

Globalization is Good (Johan Norberg - CATO Institute) In Defense of Global Capitalism

Case studies to prove argument that the long-term benefits of globalization are undeniable

- ① Taiwan - how globalization/economic integration leads to wealth and democracy
- specialization & trade
- ② Vietnam - what are MNC's actually doing in developing countries?
- ③ Kenya - why are most African states impoverished?
evolution → link to tariffs, subsidies and other trade/economic barriers
→ agent of evolution is globalization

Int'l Trade

- ① Rules-based system
 - fair competition/opportunity
 - openness vs. protectionism
 - predictability
 - rule of law
 - trade capacity
- ② core trade rules
 - ↳ WTO/GATT - objective to eliminate trade barriers
 - Tariff
 - Non-Tariff (quotas/bans/restrictive rules & regulations)
 - e.g. technical barrier to trade (e.g. labelling)
 - e.g. GMO ban in EU on NA goods due to health concerns/science
 - (a) Non-discrimination - equal application of trade policy - MFN
 - (b) Multilateral reductions in tariffs
 - NT "like products" - Lobster case
 - (c) Reciprocity - mutual benefit among parties
 - PPM - Tuna/Dolphin case
 - Shrimp/Turtle case
 - (d) Quantitative Restrictions - non-tariff barriers discretionary/individualized/non-transparent
 - (e) Binding & Enforceable Commitments - retaliation
 - anti-dumping
 - sanctions
 - embargos
 - countervailing duties

trade wars

③ Trade Agreements

↳ outside WTO

- ① free trade area (tariff free area)
- ② customs union (common set of trade restrictions imposed on rest of world)
- ③ common mkt (① + ② + resource mobility)
 - Capital
 - labour
 - currency

Strongest form of economic integration

↳ add export "free" zones

Trade Rules | PROTECTIONISM

- ① Nondiscrimination (no less favourable treatment)
- ② Reciprocity - all benefit/gain - mutual benefit
- ③ Binding and Enforceable Commitments (tariff & non-tariff barriers)
- ④ Safety Valves - ability to restrict trade to ensure fair competition or achieve noneconomical objectives
- ⑤ Multilateral Neg. (preferred process)
- ⑥ Quantitative Restrictions - only use tariffs as barriers to trade