

Chapter 28: Global trade and global finance

- There are more flows of trade and finance both in and around the world economy today than at any previous time.
- Analytical care should be taken about the precise senses in which trade and finance are labelled 'global'.
- The increase in world trade since 1970 is dramatic, although it might be that the process of regional economic integration accounts for those changes more readily than the process of genuine global economic integration.
- Trading on financial markets only very rarely involves money physically changing hands, but the volumes of 'paper' financial trading are now eye-poppingly large.
- The move to disband the GATT in favour of the law-making WTO system was an attempt to create more straightforward negotiations for global free trade by eliminating potential veto points.
- The WTO system operates asymmetrically to the advantage of its most powerful members.
- Developing countries' decisions about whether to become members of the WTO are often influenced heavily by the political pressures placed upon them to demonstrate their commitment to the existing global economic order.
- If the US and the EU do manage to introduce the Transatlantic Trade and Investment Partnership (TTIP), this will be a leap into the unknown for the existing WTO system.
- There is much more 'money' in the world today than goods to spend it on: the dollar value of total domestic financial assets is around four times higher than world GDP.
- Under the Bretton Woods system of the immediate post-Second World War era, finance was stripped of its global mobility and generally boxed in by political decree so that it would serve the interests of stable global trade relations.
- The institutionalized power of global finance has led to a regressive redistribution from the 1970s in which the global rich have become significantly richer and the global poor have been increasingly left behind.
- There are now many activist groups, of which Occupy is just one, challenging the influence of the global financial elites.