Globalization Essay, Research Paper

Globalization is ?the integration of states through increasing contact, communication and trade to create a holistic, single global system in which the process of change increasingly binds people together in a common fate. ? Some economists recognize globalization as being in the best interest of all states, while others believe that increasingly liberated trade and global economic interaction is detrimental in many ways. While globalization marks a move toward a more open world-trading regime, it can also be linked to strains on sovereignty, worker?s rights, and the environment. Thus, issues of globalization and free trade are surrounded by heated debate and controversy. Contemporary problems with free trade are rooted mainly in the General Agreement on Tariffs and Trade, which was established in 1947.

The General Agreement on Tariffs and Trade, commonly known as the GATT, instituted guidelines for international trade. These rules and regulations included establishing normal trade relations with all states, restricting non-tariff barriers to trade, restricting unreasonable technical limitations on imports, lower tariffs, and eliminating subsidies and dumping. Over time, the nations affiliated with the GATT began resembling a regime; however, there were still various issues that the agreement did not address. For example, guidelines for the trade of agriculture, textiles, intellectual and cultural property, and services were not included in the GATT. This lack of regulation created problems in international trade. Thus, after almost forty years, members of the GATT met to resolve the resulting problems. Finally, in 1994, the states came to an agreement in every area except textiles.

Textiles are a very problematic area. If there were to be free trade in textiles, many manufacturers in the United States would go bankrupt. Many states can produce textiles at lower costs then the US, and for this reason, American policy makers refused to come to an agreement on the trade of textiles. They realized that if they were to allow the free trade of textiles, it would be detrimental to a large portion of the American economy. What our politicians failed to realize is that these losses are only short-term. Over time, workers would be retrained and new jobs would arise. Nonetheless, strong opposition still existed, and no agreement was made. Thus, without resolution, the member states developed a new organization that was a manifest extension of the GATT.

At the Uruguay Round in 1994, the member states of the GATT established the World Trade Organization. The WTO is governed by the rules of the GATT, however, the decisions it makes are binding, and member states are required to abide by its resolutions. Since its beginnings, the WTO has overseen international trade and has stimulated freer international trade across the globe. In addition, the establishment of the WTO has led to the formation of various other free trade areas across the globe. However, there are many people and politicians who are opposed to free trade and its implications.

The North American Free Trade Agreement is a non-customs free trade association between the United States, Canada, and Mexico. NAFTA allows for goods to be traded freely between its member states with only minimal tariffs and restrictions. However, many feel that this is not in the best interest of our nation. For example, last year President Clinton requested fast track authority to negotiate an expansion of NAFTA. Congress refused Clinton?s request, and without a definitive vote on his treaty, he could not further negotiate an increase of free trade in North America. The reason for political opposition to free trade stems from the implications it has for the sovereignty of the United States. Whenever a state agrees to loosen its regulations, it relinquishes some power over international relations. Thus, the increased globalization resulting from freer trade is a source of political turmoil. Many American politicians are against free trade and globalization because it results in increased power for the international economy and lessened power of the sovereign state.

The WTO is not only the receiver of political condemnation, but it is also the target of trade unionists and environmentalists. The WTO does not explicitly outline rules for human rights or the environment. Consequently, as the world becomes increasingly globalized through free trade, many are concerned about the ramifications this may have on laborers and the environment. The rules of the GATT include a restriction of slave labor, however, they make no mention of child labor or sweatshop conditions. In addition, there are no international restrictions on production emissions or wastes that may have a harmful impact on the global environment. These issues were the cause of protest last December in Seattle. Demonstrators were outraged that the WTO, the organization that orchestrates international free trade, seemingly has no concern for people or the planet.

All the controversy surrounding globalization and its factors forces one to ask: is free trade good or bad? Well, it depends on one?s perspective. Free trade leads to globalization, and globalization leads to many changes in our world. Many see free trade as an opportunity for all states to thrive through involvement in the global economy. Others regard globalization with skepticism, believing it is detrimental to a nation?s sovereignty and economic prosperity. Still, others object to the ramifications free trade may have on laborers and the environment. Thus, the free trade phenomenon remains an enigma whose solution evades people and politicians alike.