

Globalization vs. nationalism

[Economics](#), [Globalization](#)



Nationalism vs. Globalization The debate on whether U. S. domestic and foreign policy should center on nationalism or globalization has been a long standing one. Before I add my personal opinion to it, I would like to state the advantages and disadvantages of both options and how it would affect our economy in the long run. Nationalism uses trade protectionism as a basis for its concept. The main objective is to protect domestic resources by deterring foreign trade. This is accomplished through raising tariffs, quotas, and embargoes. It also raises taxes for export subsidies, import licensing, and exchange rates. Riley) Initially, people believe that keeping trade domestic benefits the standard of living because it keeps employment high.

Unfortunately, there are unforeseen side effects that have damaging results to the economy. One of the biggest factors is quality control. Since competition of the goods and services offered are reduced, there is no real motivation to produce innovative and technology advanced products. In addition, ineffective factions of business are safe from being edged out by more competent foreign rivals. In the long run, protectionism diminishes the value of a country's products and cripples its economy.

Globalization, on the other hand, is the opposite of nationalism. It is defined as the “ ongoing process of integration of regional economies into a global network of communication and execution. ” (Lovekar) There are many advocates and protestors of globalization. Supporters state how global trade raises GDP, employment, and per capita income for citizens of developing countries. Competition also raises the standard for good, quality products at reasonable prices ultimately benefitting the consumer. Employment, or lack thereof, is one of the hot button topics in the debate over globalization.

Some believe that outsourcing manufacturing, a key part of globalization, causes a loss of jobs domestically. Despite the steady cash flow from trade, developing countries are still growing twice as slow as developed countries. The average worker is still not benefiting from globalization due to their extremely low rate of pay, an enticing factor for outsourcing. So which option is the better policy to adapt? In my opinion, globalization would be the better option for the U. S. Since they are such a phenomenal force in the global market, enforcing nationalism policies would not only weaken the economy, it would affect other countries as well.

High tariffs would spark initiation tariffs from other countries and start a trade war. The outsourcing of lower skilled jobs to low wage countries is not necessarily a bad thing. It opens up the market for high waged, high skilled jobs that make equivalent products. The demand for these jobs raises the education level does to as many pursue degrees to fill them. So in conclusion, while it may seem ideal for the U. S. to protect its own by stymieing global trade, in the long run its beneficial to use globalization. In addition to stimulating developing countries' economy, it benefits the consumer through competitive pricing.