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Rewriting the Rules of Global Trade: Tariffs, Power and Reform in a Fragmented World

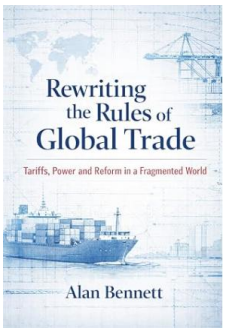
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A Book Review of "Rewriting the Rules of Global Trade: Tariffs, Power and Reform in a Fragmented World"

Written by Alan Bennett



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Written by Alan Bennett

"The rules of global trade were built for a world that no longer exists" (Bennett 2026, 7). Alan Bennett's *Rewriting the Rules of Global Trade: Tariffs, Power and Reform in a Fragmented World* begins with this deceptively simple premise and demonstrates why it may be one of the most important realities confronting policymakers today. Bennett asserts that the institutions, legal principles, and assumptions that governed the post-war trading system were designed for an era in which tariff reduction, trade liberalisation, and multilateral cooperation were dominant objectives. Today's trading environment, however, is increasingly shaped by geopolitical rivalry, technological competition, industrial policy, strategic supply chains, and national security concerns. The result, according to Bennett, is a fragmented system in which existing rules remain in place but are no longer fully aligned with contemporary economic realities. Rather than viewing fragmentation as a temporary disruption, Bennett presents it as a structural transformation that is likely to inform international trade for the foreseeable future. Against this backdrop, Bennett presents his central argument that the World Trade Organization (WTO) and the broader multilateral framework were designed for a world that no longer exists and therefore struggles to effectively govern modern trade relations. Bennett is not simply advocating for the abandonment of multilateral trading systems but rather seeks to identify the aspects that a credible trade governance framework should include given the realities of contemporary trade.

The book consists of twenty-five chapters organised into seven thematic sections. It progresses from diagnosing the fragmentation of global trade, through an examination of tariffs, subsidies, industrial policy, strategic resources and institutional weakness, before concluding with proposals for a new framework of trade governance.

Part 1: The Fragmentation of the Trading System

Bennett begins by examining the fragmentation of the trading system, advancing the argument that the global trading system has become increasingly fragmented as the assumptions underpinning the post-war liberal trading order have weakened. The order was built on the expectation that economic openness would generate broadly shared benefits, that governments would accept the discipline of common rules, and that trade would remain primarily concerned with market access and the reduction of visible barriers. Bennet argues that these assumptions have become increasingly difficult to sustain as governments place greater emphasis on resilience, national capability, technological leadership and strategic security. Fragmentation is not limited to the re-emergence of tariffs; it reflects a wider shift in which trade policy is increasingly used to pursue national security, industrial capability, technological leadership and geopolitical objectives. The 2008 global financial crisis, unevenly distributed gains from globalisation, the COVID-19 pandemic, the return of industrial policy and growing strategic rivalry have all contributed to a decline in confidence in the traditional model of economic openness. Bennett underscores that interdependence, while capable of generating efficiency and mutual benefit, can also create strategic vulnerabilities when critical production, infrastructure or technologies are concentrated in a limited number of countries.

The significance of this fragmentation extends beyond governments. Businesses must increasingly navigate sanctions, export controls, investment screening, local-content requirements, regulatory divergence and technology-related restrictions in addition to conventional tariffs and customs procedures. Bennett therefore invites the reader to view fragmentation as a structural transformation of the trading environment rather than a temporary increase in protectionism.

Part 2: Understanding Tariffs

The second section examines the continuing importance of tariffs and the legal framework governing their use. Bennett characterises tariffs as one of the oldest and most adaptable instruments of trade policy. Although tariffs are often associated with protectionism, they have historically served several purposes, including revenue generation, protection of domestic industries and the management of market access. Their continued importance partly reflects their visibility and administrative simplicity, that is, governments understand how to impose them, domestic audiences can readily understand them, and they remain an important component of international trade negotiations. Bennett also places tariffs within the legal architecture established after the Second World War. The central tension is between the continuing authority of states to determine the conditions under which foreign goods enter domestic markets and the international commitments that constrain the exercise of that authority. This provides the foundation for his later discussion of why tariffs have returned as instruments of economic and geopolitical strategy.

