International Trade

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Author Note

Two Advantages and Two Disadvantages of International Trade

International Trade

International Trade means the process of trade happening between states. International trade forms a sizeable chunk of any states' macroeconomic markers like GDP, NDP, etc. These days, it is taken for granted as we use products that are made in China, Bangladesh or India, but around the late 90s, this was not so much common. The importance that this concept has achieved can be emphasized by the fact that now there are full-time courses and degrees devoted to the study of International Trade. This importance can be attributed to the enormous advances in Regionalism, Globalization, and Industrialization. In Addition to these factors, the internet has increased international trade tenfold in the last decade alone due to the establishment of direct contacts between buyer and maker of the product, increasing the global awareness of today’s generation.

International trade has proved to be advantageous for the global community as a whole. For one, it provides the consumer with a variety of choices that were not available before. This is advantageous for the consumer as he gets to pick the best product at the lowest prices. This also makes the market leaders honest as they strive to create the best product to give the best consumer experience. Another advantage that comes with international trade is more of a political one. International trade increases the interdependency between states. This often forces the states to seek their solutions on the negotiation table, rather than on the battlefield. This can be proved by the 2016 Doklam Crisis between China and India. The huge trade volume between both regions forced them to come to a solution on the table; otherwise, they would have taken to the battlefield, just like they did in 1962.

But it is not all sunshine and rainbows when it comes to International Trade, as there are certain downsides to the concept as well. It is international trade that has increase the proprietary information theft among China and the US. Almost all of the Chinese products can be argued to be cheap knock-offs of the American ones. There are repeated warnings by the US to China regarding this that has recently taken the shape of a “Trade War” between the states. Another disadvantage that a nation may face due to international trading is flooding of substandard goods within its borders. The living standard of the recipient of these goods plummets as they have to buy these goods to fulfill their needs. This is why many scholars are of the view that international trade is a form of Neo-Colonialism, as the colonial powers used to do the same before the Second World War.

To conclude the argument, International trade is good if a certain number of conditions are attached to it. The trading states should not try to subdue the other using the superior power of their industry. The dumping of sub-standard goods should be avoided at all costs so that there are no deep-seated grievances among states in the future. Also, the environment should be of concern to the world powers as GDP is not the only worthwhile thing; the main objective of any state is the survival and well-being of its citizens. In short, the practices of International Trade should be used only for the betterment of the world, so that its fruits are realized for the betterment of this world. Otherwise, the practices will end up as a powerful tool in the hands of a few major powers of the world, starting a new era of colonialism in world history.