

## BOOK REVIEW

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# Book review: Dmitry Grozoubski, *Why Politicians Lie about Trade: And What You Need to Know about It*

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The bottom line is that this book is good at what it sets out to do. It is an accessible account of the trade policy world with no howlers and with a very amusing turn of phrase. Grozoubski – a former negotiator turned educator and commentator – is a good communicator and the one liners and outrageous analogies should help to keep the non-expert engaged and even, possibly, remembering some of the arguments. The book is not written for the regular readers of this journal but for their friends in the ‘real world’. Inevitably writing for this audience requires selectivity and simplification and most professionals would quibble in places – certainly most academics would, because that is the way their minds work. But overall, it does the job pretty well.

The book comprises two parts: ‘1, How Trade Works’ and ‘2, Trade and the Things You May Actually Care About’. The former is a much more straightforward account of how trade works than the book’s title would lead you to expect and the latter is a selection of ‘trade and...’ topics: jobs, national security, climate change, peace, Investor–State Dispute Settlement, and sketches of a few others.

So, ‘why do politicians lie?’ The answer is ‘because they can’. Politicians want votes (or at least, in most systems, approval) and they lie about trade policy because it is complex and the public and media cannot, or perhaps do not, expose their misstatements. I felt some discomfort over the term ‘lie’ but Grozoubski explains the sense in which he uses it. For him, it is not only knowingly making false statements but making false statements because you have not bothered to find out whether they are true:

The people lying to you about trade are overwhelmingly well-staffed, well-resourced and doing so into microphones they know will reach millions. A trade minister or senior official choosing not to learn the basics before spouting off untruths is just as willfully deceiving the public as if they learned and then said the opposite (p.15).

This then makes sense of the sub-title. ‘We’ need to hold ‘them’ to account – the public by stress-testing their statements and the experts by learning to communicate with the public better. In the conclusion, Grozoubski offers some general rules for assessing public statements about trade:

1. Ask what a policy will actually change for those trading.
2. Don’t be bamboozled by large numbers and billion dollar implications – they may not always be wrong but they’re often misleading and there’s always more to the story.
3. Treat any policy that claims to have no losers (or only losers) with extreme scepticism.

4. Remember that businesses prefer predictability over almost everything, and any policy that introduces changes must yield greater benefits than the costs of associated uncertainty and change.
5. Dismiss anyone telling you that an intractable or complex problem can be fixed by ‘just getting on with it’ as the charlatan they almost certainly are (p. 278).

This is a reasonable list, although I would supplement it with one that, while clear within the book, didn’t make the summary, ‘ask who is advocating for the policy and why?’. This is partly because the question may lead you towards the places in which the policy will have downsides, but also because, if you are going to do anything about it, these are the interests you will need to confront.

Among the most informative parts of the book are the chapters on goods trade and, at least from a UK point of view, on services trade, both of which offer a good deal of sensible detail very accessibly. The former spells out four of the several steps that traders face: registering as an exporter (in many countries you need to be prepared to pay bribes even to enter the game); navigating prohibitions; facing customs in the importing country, including valuation and rules of origin, and standards and regulations (remember that ‘For a regulator, an importer having a rough time at the border is simply nowhere near as big a problem as that same importer getting something forbidden into the country because the screening process was too lax.’ (p. 82)).

On Services, Grozoubinski notes that services are generally relegated to the periphery of trade policy thought and discussion – too difficult and not sexy enough. (‘Politicians just aren’t as excited being photographed in front of a new co-working café filled with remote-working hipster social media managers as they are in front of a car factory ...’ (p. 85)).<sup>1</sup> If they don’t talk about it, they don’t lie, but as services trade becomes more important, he argues, this will change.

I also particularly liked the chapter on Free Trade Agreements (FTAs). This describes eleven stages of the negotiation (numbered 1 to 10, with a 7.5!). Among its insights are that meaningful consultation is an important input (the Australians – of whom Grozoubinski is one – do this well), that the country preparing the first draft typically has a significant advantage, and that if you think you will be affected by a possible FTA, engage early. At the later stages, it is almost impossible to revise texts. This leads on to a nuanced discussion of secrecy in trade negotiations, which Grozoubinski believes is necessary but overdone. It includes an amusing cameo of the life-history of a clause in which the UK would gift the county of Essex to Iceland.

Part 2 – ‘Trade and ...’ – is much more difficult to distil for non-experts, but it is, of course, where the rubber hits the road. I most liked the chapters on National Security and Climate Change. The former poses four questions: Are we enabling our competitors to own the future? Are we leaving ourselves vulnerable to economic pressure? Could we survive if trade suddenly stopped? Have we lost the ability to mass produce arms? The discussion is brief and, for the first three, rather inconclusive, but the chapter concludes with a good analysis of ‘Trade Policy with National Security Characteristics’ and the way that claims about security threaten the world trading system. On climate change, Grozoubinski deals incisively with food miles and then with carbon border adjustments. The latter is bound to be one of the most hotly contested areas of trade policy in the next several years, and Grozoubinski’s text is a useful brief introduction.

The two features which I miss result from Grozoubinski having to streamline the text, but both, I think, would have increased the book’s impact. First, I would have added a bit more historical context, which would help at least some readers relate to the content. Second, in Part 2, I would have included some supporting references and tiny bits of data. Grozoubinski occasionally says there is literature but never offers any help to find it. You can’t clog this sort of book up with

<sup>1</sup>In the UK we recall that staff in the Department for International Trade (DIT) nicked their office ‘the Department for Instagramming Truss’ as they serviced their Secretary of State’s (Liz Truss) craving for photo-ops.

footnotes, but historians manage this problem with endnotes that cite a page, a snippet of text, and the reference/supporting information.

These little grizzles notwithstanding, this is a good book which I would happily give to friends and family who ask me ‘and what, exactly, do you work on?’

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