

## THE GLOBAL ECONOMY AND POLITICS

Kyubeen Park – *Geumcheon-Gu School*

Politics has long been trying to have a significant influence on economic systems and outcomes. Government policies, political institutions, and international relations shape market conditions, resource allocation, and economic growth. While economic activity is often perceived as driven by market forces, it is in reality deeply affected by political decisions. Historical and contemporary examples highlight this relationship. The New Deal policies during the Great Depression show how political intervention could support overall economic recovery, while Cold War rivalries disrupted global trade through ideological division. More recently, the U.S.-China trade conflict has changed global supply chains, affecting key industries worldwide. These cases show that politics is a leading force in economic development. This article shows historical and recent examples of the connections between politics and the economy. It's not just about the national economy; it's mostly about the connections between the global economy and politics.

International politics has a strong influence on the global economy. Because countries are closely connected through trade and supply chains, political conflicts often lead to economic problems that affect many regions at the same time. Recent cases, such as the US-China trade conflict and the Russia-Ukraine war, illustrate how political tensions can have serious economic consequences.

The Russia-Ukraine war is one of the most significant and widely discussed examples. Before the war began, Ukraine was one of the world's major wheat exporters, supplying a large amount of the global market.<sup>1</sup> Many countries depend on wheat imported from Ukraine or nearby regions. However, once the war started, production and exports were disrupted due to damaged infrastructure and blocked trade routes. This sudden shortage caused global wheat prices to rise. This gives problems to the countries that import food from those regions.<sup>2</sup>

As wheat is a basic ingredient used in foods such as bread and noodles, higher prices quickly affected everyday life. Rising food prices increased inflation and placed pressure on domestic economies, especially in countries that rely mostly on food imports. For example, like African countries. This shows how a regional conflict can spread its impact far beyond the battlefield and harm the international economy as a whole.

The US-China trade conflict also became an example of the connection between politics and economics. Tariffs and trade restrictions raised costs for companies and disrupted global supply chains. For example, the Tariff policies made by the Trump administration in 2025 created chaos in existing global economic orders. In addition, competition in strategic industries such as technology has been increasing uncertainty in global markets. As political considerations became more important than economic efficiency,

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<sup>1</sup> "러시아, 우크라이나 곡물 수출 대부분 차단...세계식량난 심화" ["Russia Blocks Most Grain Exports from Ukraine, Deepening Global Food Shortages."]. *KITA*, edited by Yonhap News, 1st ed., version 1, revision 1, 3 Jan. 2023, [www.kita.net/board/totalTradeNews/totalTradeNewsDetail.do?no=%2072465&siteId=1](http://www.kita.net/board/totalTradeNews/totalTradeNewsDetail.do?no=%2072465&siteId=1). Accessed 3 Jan. 2023.

<sup>2</sup> Kwon, Taejin. "우크라이나 사태의 식량 안보 영향" ["The Impact of the Ukraine Crisis on Food Security"]. *Repository*, edited by Taejin Kwon, 1st ed., version 1, revision 1, repository.krei.re.kr/bitstream/2018.oak/28427/1/E03-2022-05-06.pdf.

overall growth slowed. This gives lessons to all of us that if we can't compromise with each other in global economic issues, then we can't live in total peace due to increasing food or rare mineral prices.

Historical examples support the importance of government action during economic crises. During the Great Depression, weak early responses made the situation worse. In contrast, the New Deal in the United States showed how active government intervention, such as public works programs and financial regulation, could help stabilize the economy and reduce unemployment. Similar to the Great Depression in Korea, there was an IMF crisis in 1997, but it was a little different than the government in Korea. Citizens gathered their gold and dollars to reduce the national debt and companies' debt.

In conclusion, both historical and modern cases show that political decisions strongly shape economic outcomes. International conflicts and government policies can either damage or support economic stability, making the relationship between politics and economics an essential topic for understanding today's global challenges. And gives us a lesson that if we can't maintain peace and we can't compromise with each other about the prices of rare minerals.

Since the beginning of globalization a few decades ago, the international economy and politics have become more closely related. That means the international economy is getting closely affected by the political situation around the world. Because of that, we must cooperate to improve international relations to prevent conflicts like the US-China trade conflict and the Ukraine-Russian war. So that we could prevent the rise of food prices. To achieve that, we need to cooperate, whoever and whatever they are. Although we can't always maintain peace, we need to decrease the rate of conflict so that we can make no one starves. Yes, right now, this goal might look like an absurd, idealistic solution. In the future, we will create a very obvious solution for reducing the world's starvation rate. Another goal in the future is to use rare minerals to produce electronic devices that we use. So we need to maintain peace not just for reducing the starvation rate but also for humanity's future development.