need to be some differentiation in the way in which the developed world negotiates with the developing world. As Mandelson said, "Some countries are better able to thrive in the global trading system than others. The weak by definition need more assistance than the strong. There is a world of difference between Brazil and India on the one hand, and Burkina Faso and Lesotho on the other. The more rapidly developing countries, if they wish to play a stronger global role befitting their new economic weight, cannot indefinitely shelter behind the moral high ground of a mythical united 'South'". (18) This may, he acknowledged, create a justification for some forms of protection for the poorer developing countries faced with the reality of massive new competitive threats from China, especially in the textiles industry which, for many countries, is often the first step on the industrialisation ladder.

So, in conclusion, what kind of trading world can we expect to see emerging in the Chinese 21st Century?

In spite of all the threats and risks, I remain fundamentally optimistic. I believe the arguments in favour of trade liberalisation remain overwhelmingly strong. Perhaps in my present position I am programmed to believe that powerful ideas and strong economic arguments will win the day. As a highly international university the LSE also has much to gain from globalisation. I think, too, that the protests against the WTO, over the last few years, may have produced a positive outcome. They have certainly brought that organisation into the spotlight, and begun to generate constructive ideas for reform, which ought over time to enhance the legitimacy of decision-making. An example of the kind of constructive agenda for change which has begun to be developed may be found a book called Global Covenant by David Held, who runs our Centre for Global Governance at the LSE. (19) He argues that it is possible to strike a new balance between open markets, strong government, social protection and distribution justice at the global level and describes an agenda of change which would make that possible.

The challenge for the G7, and particularly for the US and the EU will be to find means of strengthening the consensus surrounding a rule-based system, without imposing so many constraints that decisions are no longer possible. They need to find ways of achieving greater coherence in global economic policy-making, as the Sutherland Commission recommends, and to develop a set of clear objectives for the WTO's relations with civil society and the public at large.

The Worshipful Company of World Traders may itself have a role to play in this process, not least in sponsoring this lecture series, which raises the profile of trade issues, which are often found in our newspapers on Page 94, if anywhere. I hope that in leading you around this heavily contested and acronym-rich territory tonight, I have not put you off the subject for good.

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