REACTION PAPER

This reaction paper is about the article *The Free Trade Fix* written by Tina Rosenberg and published on the *New York Times Magazine* on August 18th 2002.

The main topic of this paper is globalization. More specifically, the article deals with the impact of globalization around the world, the consequences on the population and the inequality created by the globalization of economy between and inside the different countries. In the first part of the article, Rosenberg presents the argument between pro and anti-globalization to show that both have fair points and introduce some international organizations such as the WTO or the IMF. Then, to offer an improved view of what the globalization should be in order to be more profitable to everyone she develops 9 rules. Those rules are:

1. Make the State a Partner
   a. Only a strong State can make the necessary adjustment for Globalization to work.
2. Import Know-How Along With the Assembly Line
   a. Technology transfers are necessary to help a country to develop.
3. Sweat the Sweatshops — But Sweat Other Problems More
   a.
4. Get Rid of the Lobbyists
5. No Dumping
6. Help Countries Break the Coffee Habit
7. Let the People Go
8. Free the I.M.F.
9. Let the Poor Get Rich the Way the Rich Have

At the end of the article, the author reaches the conclusion that though globalization creates inequality, it will be benefic for most people if it is used in order to help the population as a "tool of development" instead of just globalizing to do globalization.

After this quick résumé of this article I will now react on it. The ideas of Tina Rosenberg for an improved, more profitable and people friendly globalization are interesting. Indeed, she points out very important matters all along her paper such as the major role of lobbyists can have in international institutions and how they will capture the attention from other problems, or how bad are the working conditions in developing countries, or how important is the weight of the USA in the IMF and its control over the Fund.

However, her vision of globalization is, to my mind, utopist. Yes, the United States have a major importance inside the IMF. And yes working in conditions in developing countries may be bad, yes multinational companies use government subsidies to dump their product and yes lobbyists may be like a plague who will make poor country unable to access the same cures than the rich ones or will catch the attention of international institution on the companies they represent and not on population that may need to be listened.

Nevertheless IMF capacity to loan money to countries in difficulty comes from the contribution of the members. And the US are the biggest contributor. Unless you find a new source to finance the IMF or new organizational model things will not change soon. And one of the reasons why multinational groups settle in developing countries is because of cheap labor costs, which unfortunately imply most of the time bad working conditions. And though lobbyists may work for pharmaceutical companies, preventing access to medication to poor people, but on the other hand, they are the one that will get into contact with foreign governments or institution to create new market and sell products in new country.

In conclusion, I would say that even if I agree with the author's vision, which is a globalization as a tool for development and not just finality, I found her nine rules unrealistic to set up. Indeed, too many parties must be taken into account, each and everyone of them having its own interest, all in different situations. Plus, it is not sure that company or governments will be interested in globalization with those rules. Indeed, for example, if the US cannot provide subsidies to its corn farmer who will dump the price for exportation to poorer country, will the US still want to contribute to the IMF to sustain consumption in those countries? After all, they will not buy American corn anymore because it's too expensive. Another example, technology transfers. If every company has to transfer its technology to the people of the country she wants to settle in, will it want to do it again? Will the gain on labor cost worth the risk of losing millions in R&D and the rise of a potential competitors after a few years ?