

Dilemmas of Global Trade: Problem Solving

Read each of the situations below. Answer the "yes" or "no" question that concludes each situation and explain the reasoning behind your opinion.

1.

For many years, advertising has encouraged women in poor countries to buy infant formula. Many poor women do not have access to clean water or they can't read the instructions on the can (because it's not in their language or because they can't read at all). Many can't afford to buy sufficient quantities of the formula, so they end up "stretching" it by diluting it. Babies become malnourished and often die.

The government of Guatemala passed a law that the packaging of food products for infants could not feature pictures of healthy babies because this could discourage women from breast-feeding. This law is based on guidelines issued by the World Health Organization and UNICEF.

Gerber's says that this is an "unfair trade practice" because it means that they can't use their trademark in Guatemala. They say this violates principles of free trade. Gerber's was supported by the U.S. State Department.

Do you agree with Gerber's position?

2.

Most people agree that the government of Burma (known also as Myanmar) is repressive. The U.S. State Department issued a report saying that Burmese "soldiers have committed serious human rights abuses, including extra judicial killing and rape." Human rights organizations have documented the widespread use of forced labor. In order to protest human rights abuses there, the government of Massachusetts passed a law saying that it will not purchase major goods or services from any company that has investments in Burma.

The European Union and Japan complained that this was a violation of free trade because what is important about a good is the product itself, not

how it was produced or who produced it. The National Foreign Trade Council, representing 580 U.S. companies — 346 of which do business with Burma — agreed. They said that Massachusetts has no right to pick and choose whom it will buy from based on anything other than the price and the quality of goods to be provided — period.

Do you agree with the position of the National Foreign Trade Council?

3.

Much of the shrimp sold in the United States is caught with nets that capture and kill endangered sea turtles. There is a simple way to avoid killing the turtles, if the nets are fitted with TEDs (turtle extruder devices). The United States has banned shrimp products from countries that do not use TEDs.

On behalf of fishing interests in their countries, the governments of India, Malaysia, Pakistan, and Thailand have complained, saying that this banning is an unfair trade practice. The only thing that should matter is the quality of the shrimp, not how it was or was not caught, they say.

Do you agree with the position taken by these governments?

4.

Small farmers all over the world grow just enough food for their families and a little extra to be sold in the market for cash to buy medicines, education, and household goods, or for savings. Farms in industrial countries like the United States use machinery and pesticides to produce food much more cheaply than can be produced on small farms in Third World countries. Some people in poor countries want to put tariffs on imports of cheap food from the United States and Europe, or to maintain the ones they have.

The U.S. and European governments argue that this supports inefficient farming practices, and leads to more expensive food for their people.

Also, they say it is an attack on the freedom of producers to sell their goods to anyone at any time.

Do you agree with the U.S. and European governments?

5.

Suppose that students at our school decide to push the school board to enact a policy that forbids schools from purchasing athletic equipment or clothing made in countries that do not enforce a minimum living wage, or to enforce restrictions against child labor. Let's say students do not want to buy T-shirts, hats, or other clothing, or kick soccer balls, made in sweatshops.

The school board agrees to adopt the policy urged by the students. But immediately the governments of Indonesia, Pakistan, Nicaragua, El Salvador and others protest that this is an unfair interference in their internal affairs and a violation of free trade. They argue that no government agency in the United States has the right to discriminate against particular countries on the basis of policies those countries did or did not enact. According to these countries, it is a clear instance of an unfair trade practice. They point out that you don't see Indonesia refusing to buy paper products from the United States because they are clear-cutting their forests.

Do you agree with the governments of Indonesia, Pakistan, et al.?

6.

Recently, African nations proposed a trade "rule" that would outlaw the patenting of any life forms. This would include plants, genetic material, seeds, etc. — whether found in nature, "naturally" bred, or genetically engineered. The African nations (and many others, including indigenous organizations) argue that it is immoral to patent life. They also say that patenting life is theft, because food or medicinal uses of many plants were developed over thousands of years by indigenous people.

Corporations and many scientists argue that genetic research is the new frontier. Perhaps new organisms will be able to clean oil spills. Perhaps we can produce food that is much more nutritious and resists spoilage. If governments don't grant patents for all inventions, including those involving life, then there will be little incentive to invent because the invention would become common property as soon as it was developed. They insist that patents are necessary for human progress and for the protection of the environment, and any restrictions are a violation of free trade.

Do you agree with these corporations?

7.

Some consumer groups, scientists, and others believe that genetically engineered crops might be harmful. They think that not enough research has been done to prove them safe, and they point out that pollen from genetically engineered corn has been shown to harm monarch butterflies. At the least, they want any food that has been genetically modified to be labeled as such, and are working for government regulations to that effect. They point out that as it stands now, no one in the United States has the slightest idea about whether or not they are eating genetically modified food — that we are all a bunch of guinea pigs who have not given our consent to be experimented on.

Others say: Nonsense. There is no hard scientific proof that genetically engineered food hurts anyone. Just the opposite: Genetically engineered food offers countless benefits, from enhanced vitamins to better flavor. Further, they argue, if companies were forced by the government — any government — to begin labeling genetically engineered food, then it would imply that non-genetically engineered food was superior. And that is discrimination. And discrimination violates principles of free trade.

Do you agree with these food companies?