



Globalization and New Trends in Promoting International Trade

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Abstract

Universality is situation where free trade is supposed to benefit all countries regardless of their level of development, industrial capacity, technological capacity and other structural characteristics. On the other hand, Uniformity implies that for each country, all industries and products should be subjected to the same level of tariff. A good example of disagreements between the WTO member countries is the failure of Seattle meeting to arrive at a consensus. Dissatisfaction with trade liberalization and globalization was evident at the Seattle meeting which took place in the midst of street demonstrations by environmentalist, developing countries labor organizations, human rights activist and non governmental organizations.

Key-Words : Globalization, AEO.

The globalization of the world economy is characterized by rapidly increasing trade across international borders. Globalized trade arouses great hopes of expanding prosperity and progress however, globalization reinforces resistance to, and fear of, relentless international competition, marginalization and new instances of poverty. This is the tension within which we seek creative approaches to an ethically responsible arrangement of trade at the global, national corporate and individual levels.

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developing countries labor organizations, human rights activist and non governmental organizations (Bhagwati 2001).

The term Globalization, now-a-days is known to all and has become an expression of common usage. Different people use this term with different colors representing ‘a brave new world with no barriers’ (Myneni). It is a process of interaction and integration among the people, companies and governments of different rations, a process driven by international trade and investment and aided by information technology. This process has effects on the environment, culture, political system, on economic development, and on human physical well being in societies around the world.

Globalization is also deeply controversial. Proponents of globalization argue that is allows poor countries and their citizens to develop economically and raise their standards of living. while opponents of globalization claim that the creation of an unfettered international free market has benefited multinational corporations in the Western world at the expenses of local enterprises, local cultures, and common people. It has come down with generally accepted solutions for smoother transition to greater free trader regimes.

New Trends and Challenges

The globalization of the financial market, for example, is far outstepping that of the real economy, making real-time operations a more common feature in the world of finance than in production or foreign trade. The subprime mortgage crisis in the United States and its repercussions in the global financial system have revealed the extreme volatility of the word’s financial markets and exposed how vulnerable developing economies are even when sound and prudent macroeconomic policies have been implemented. Although the real economy is evolving at a different pace, the changes under way in production and trader are also significant.

The vast majority of the world’s enterprises are structured along these lines at the moment. In fact, according to the experts, only 20% of existing companies match this prototype of industrial organization (Castells, 2004). This group, however, includes the world’s leading corporations, which are the standard-setters in international business, and at least some of the standards they establish become inserted into the rules of international trade itself.

Security in International Trade

Security and, more specifically, being able to guarantee security as an exporter or a transportation agent has gained considerable importance in recent years thanks to two unrelated phenomena that have been linked together by the force of current international

circumstances. The first is the growing concern regarding food safety and the possible accidental contamination of food supplies. In addition to the number of serious food contamination incidents that have occurred since the 1990s, two factors are now fuelling this concern: in objective terms, the incidence of food borne diseases has increased in many countries; and in subjective terms, many foodborne pathogens are relatively unknown because the micro-organisms involved or the role that food plays in their transmission was only recently discovered (WHO, 2002). “The food chain has undergone considerable and rapid changes over the last 50 years, becoming highly sophisticated and international. Although the safety of food has dramatically improved overall, progress is uneven and foodborne outbreaks from microbial contamination, chemicals and toxins are common in many countries. The trading of contaminated food between countries increases the potential that outbreaks will spread. In addition, the emergence of new foodborne diseases creates considerable concern, such as the recognition of the new variant of Creutzfeldt-Jakob disease (vCJD) associated with bovine spongiform encephalopathy (BSE) (WHO, 2007b).

Authorized Economic Operator (The AEO) programme

The World Customs Organization created the AEO programme in 2005 within the regulatory framework to guarantee and facilitate world trade (SAFE). The programme consists of a series of requirements that customs authorities must impose on economic operators. These measures are aimed at improving security in the supply chain and lowering the risk of accident or deliberate mishandling endangering cargo of any kind. Although the initiative is being promoted by an international agency, its implementation is completely voluntary and financed by the States that choose to adopt it. The requirements and benefits granted under the programme are defined by each State within certain parameters. The final goal is to facilitate international trade through the mutual recognition of authorized economic operators so that operators that are certified by the customs service of one country can have smooth access to the third market that recognizes that certification. Companies have been able to request ACE certification in the European Union since January 2008. This procedure is intended to be one of the pillars of the new community-wide customs policy and to supersede traditional customs by increasing the role of customs in security matters.

New costs: production processes and procedures

Complying with new trade rules incurs new costs: production processes and procedures have to be constantly adjusted and updated to meet certification requirements, and operators have to spend in order to obtain and maintain accreditation. Calculating these costs

is not easy because they vary according to the level of certification sought and the the company's conditions beforehand. The AEO programme of the European union is fairly new out C-TPAT has been operating for over five years, and the United States.

Cost and policy implications

Complying with new trade rules incurs new costs: production processes and procedures have to be constantly adjusted and updated to meet certification requirement and operators have to spend in order to obtain and maintain accreditation. Calculating these costs is not easy because they vary according to the level of certification sought and the company's conditions beforehand. The AEO programme of the European Union is fairly new out C-TPAT has been operating for over five years, and the United States Customs and Border Protection service had conducted a survey of how C-TPAT members view the programme

Practicing Standards regarding social responsibility

Among other initiatives, this has led to the issue of private certificates (in the form of labels) guaranteeing that a product was produced according to the criteria that these organizations advocate. There are currently twenty such fair trade labeling initiatives operating around the world, most of them in Europe and North America. Their aim is to regulate the use of certification marks in their respective countries. Fairtrade labeling Organizations International (FLO) is the umbrella organization for these initiatives. Its role is to provide direct support to certified producers and to define the criteria for fair trade. Currently, the FLO, in compliance with the international ISO standard for certification agencies, inspects and certifies around 508 producer associations in over fifty African, Latin American and Asian countries.

Conclusion

The situation described in this paper poses both enormous challenges and opportunities for the region. the countries need to work together as effectively as possible to identify regional and global support mechanisms that will enable them to find constructive ways to handle the changes that the new international scenario is demanding with regard to trade security, quality standards and certification, private-sector standards and the links between trade and labour, trade and the environment and trade and climate change. The challenge facing the region is huge. New requirements in any of the aforementioned areas could seriously hamper the competitiveness of the region's exports if they become obligatory or if protectionist elements are incorporate into their design for the supposed purpose of "equalizing conditions for competitions" with local production in industrialized countries, as

sometimes occurs in the area of labour rights, environmental protection and, more recently, climate change. In the case of climate change, the arsenal of initiatives is so vast that it ranges from tariff surcharges (or their equivalent) through the requirement to acquire international emission rights), to new types of subsidies, trade remedies (safeguards and antidumping measures) or even, in regard to emission requirements, “equal conditions” regardless of each region’s relative contribution to global greenhouse emissions. It is a shame that the arguments for creating equal conditions for competition” is not applied more enthusiastically to the export subsidies and domestic support measures currently distorting world trade in agriculture. The region must start preparing itself for the debates that lie ahead. These issues are going to find their way into the national negotiations sooner than expected, and it is absolutely imperative that the region comes to the table with the clear idea of the objective the lines of defence and the main alliance involved. Multilateral organizations also face a significant challenge in this respect inasmuch as they will have to perform on-going diagnose of the situation and put forward informed and up-to-date proposals that will both safeguard the interests of the developing countries and defend multilateral forums as the best-positioned instances for providing governance in these complex globalization issues.

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