Part 3: The Return of Tariffs

Bennett subsequently moves from explaining tariffs to examining their renewed use in contemporary trade policy. The return of tariffs is framed as part of a wider transformation in which governments increasingly use trade instruments to pursue strategic rather than purely commercial objectives. Tariffs can protect domestic industries, create bargaining leverage, respond to perceived unfair competition and support wider strategic economic objectives.

However, Bennett contends that tariffs are no longer the only, and in some cases not even the most important instrument available to governments. Subsidies, anti-dumping measures, industrial support and non-tariff measures can influence competitive conditions without appearing as conventional border restrictions. Subsidies are particularly important because they can be embedded in tax policy, concessional finance, procurement, infrastructure support and research funding, making them more difficult to identify and discipline than tariffs. This illustrates Bennett's central argument that modern industrial policy operates through a varied but recognisable toolkit rather than through a single policy instrument, encompassing subsidies, tax incentives, public procurement, research funding, infrastructure and workforce development. The discussion of non-tariff measures further demonstrates why trade policy can no longer be understood solely through border measures. Product standards, certification requirements, licensing, environmental obligations, cybersecurity rules, data requirements and administrative procedures can significantly affect market access even when they are formally neutral and pursue legitimate policy objectives. Bennett therefore advances the view that contemporary trade governance must look beyond border measures to understand how domestic regulation shapes international competition.

Part 4: The Failures of the Existing Trade Architecture

A central part of Bennett's analysis is his examination of the institutional weaknesses of the existing multilateral trading system, particularly the WTO dispute-settlement mechanism. He makes a compelling case that trade rules have practical value only when they can be effectively enforced. The

weakening of the Appellate Body[2] removed an important element of finality from WTO dispute settlement and reduced the system's ability to function as a dependable referee of trade disputes.

Bennett maintains that the consequences extend beyond the dispute-settlement mechanism itself. When enforcement becomes less credible, governments may become more willing to delay compliance, rely on unilateral measures or pursue strategic alternatives. The rise of regional and bilateral trade agreements is therefore examined partly as a response to the weakening of multilateralism. These agreements can provide useful mechanisms for market access, regulatory coordination and economic alignment, but Bennett cautions that they cannot fully substitute for a functioning multilateral system.

The implication is not that the WTO has become worthless. Bennett recognises that its agreements, committees, transparency functions and legal disciplines continue to provide an important baseline for international commerce. Underlying Bennett's critique is the belief that the inherited architecture cannot simply be adjusted procedurally to address the structural changes taking place in global trade.

Part 5: New Strategic Trade Instruments

Bennett then turns his attention to the increasing use of strategic instruments that blur the distinction between trade policy, industrial policy and national economic strategy. Subsidies are particularly important because governments can use them to influence investment, production and technological development over long periods. Unlike tariffs, subsidies can strengthen domestic producers without directly restricting imports and can therefore be politically easier to defend. Their importance to trade policy has increased, whilst the simultaneous legal treatment under the WTO remains uncertain and commercially difficult to discipline. Bennett demonstrates that this resurgence has been visible across the major economic centres of the world. The United States has used it to attract strategic investments in semiconductors, clean energy technologies, batteries and associated manufacturing systems. In the European Union, subsidy policy has been linked to green transition and industrial relocation, including but not limited to battery production, hydrogen technologies and low carbon manufacturing. Whereas China has long used state support as a central element for industrial development.

Anti-dumping measures are another important instrument. Bennett questions whether the existing framework always distinguishes adequately between genuinely predatory pricing and vigorous competition resulting from differences in productivity, scale or cost structures. Anti-dumping measures can protect domestic producers, but they may also raise prices and reduce competitive pressure for downstream users and consumers. Their continued use therefore demonstrates the tension between domestic political objectives and the economic principles underlying competition. Overall, Bennett argues that the contemporary trading system increasingly operates through instruments that may remain formally consistent with trade law while nevertheless being used to pursue strategic economic objectives.

Part 6: Strategic Resources and Market Power

The discussion then moves to strategic resources and market power, beyond that of traditional trade instruments, to examine how market structure itself can generate international economic power. Bennett highlights that modern trade increasingly takes place through complex global production systems in which control over stages, such as processing, refining, logistics, technology, standards or

[2] The Appellate Body is the WTO's standing body that reviews appeals on trade disputes, serving as the final authority on legal interpretation within the WTO framework.

critical inputs, can influence entire downstream industries. This is particularly evident in strategic resources and critical minerals. Concentrated control over extraction, refining and processing can provide countries or firms with leverage extending beyond the commodity market itself. Strategic dependence can therefore become a source of geopolitical power.

