

The world trade organisation



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[Institute's World Trade Organisation Introduction The ' World Trade

Organisation' is a global entity that is responsible for creating and regulating different statutes and policies for trading of goods and services on

international level. According to the BBC (2011), " the World Trade

Organisation is an international body whose purpose is to promote free trade by persuading countries to abolish import tariffs and other barriers. As such,

it has become closely associated with globalisation. Their mission is to help

firms and producers of goods and services, importers and exporters improve

their profit." Advantages WTO has a number of benefits. Firstly, WTO's

trading system encourages peace between nations. In particular, when

nations carry out trading with each other without any conflict, they

subsequently resolve a number of trading issues and build long-term

relationships. This leads to the creation of peace between them. In addition,

the trading system also forces enhancement of confidence and teamwork

between nations. For example, earlier, people who sell products and services used to hesitate due to trade disputes with their international customers.

However, after WTO, the trading has now become a smooth process, and

both the seller and the buyer are satisfied with the exchange, leading to a

good relationship. In other words, political arguments now occur on a lesser

level. An easygoing trade helps nations all around the globe to feel safe.

People who are satisfied and successful with international trade are less

likely to have fights and disagree with one and another, In other words, wars

are less likely to happen between countries. Secondly, the trade system

enables effective management and resolution of conflicts and disagreements

on international level. In this regard, when trade increases around the world,

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there is an increase in the number of countries trading, subsequently, a rise in the production products, leading to healthy competition and lesser possibility of conflicts and disagreement to occur. It is an understanding that more trade leads to more chances for disagreements between the traders and this might lead to a serious problem between nations. However, the WTO tends to solve the conflicts by focusing on the rules and policies, then decide in favor or against of a country. After this judgment, WTO takes actions to tackle the issue on logical basis that has been one of the major advantages of the organisation. Another advantage is that consumers now have more choices of products and a wide range of qualities. For example, people now have almost everything from everywhere in the world because countries are importing and exporting with each other. Music, books, movies, or fruits, vegetables, clothing, etc and WTO has made it possible for every country to have everything. In particular, international trade allows countries to have more choices and qualities for a certain product or a service. For instance, when one wants to buy a TV for the living room, there are many different brands such as Sony, Toshiba, and Samsung etc available in every country, each with its own unique style, qualities and with its own prices. In the result, local companies are also trying to improve their products and services due to increase in trade due to WTO. For example, if an imported product or a service becomes successful in a country, then local companies would be putting more efforts to produce similar product or a service in a better price to prove to the local people that a home product is better than an abroad one. Therefore, competition is good for the business. Another advantage of the WTO is that it helps the economy to grow. This is beneficial for employment. For example, when countries trade with each other and

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local companies become multinational, it creates more jobs and increases profit. Moreover, it allows a company to expand and sell to different parts of the world. This helps to reduce the cost of products for local consumers and lower the number of unemployment. In addition, lowering trade barriers has always been good for employment. Disadvantages Besides benefits, WTO has a few drawbacks as well. It is an observation that WTO has been favoring developed countries more in comparison to developing countries, and thus, there has been dominance of rich countries in the WTO. Secondly, policies of WTO indicate emphasis on the development of a global village with free trade facility; however, in real scenario, developed countries have been using the policies of WTO to dominate the sector of international trade that has resulted in anger and resentment rather than global understanding and peace. Strategies to Develop Nations In an article by The Guardian, George Monbiot (2003) suggested, “ we need a clear vision and non-negotiable sliding scale of trade privileges. The very poorest nations should be permitted, if they wish, to fully protect their infant industries, just as Britain did during the early days of the industrial revolution or the US between 1789 and 1913. As they become richer, they would be forced to gradually drop these protections. The very poorest countries should also be allowed free use of rich countries’ intellectual property, for trade within their own borders and with other poor nations.” George Monbiot (2003) in another article further stated, “ There is a far better means of protecting the environment while permitting the poor nations to develop. In addition, this is to demand global trade rules, which introduces two kind of fairness. The first is to permit poor nations, if they wish to follow the routes to development taken by the rich. The founding myth of the dominant nations is that they built their wealth

through fair trade. In truth, almost every nation, which acquired its wealth independently, did so either by protecting its new industries from competitors until they were big enough to fend themselves, or by stealing other countries' intellectual property. Fair trade rules force the rich nations to open their borders, but not until they achieve a certain level of economic development, the poorer ones." Monbiot (2003) also suggested, " The second kind of fairness would involve extending the rules applied by the voluntary fair trade movement to all firms trading between nations. To acquire a license to trade globally, a company would have to demonstrate that its contractors were not employing slaves, using banned pesticides or exposing their workers to asbestos. It would also have to pay the full environmental cost of the fossil fuel it used. This would ensure that low-value, high volume goods, such as fruit and vegetables, would no longer be flown around the world. However, it would also ensure that the poor nations, which currently exports raw materials, would instantly become the most favored locations for manufacturing." Conclusion Despite drawbacks, the WTO has been an essential part to help the world economy to grow and influencing international trade. It is true that international trade deals with globalisation and helps the world to share trade and connect with each other. However, there are still some concerns over the unfair advantages for richer nations over the poor ones. Rich countries should have a policy or take actions to help poor countries to grow and develop. There should be an emphasis of fair trade between them. Companies should pay the environment back for the lands they have ruined or the air polluted by their factories. People should give back equally as much as they take. Rather than stealing or destroying because, we are all part of this world and it is either

we all develop and live a comfort life or we would be suffering all from each other's actions. References BBC News. 2011. Profile: World Trade Organisation. Retrieved on May 12, 2011: http://news.bbc.co.uk/1/hi/world/europe/country_profiles/2429503.stm Monbiot, G. 2003. "Time for Transformation." The Guardian. Retrieved on May 12, 2011: <http://www.guardian.co.uk/environment/2003/sep/08/wto.fairtrade6> Monbiot, George. 2003. "I was wrong about trade." The Guardian. Retrieved on May 12, 2011: <http://www.guardian.co.uk/world/2003/jun/24/globalisation.politics> WTO. 2011. World Trade Organization. Retrieved on May 12, 2011: www.wto.org