

LIBERALISATION: A CONFUSING ONE FOR AMERICA?

With a national income of \$16 trillion, the United States of America is the largest single market in the world. In its journey to growing to be the single largest economy, the USA has held on to diverse policies concerning the international movement of its goods, services, people, ideas and information. Recently America introduced policies which tightly screened foreign migrants and import of goods and services. A few examples of this are policies such as the migration restrictions, tariffs on foreign imports, humongous subsidies of its domestic products, the Mexican wall among various others. This has given out signals worldwide, of America's protectionist stance. This has created a lot of resistance from other countries inducing them to raise policies in retaliation to the U.S. protectionism.

As we go back in history, to the times before the First World War, we see that America has always abided by protectionist policies, catering to its farmers, agriculturists and manufacturers. In our Student life, a common joke was that of conversation with a student and its pupil in an American school. The teacher asked the student "*what does your father do?*" The student's answer was "*My father gets subsidy not to cultivate the land.*" And that defines the level of subsidy or protection given to American producers. The government shot up the tariffs to very high rates especially on agricultural products produced and manufactured in the U.S. letting the economy grow after British imperialism over the thirteen colonies. But by the middle of 1940s and by the climax of the Second World War, America had acquired enough power as a result of its economic, political and cultural growth. This is the time when the scenario changed with the advent and flourish of liberalization and that's when the U.S. began adhering to the liberalization principles. Tariffs were rampantly reduced from 52.8% in 1930 to 9.9% in 1967.

As a move to emboss its adherence to the liberalist ideology, U.S. signed free trade agreements such as NAFTA (North American Free Trade Agreement), which led to the American economy being opened up to foreign trade especially with its neighbors, cutting down on the tariff levels. The tariffs levied by the U.S. amounted to smaller numbers as compared to its other trading partners. Even though U.S. had been an advocate of the theory of market globalization, it was selective protectionism that the nation held on to. The U.S. chose to support and protect its prime subjects of importance even amidst the haul of liberalization phenomenon. This continued until the recession of the late 1960s, when America drifted to a protectionist lane.

The present American trade outlook is a lot characterized by the aim that has for a long time been to supposedly identify unfair trade practices by other nations that threaten or destroy well paid American jobs. Visa restrictions to other nationals and many other migration policies are products of this goal. But not just concerning migration but also movement of goods and services, an equivalent sort of policy is maintained. This is evidenced by the soaring graph of the discriminatory measures adopted by the U.S. The number soared from 126 in 2009 to 1191 in 2017. Albeit being a low tariff imposer among its counterparts, America has a record of foisting the most number of protectionist measures as we consider the non-tariff barriers.

Trump's governance reflects this phenomenon and this again, has given birth to various policies of umbrella governance. There is a lot of debate over Trump's exclusive and protectionist trade and migration system. This has also induced hostility among its partners which ended up in them taking a retaliatory stance. But what is to be understood is that America was never a truly free country. The formation of the 'guardian state' is not a recent phenomenon when Trump became the president of the country. This could be seen throughout the American trade governance history since 1945 like when Ronald Reagan put pressure on Japan to limit automobile exports to U.S. or when George Bush erected tariffs and similar norms on trade, for instance, 'Cash on Clunkers'. The reason why America was never a truly free country is because of its democratic profile – an outcome of free suffrage given to people and thus the masses gaining greater power in the decision making of the country. Economic issues had been of significance for a long time for the subjects and the politicians were always forced to protect their constituents. Also, the unions and businesses have put pressure on the lawmakers to act in popular favor in the contingencies of unemployment and slowed economic growth.

No country is a free trader in reality. Absolute borderless trade isn't feasible even at the peak of globalization. America was at its best of what could be called 'free trade' in the early twentieth century. But there are various reasons to why free trade would fail in reality owing to the sovereignty of states and diverse national interests.

In the globalizing era, excessive protectionism of the country will do well neither to itself nor its comrades, because under the umbrella trade scenario, each country's attitude will have its shadow fledging to the other. A worldwide policy of retaliation against the U.S. holds the highest probability for a consequence at the eve of this scenario. If America's assertive protectionist agenda would incessantly advance, that will have a backlash on the country's growth as well as that of the global market in the long term. In this interest, a second thought over the intensity at which the Trump's America delivers its protectionist principles will be highly desirable.