Bennett extends this reasoning to advanced technologies, particularly semiconductors. Semiconductor production is highly concentrated and requires substantial capital, specialised skills, infrastructure and supporting ecosystems. Governments have, as a result, increasingly used subsidies, industrial policy and export controls to build domestic capability and restrict competitors' access to technologies considered strategically important to national security and technological leadership. Bennett also draws attention to the uneven distribution of value within global supply chains. Parts of Africa, certain regions in India, Pacific jurisdictions and other less industrialised areas possess mineral resources that have not yet been fully developed or integrated into higher-value stages of the global supply chain. More often than not, natural resource extraction in such regions has generated limited local development benefit. Central to Bennett's analysis is the proposition that market power in contemporary trade cannot always be understood through conventional measures such as prices or tariffs. Power may instead arise from control over critical nodes in supply chains, digital platforms, infrastructure, essential inputs or technological capabilities.

Part 7: Rewriting the Rules of Global Trade

Finally, Bennett turns to rewriting the rules of global trade, moving from diagnosis toward reform. Bennett advocates for a framework that recognises the realities of contemporary trade rather than the abandonment of the multilateral trading system altogether. He identifies principles including strategic realism, enforceability, regulatory clarity and reciprocal opportunity as foundations for a reconstructed system.

Strategic realism is particularly important to Bennett's proposal. A new framework cannot assume that states will separate economic policy from geopolitical considerations. Instead, trade rules must operate in a world where governments pursue strategic economic objectives and where technological capability, supply-chain resilience and national security influence trade policy.

At the same time, Bennett rightly emphasises that enforceability remains essential. A rules-based system cannot retain credibility if its obligations cannot be effectively enforced. His proposed approach therefore seeks to preserve the benefits of rules and predictability while adapting them to strategic dependence, technological rivalry, subsidy competition and concentrated economic power. The book ultimately advocates for a trading system that is neither a return to unrestricted liberalisation nor a retreat into protectionism, but a more realistic framework capable of governing trade in a fragmented and strategically contested global economy.

Critical Assessment

Bennett's argument can be situated within a broader literature questioning the conventional assumptions underlying globalisation and trade liberalisation. In many respects, his work echoes Rodrik's (2011) observation that tensions inevitably arise between global economic integration, domestic policy autonomy and political legitimacy. This provides a useful comparison to Bennett's discussion of the political and institutional pressures that reshape the trading system. Yet, where Rodrik remains primarily concerned with balancing globalisation alongside domestic policy priorities, Bennett places greater emphasis on the fragmentation of the trading system and the growing influence of strategic and geopolitical considerations. Similarly, Stiglitz (2002) examines the distributional

consequences of globalisation and the institutional rules governing it, particularly the way the benefits and costs of globalisation are distributed. Bennett's analysis differs in its greater focus on power, technology, national security, industrial strategy and the governance of trade. A similar point of comparison emerges with Chang (2002), through his examination of the historical role of industrial policy and state intervention in economic development, challenging the notion that market liberalisation alone explains the development of advanced economies. Bennett builds on a related concern with state intervention, but applies it to the contemporary trading environment, where subsidies, technological competition and strategic supply chains have become increasingly important features of international trade.

The debate surrounding the WTO also reflects the broader tensions identified by Bennett. Recent scholarship increasingly characterises the organisation as being at a critical juncture, with weakened dispute settlement, stalled negotiations and growing reliance on unilateral trade measures, raising questions about the future of the multilateral trading systems (Quibria, 2026). Hopewell (2025), however, provides an important counterpart, arguing that the WTO's difficulties stem not only from institutional weaknesses but also from the declining willingness of member states to uphold and enforce agreed rules. The distinction is important when considering Bennett's argument. If the central problem lies in outdated institutional architecture, then substantial reconstruction may be necessary. If, however, the underlying rules remain valuable but are undermined by political disagreement and weak enforcement, institutional renewal and renewed political commitment may offer a more appropriate response.

