

Hello ,

The assignment was enjoyable. I support the post because this study examines the pros and cons of using government power to regulate international commerce to shield American businesses and jobs from foreign competition. Proponents of intervention argue that it may be warranted to tackle broader trade imbalances that result in the loss of domestic employment and unfair trade practices, such as foreign export subsidies. Nevertheless, detractors contend that allegations of unfair competition are often inflated and driven by political agendas. Furthermore, protectionist measures sometimes do more significant damage in the long run by increasing costs for consumers and sectors that fall further down the supply chain (Hill, 2022). One example is American automakers' more significant expenses due to the 2002 U.S. steel tariffs. In most circumstances, local enterprises must be exposed to market forces to remain globally competitive rather than relying on long-term subsidies and obstacles that protect dwindling sectors. However, there are exceptions where targeted short-term protections are justified. Whether intervention has long-term positive or negative effects is the subject of this study, which examines critical arguments from both sides and pertinent real-world instances. The research shows that protectionist policies frequently only offer persistent beneficial benefits with additional measures to enable economic adaptation, although the intricate trade-offs make overall generalizations problematic. Great!

### **References**

Hill, C. W. (2022). *Global Business Today*. New York: McGraw Hill.

Qiannan Zheng

Hello ,

This week's discussion was nicely done. I agree with the task because the first article shows that industrialized nations may channel more resources into non-traded industries. They benefit from trade because of their absorption capacity, which gives them an edge in resource allocation. To quantify the positive impact of trade on welfare, the authors construct a mathematical model that accounts for this mechanism of advantage in resource allocation. Additionally, the model evaluates the industrialized nations' relative strengths of this advantage. There are three primary findings: (1) affluent nations benefit from better resource allocation; (2) affluent countries are less likely to have growth that impoverishes them; (3) trade income is affected by critical economic factors like productivity and national wealth levels (Hill, 2022). The second piece lays the groundwork for a monopolistic competition model that explains how market size impacts product differentiation investments by enterprises. According to this hypothesis, businesses create more distinctive items in giant marketplaces because customers' need for variety makes them more attuned to these efforts. The framework also predicted a U-shaped impact of trade liberalization on product differentiation but reversed. Take trade liberalization as an example. It initially leads to more product differences while nations are still in the autarky phase. However, as they approach free trade, trade liberalization leads to less product differentiation. Bravo!

### **References**

Hill, C. W. (2022). *Global Business Today*. New York: McGraw Hill.