

# In depth analysis about article



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Free Trade and Globalization vs. Environment and Community Majority of the economist despite their mutual differences on various aspects of the economy, surprisingly, happened to have unanimity of intellectual analysis over the goodies of free trade and over whelming benefits of global economy through integration. For most of these economists free trade and globalization are not dubious anymore and therefore more often than not their arguments are headed to bring forth gains of free trade and integrated global economy while the evils within these concepts are either disappeared into the overpowering support for competition and cheap productions. Despite known contribution of free trade towards economic growth, competitiveness, peace and reduced product rates, the writer has surfaced some serious social and environmental concerns attached to the issue. Arguments thus presented are thought provoking and the ills of free-trade and global integration are discussed at length which were not considered initially at appropriate levels. Social implication of globalization through free-trade are numerous and devastating. Relying too much on the global supplies usually discourages the local grower and manufacturers and thereby results in reduced self reliance which by no means is a good social indicator. Competition in some cases may also force a firm to accept the child labor to reduce costs. A country with strict legislation on social security and child labor find it hard to compete with other lenient countries on these issues. Developed countries have many strict labor protection laws which results in increased internalized costs and further demolish the chances of a true competition. Therefore, to maintain the competition it is important to lessen the differences of internalize cost among the nations through strict enforcement of social security and child labor laws. The other solution is the <https://assignbuster.com/in-depth-analysis-about-article-article-samples/>

imposition of compensatory tariffs on goods from low standard countries. The term global community is a major objective of free trade, however it may cause weakened national economic borders and trade driven policies as a result compromises on environmental treaties by the nation. Free trade enables the countries with limited natural capital to meet this shortage through import of these natural resources from other countries. This pushes countries with natural resources to produce more than their own requirement and thereby cause an imbalance of ecosystem, a serious environmental hazard. Acknowledgement of optimal growth scale at national level and complying with it can save the environments locally. The role of intra-industry free trade is not intelligently analyzed by the writer and arguments seem to fall just short to support the point raised by the writer therefore, the term “ exchanging recipes” sounds a bit funny. The writer has justly criticized the increased bars on knowledge sharing and favored the free trade to knowledge across the geographical boundaries to ensure innovation, like Thomas Jafferson who said, “ The field of knowledge is the common property of mankind.” Globalist claims a growth in GNP through free trade however; GNP despite being closely related to welfare of masses was not actually devised to measure the welfare in a society. Moreover the social and environmental costs this so called growth cause to society are not closely studies as yet. The results of two case studies to discover the correlation between the growth of GNP and welfare are very interesting. The correlation of GNP and Measured Economic Welfare (MEW) was reported positive with a ratio of 6-4 for the period 1947- 1965 and turned negative with a ratio of 6-1 for later eighteen years in USA. A newer measure of welfare, Index of Sustainable Economic Welfare (ISEW) was introduced to

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include the environmental costs for this period. The most admired David Ricardo's theory on free trade does not cater for the mobility of capital. It was simply based on the exchange of goods with absolute economic advantage whereas today the mobility of capital and labor has fester this theory a lot. Ricardo and Smith would have never thought of free immigration, cheap labor, and capital mobility of this scale as a consequence of free-trade they proposed. They were nationalists and today free-trade mean open borders for legal and illegal immigrants. Locals people are suffering the global integration and free-trade along with other social implications of the issue.