The greatest strength of this publication is its timeliness. Bennett succeeds in explaining a rapidly changing global trading environment in a manner that is both accessible and analytically rigorous. The extensive use of contemporary examples, including the COVID-19 pandemic, semiconductor policy, industrial subsidies, supply chain disruptions, and strategic mineral competitions helps elevate what could have been a highly technical legal discussion into a compelling exploration of modern economic reality. Another significant strength is the author's interdisciplinary approach. The book effectively integrates trade law, economics, technological policy, industrial strategy and geopolitics, using issues such as semiconductor policy, export controls, subsidies, critical minerals and supply chain concentration to demonstrate how these dimensions increasingly interact in contemporary trade.

Bennett persuasively demonstrates the weaknesses of the existing trade architecture. However, many of his proposed reforms revolve around strategic industries, semiconductor production, subsidy competition, technological capability and supply chain resilience, areas in which major powers possess significant advantages. This raises an important question; are the new rules being rewritten to create a more inclusive trading system or merely to accommodate the strategic priorities of the world's largest economies? The question becomes particularly important for smaller developing states, which may face greater challenges navigating an increasingly fragmented trade environment given their limited economic and bargaining power. The weakening of multilateral institutions may reduce the protections traditionally available to small states, yet the emerging framework is increasingly defined by strategic competition among large economic powers. The challenge may, therefore, be not only adapting to new trade realities but also ensuring that small states retain a meaningful voice in shaping them.

This concern is reinforced by the costs of fragmentation itself. For larger economies, navigating multiple regulatory systems, standards, customs requirements and trade agreements can be costly. For small economies with limited administrative capacity, however, these fixed costs are proportionally greater. Fragmentation therefore represents more than an administrative challenge; it can create a structural disadvantage for economies that lack the institutional and financial capacity to navigate an increasingly

complex trading environment. Nevertheless, the book's policy relevance is undeniable. Multiple issues raised by Bennett, including supply chain resilience, industrial policy and economic security have already become central concerns of governments around the world. In this sense, the book not only describes current developments, but also provides a framework for understanding the future direction of international trade policy.

The thematic concerns within the book reinforce the WTO limitations for small states, fragmentation and vulnerability, regional integration, supply chain resilience and the need for strategic positioning. Although Bennett focuses primarily on major powers, the book carries important implications for Caribbean economies, given the traditional role of multilateral rules and institutions in moderating the influence of larger economies. Yet one of the book's central lessons is that power, strategy, and economic security increasingly shape trade outcomes alongside legal rules and formal agreements. Through a Caribbean lens, perhaps the book's most significant insight is that developing countries cannot rely exclusively on organisations such as the WTO to safeguard their economic interests. As fragmentation increases, countries must develop their own regional integration, pursuing digital trade opportunities, developing specialised capabilities within global value chains, and understanding how technological and geopolitical shifts may affect their development prospects. The book therefore serves as a timely reminder that the future competitiveness for states such as the Caribbean economies will depend not only on market access but also on the ability to adapt and to navigate an increasingly fragmented and strategically contested global economy.

A further limitation is the relatively limited treatment of trade in services. Bennett acknowledges the growing importance of services including finance, telecommunication, logistics, software and data related activities, and recognises that services form part of the broader expansion of the trading system. However, services do not receive the same sustained attention as tariffs, subsidies, semiconductors, strategic resources and industrial policy. This is a notable omission given the increasing importance of services and digital activities to international commerce and the distinct regulatory challenges they present. Unlike merchandise trade, services trade is often governed through domestic regulation, licensing, professional requirements, investment restrictions and other measures that are more difficult to identify and discipline. These challenges also have implications for WTO, particularly where existing rules must accommodate increasingly digital and cross-border forms of economic activity.

Conclusion

Rewriting the Rules of Global Trade presents a compelling argument that the assumptions underlying the post war trading order no longer align with contemporary realities. As Keynes (1936) observed "the difficulty lies not so much in developing new ideas as in escaping from old ones." Bennett's work can be read as an invitation to reconsider many of the assumptions that have shaped international trade policy for decades. While some of the reforms remain broad, the book's diagnosis of the challenges facing the global merchandise trade landscape is both timely and convincing. In conclusion, global trade is no longer primarily about efficiency and market access; it is increasingly about power, security, technology, resilience and strategic advantage, placing the existing trade architecture under considerable strain. Regarding small developing states and policymakers, researchers and practitioners, the book offers a valuable reminder that the future of trade will likely be shaped as much by resilience, capability and strategy as by traditional notions of market liberalisation. Understanding and anticipating these shifts will be essential for small economies seeking to remain competitive in an increasingly fragmented world.

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