

conomic construct), law (especially the constraints on behaviour which laws establish), and politics (in recognition that relations among people cannot be reduced to those aspects that are tractable in economic models!). If we wish to understand the impact of trade agreements, surely the analytical approaches that we adopt must integrate these three perspectives.

Second, at the macroeconomic level, the 1970s which saw the first major wave of legalization in the trade system also witnessed a remarkable upheaval in the international price system. Waves of instability have subsequently rolled through the global macroeconomic system. These are manifest in shifting external imbalances, wide swings in real exchange rates, the emergence and deflation of bubbles, and regional crises in various parts of the world. From the anti-dumping literature, a fairly persuasive case can be built that much of the activity in this domain is prompted by macroeconomic developments, such as real exchange rate swings. In other words, the legalization of the trade system was driven by macroeconomic dislocations: arguably, responses in the legal domain require a complementary and nuanced economic analytical input.

Conclusion

I see accordingly much scope in the coming years to fruitfully integrate law and economics, together with political science, both at:

- (a) the micro level, in understanding how, in shorthand, incentives, constraints, and customs combine to shape the evolution of our societies and economies; and
- (b) the macro level, to ensure that the rules-based framework builds in appropriate flexibility to accommodate the disequilibria in which our economies continually find themselves, while at the same time maintaining the disciplines on behaviour that are necessary to promote cooperative behaviour.

In practical terms, that might have several general implications: