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THE STRATEGIC ROLE OF TRADE WARS IN CRAVING THE MODERN GLOBAL ECONOMY

Back on July 6th in 2018 United States began collecting a 25% tariff on 818 imported Chinese products valued at 34 billion of US$. Several days later USTR (United States Trade Representative) released a new list of tariffs with estimated value of 200 billion US$. And this is what called a trade war. Over the last decades trade wars have become a prominent feature of today's global economic world. They are characterized by the imposition of tariffs, quotas or other trade barriers by one nation against another, often leading to retaliatory measures. This paper aims to explore the causes, impacts and future prospects of trade wars.

Historically, trade wars have been a strong tool for nations to protect domestic industries and achieve economic goals[1]. A great example is the Smoot-Hawley tariffs that were implemented during the Great Depression with the goal of protecting American farmers and business from foreign competition. Eventually tariffs led to significant reduction in global trade and exacerbation the consequences of the Great Depression, impacting both the United States economy and global markets. This event underlines the cyclical nature of protectionism, often emerging during periods of economic uncertainty.

The root causes of modern trade wars are multifaceted. Economic factors, such as the protection of domestic industries, play a key role. Additionally, trade wars often reflect deeper geopolitical rivalries, as seen in the competition between the United States and China. Other contributors include disputes over intellectual property rights, trade imbalances, and the perception of unfair trading practices[3].

The impacts of trade wars are wide-ranging and often disruptive. They have both short-term and long-term effects on economies, businesses, and consumers. In the short term, increased tariffs can lead to higher costs for imported goods, driving up consumer prices and reducing purchasing power. Businesses reliant on global supply chains may face challenges in sourcing materials, leading to decreased profitability or operational difficulties. Moreover, trade wars can strain relations between countries, complicating diplomatic and economic collaborations[2].

In the long term, prolonged trade conflicts can lead to shifts in global trade dynamics. Nations may seek alternative trading partners to circumvent tariffs or invest in domestic production capabilities to reduce reliance on imports. These changes can reshape industries and alter the competitive landscape, potentially fostering innovation or triggering market inefficiencies. However, the uncertainty and instability caused by trade wars can also deter investment, slow economic growth, and exacerbate tensions between nations.

The future prospects of trade wars largely depend on evolving geopolitical relationships and economic strategies. While some may view them as a necessary tool for protecting national interests, the global interconnectedness of economies suggests that cooperation and negotiation often yield better outcomes than prolonged conflict. International agreements and institutions, such as the World Trade Organization (WTO), play a crucial role in mediating disputes and promoting fair trade practices. Additionally, advancements in technology and shifts towards a knowledge-based economy may reduce reliance on traditional goods, potentially changing the landscape of trade and reducing the prevalence of trade wars.

In conclusion, trade wars are complex phenomena driven by a combination of economic, political, and strategic factors. While they can serve immediate national interests, their long-term consequences often highlight the need for balanced approaches to global trade. By learning from historical events and fostering collaboration, nations can work towards sustainable trade practices that benefit both domestic industries and the global economy.

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POST-INDUSTRIALIZATION OF THE GLOBAL ECONOMY

The main part of the history of humankind falls on the pre-industrial society, also called the traditional one, which is characterized by the predominance of the primary sector in the economy. The primary sector includes agriculture and forestry, hunting and fishing. It still dominates the economy of the least developed countries.

The process of industrialization that began in the first half of the 19th century in Western European countries and gradually encompassing most of the countries of the