

Trade



**“Wise Choices?
The Europa Diary”**
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**Link towards
the 2008/2009 pages
of The Europa Diary:**



www.ec.europa.eu/consumers/empowerment/cons_education_en.htm#diary



A marketplace that stretches around the world

Think about the things you use every day. You buy the latest CD by a British pop star that is made in China and played on your Japanese-made stereo system. You send SMS messages about the CD to your friends on your Finnish mobile phone. Later, you boot up your PC (assembled in Ireland) to surf the net using your American browser...

New technologies, faster communications and more efficient means of transport have made it possible to produce, buy and sell goods around the world in ways that have never been possible before. Money, people and information have never been freer to move around the world. Sometimes this change is called globalisation. What it means in practice is that many of the things we manufacture are made from parts imported from around the world, many of the things we buy are made in other countries, and many of the things we sell, we sell outside Europe, in growing markets around the world.

Europe is a major global trading power. In fact, it is the world's largest trading bloc, accounting for one-fifth (20%) of global trade. As an exporting economy, Europe's businesses have benefited from globalisation and need open markets around the world. They also need fair treatment in those markets.

Working together at global level

That's why fair rules for trade are so important. Not just so that European companies can be sure of fair treatment in foreign markets, but so that even the poorest economies can be sure that international trade is conducted by rules that everyone has signed up to.

This is the reason why the World Trade Organisation (WTO) exists. It is the only global organisation dealing with the rules of trade between countries. World trade rules have to be unanimously agreed by all members of the WTO, so every country, no matter how big or small, rich or poor, gets an equal say. In the WTO, all of the EU's 27 Member States speak as one and are represented by the European Trade Commissioner. By negotiating collectively, the EU has much greater power in the world trade system.



Good and bad globalisation

I don't see trade as just the contents of shipping containers. I see it as creating the conditions by which investment, skills, experience and opportunity can spread around the world, and into places where they are often needed most.

Catherine Ashton, European Commissioner for Trade

Globalisation has had many positive effects. We are able to purchase a much wider range of goods for much lower prices than if our choice were limited to products 'made in the UK'. International competition also stimulates European companies to innovate and match the best standards from around the world. By producing goods and exporting them, many developing countries have taken a big step out of poverty. Without the ability to sell goods in our markets, this would not have been possible.

Did you know?

Europe is the world's biggest investor in countries overseas. It is also the world's biggest exporter of manufactured goods, designer goods and high-value or high-tech goods.

It is the second biggest exporter of textiles. European countries have more fashion and design brands than the rest of the world put together.

Globalisation is not only an economic phenomenon. It also promotes social, cultural and technological exchanges. Think of the flow of information: cable and satellite TV, international newspapers, the internet – all enable us to know what is happening on the other side of the planet, and give us direct access to the UEFA cup results!

But if globalisation has lifted millions out of poverty and has had many positive effects, it also raises new challenges. Are we doing enough to make sure that the economic benefits are widely and fairly shared, both between



countries and within our own societies? We would all agree that economic growth in developing countries is a good thing, but are we doing enough to manage the effect of this rapid growth on the environment?

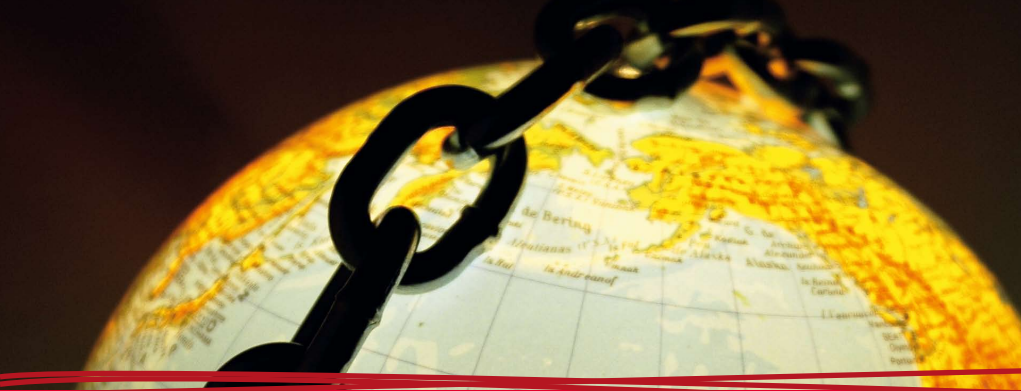
The speed of globalisation also affects our social fabric in a much harsher way than before. The easier movement of goods and people around the world makes it easier to move drugs and counterfeit goods, or to smuggle people across our borders – which creates a new challenge for police, immigration and customs services.

Can we harness the benefits of globalisation and limit the costs?

Many Europeans have demonstrated against globalisation. They worry that we cannot compete with huge countries like China – that some jobs that we used to do, are now done by workers in other countries. They are also concerned about working conditions in poor countries and campaign to ensure that large, multinational corporations respect social and environmental standards when they operate outside Europe.

We are right to expect that the benefits of globalisation be widely shared. There is no reason why Europe cannot build its own prosperity while helping people in developing countries to trade their way out of poverty. Europe's combination of open and integrated markets and strong social safety nets has helped us build an economy that is very competitive and dynamic, but which also protects workers when they lose their jobs and helps them to train for new ones. This mix helps Europeans get the best out of globalisation while limiting the negative effects.

Without globalisation, our societies would revert to what they were several decades ago. Was life for people around the world better then? What do you think?



Globalisation and terrorism

Terrorism is a global problem and Europe is not exempt. Terrorist bomb attacks in March 2004 targeted the Madrid train network and in July 2005 the London public transport system. Several plots have also been foiled in Austria, Denmark, France, Germany, the UK...

In order to improve our ability to fight against terrorism and to pursue perpetrators across borders, the EU proposed a package of measures in 2005: the EU Counter-Terrorism Strategy. The four keywords are: prevent, protect, pursue and respond. More recently the EU Member States have been working to set up a common framework for criminalising terrorist training, recruitment and public provocation to commit terrorist offences, prevent the use of explosives by terrorists. ■

http://ec.europa.eu/justice_home/fsj/ > Terrorism



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