

Tariff Wars and the Future of Globalization

OUTLINE

1) Introduction

Thesis Statement

Tariff wars are putting the future of globalization at risk, hurting the resilience of global supply chains, integration of economies and effectiveness of rules-based economic governance. For the world to continue reaping the rewards of globalization, there is a need for economic re-integration, cooperation and rule-based global economy.

2) Features of Globalization and the Present Tariff War

3) Manifestations of Current Tariff Wars

a) America's sweeping tariffs under the pretext of national security

Reference: US Executive Order 14257

b) China's retaliatory tariffs on USA and ban on Rare Earth Element's Export

c) European Union's Carbon Border Tariff

4) Tariff wars Are Hurting The Spirit of Globalization

a) Disruption of global supply chains

Case in Point: Disruption of Chinese supply chains in USA

b) Slowing down of global economy

Case in Point: OECD predictions for global economy in 2026

c) Rising inflationary pressures

Case in Point: Rolling back of US tariffs on 200 daily-use food items owing to public protest

d) Stagnation of economy in developing nations

Case in Point: Reduced GDP growth of India

e) Weakening of Multilateral Trade Systems

Case in Point: The downfall of WTO's legitimacy and control

f) Rise of trade as geopolitical pressure point

Case in Point: Imposition of retaliatory tariffs on India due to its Russian oil imports

g) Use of tariffs to promote economic nationalism

Case in Point: USA's use of tariff

to promote domestic automotive industry

5) Tariff Wars Are Reversing The Gains of Globalization

Reference: Ideas of Economist Kevin Gallagher (Boston University)

6) What the World Needs To Do?

a) Reaffirm commitment to WTO rules

b) Refrain from using trade as a geopolitical tool

c) focus on collective gains instead of unilateral profits

d) Focus on the ~~gains~~ rewards of globalization while working together to minimize its disadvantages

7) Conclusion