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## TITLE

### Back to the Future with TWV

*Revitalization of US Agriculture and Manufacturing with Trade World Virginia- A Global Trade Infrastructure with Overseas American Manufacturing Zones, Farm Exchange, and Integrated Logistics*

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## ABSTRACT

The state of global trade and manufacturing has taken an ominous turn during the last several decades. Manufacturing of many kinds is dominated mostly by one country, the Peoples Republic of China. China also has been maintaining tight grip on global supply chain and raw materials, and has become the single source of many critical components for many critical industrial and consumer products. This phenomenon is what we call taking control of heavier bottom half of the world trade pyramid. In contrast, the USA is clinging on at the technology rich lighter top half of the same pyramid, often depending on China for the same. Several other nations, such as Germany and Japan, are trying to stay near top by using acrobatic global supply chain management. As an example, a German bicycle maker manufactures its products by using Chinese frames, Taiwanese paint finishing, and German assembly. An American printer manufacturer assembles motherboards in Vietnam, performs final assembly in China before shipping to the US market. These efforts are often done over three or more countries or continents. Tariff acrobatic has become a mainstream art. The methods are business specific, there is no platform and a new entrant must invent the wheel again. Existing

Free Trade Agreements are becoming outdated and newer bilateral trade agreements are only compounding a global trading problem for other nations.

In another example, India with 1.3 Billion people and 72 years of history has succumbed to what can be termed as Bling Bling Capitalism, a self pampering form of manufacturing and trade model that rely on going-it-alone, regionalism, and empowerment of manufacturing princedoms, that model too depends on China, and has failed even to work for the country itself. India's economic growth rate has crumbled in recent years.

In essence, the People's Republic of China has become an effective global Black Hole of manufacturing and trade. Most anything anywhere that relates to trade and manufacturing orbits around China. If the metaphor is further extended to include a distant second, the USA appears ready to throw in the towel for good. If the current trend continues, America's end position as a leader of global manufacturing is uncertain, and as a result, wages may fall and living standard are likely to deteriorate.

China is a socialist republic run by a handful of people in control of financial and political might and assets of 1.4 Billion people. When it comes to political might, the country exerts the ruthless iron fist of a communist system, and when it comes to economy, the country exerts the frightening power of Nefarious State Capitalism. These are not overstatements and an illustrative example is the plight of now ruined Hong Kong.

Unfortunately, there is not much hope seen by many other nations. For everyone else still lucky to be in the game, they have to survive off what is left. And particularly for her, it's hard work without real money! Among the vices in the global trade wilderness, there are nefarious state capitalism, bling-bling capitalism, state sponsored oligarchy, illegal export subsidies, manipulated currencies, thefts of intellectual properties, environmental damages, unclean manufacturing processes, low labor compensations, poor worker health benefits, and so on. As ominous as these comments may paint, still these words do not tell the whole story. Communities are left behind, in the developed world, in the

developing world, in far away island nations, in no particular patterns. As though they are forgotten by the rest of the world. Labor tensions are creating mass unrests, and economic disparity is creating a global migration deluge. There are 70 Million displaced people worldwide in desperate need of hope. But, the worst may yet to come.

The nefarious state capitalism coupled with political loyalism and state sponsored IP theft can choke global creativity and academic progress! There is even a more frightening prospect. By mistake or ignorance, or by will, poorly trained or unprepared nefarious state enterprises can wreck havoc on global health, biologics, education, or economic systems.

Yet another illustrative example is the recent pneumonic outbreak and the global health emergencies. The *SARS-CoV-2* pandemic exposed the previously unthinkable vulnerabilities of the global healthcare, pharmaceutical, industrial manufacturing, logistics, monetary systems, and travel industries to name only a few. The global value chains snapped on both supply and demand ends. World financial markets were in ruins. Damages ran into hundreds of trillions of dollars. The US invoked the Defense Production Act to cope up with supply breakdowns. Worlds largest cities anywhere became ghost towns as peoples took shelters-in-places, essentially locking themselves up. If these effects have-not been severe enough warnings, the next incidence might very well be total annihilation of the human kind and many animal species along with them. These are harsh statements to describe harsh and unsustainable realities! There is an urgent need to bring back order in global trade.

But, we think, people deserve more for their work, and they can have more, if together we can bring some practical innovations into picture. The type of innovations, that can level the playing fields for the benefit of larger peoples dispersed more evenly across societies, across the globe. We think, we have found a handle to a solution. We call it *Trade World Virginia* or TWV. There are several major components of the TWV system. TWV is planning to operate several intercontinental manufacturing zones, located strategically in faraway countries yet working in connected unison. In essence, TWV

integrates global manufacturing competency in a monolithic matrix. As part of it, TWV is implementing TWEX/NET electronic exchange for transnational trades settlement and payments. TWV manages logistics, such as transportation, shipping, and payments at the central infrastructure level, this releases smaller entities from the burden of managing global logistics. Connecting global farms and farm revitalization is also a primary objective. A farm exchange is a part of TWEX/NET.

TWV manufacturing zones, globally deep and parallel supply-chains, centralized logistics, combined with TWEX/NET is an operating system for global trade. The analogy is, TWV is an operating system and various enterprises of various sizes engaged in manufacturing and trade are the apps running on it. TWV's employs hub-and-spoke model in zones and logistics and has fine grain deep parallel value chain management which reduces manufacturing cost, foster manufacturing creativity, and lowers operational risks.

In contrast, in the absence of TWV and in light of recent bilateral trade agreements, already signed or in discussion, such as the USA-Mexico-Canada Trade Agreement, UK-US Trade Agreement, UK-EU Trade Agreement, many problems for smaller nations are likely to remain unsolved and gradually become more and more complicated for them. The constraints may force the smaller nations toward partnering with competing nations unfriendly to the US interests. In addition, for the US at present, there is no good way to protect long-term industrial capital investment in weaker nations. We expect TWV to provide a stable, predictable, fault tolerant platform for global manufacturing investments. The benefits of TWV are shared by all participating nations.

At present, existing global trade infrastructures, agreements, and institutions lack critical instrumentation to support TWV. Several critical augmentations in the future multilateral trade agreements are needed to accommodate TWV. We have been proposing a format extension. Taking UK-US Trade Agreement as example, we are proposing several new sections to facilitate creation of the Trade World Virginia infrastructure.

At the heart of it all, TWV is a platform where global trade enterprises can be created easily. It nurtures an entrepreneurial society in world trade. TWV offerings can be coined as High Dynamism and Broad Inclusion. We draw much from Edmund Strother Phelps' recent works on dynamism and inclusion. A creative business sector provides most people an opportunity to use their talents to pursue happiness. TWV takes that model to the entire world. TWV is an idea now, but together with you, our stake holders, we want to realize our ideas. We present a whole new system, a new paradigm for restructuring global trade for a better planet. TWV is our efforts on the table- to discuss, to invest, to act upon, and to benefit from.