

World trade organization

Business



World Trade Organization The World Trade Organization is one of the relatively younger world organizations that exist to help regulate the international business community. Formally created on January 1, 1995 based upon the dictates of the Marakesh Agreement, the organization replaced the then existing General Agreements on Tariffs and Trade which was created in 1948. As an business community organization, its main focus is set upon creating a uniform set of trade rules between nations that will ensure a smooth, efficient, trustworthy, and assured business transaction among member nations. As an advocate of free and global trade, WTO gives consumers the opportunity to have a greater market for demand and choice of various products as imported from various nation suppliers. The end result, as the organization envisions it, is supposed to be a more balanced, prosperous, peaceful, and accountable economic world. Balance and accountability in the economic world... That statement carries a tremendous weight in the WTO. As such, the organization also functions as a dispute settler among its member countries in relation to their trade agreements. To quote: Trade friction is channelled into the WTO's dispute settlement process where the focus is on interpreting agreements and commitments, and how to ensure that countries' trade policies conform with them. That way, the risk of disputes over into political or military conflict is reduced. (“ The WTO..... In Brief”) As such, the main goal of the World Trade Organization is to ensure that the welfare of the people living in member countries is care for and improved upon through the implementation of effective multilateral agreements that are based upon legal ground rules for international commerce. Accoding to Michael Moore, although there are countries that frown upon the WTO agreements, more countries support it and as such, are <https://assignbuster.com/world-trade-organization/>

looking to become an active participant in the Millennium Development Goals of the organization. Being an open supporter of equality among nations, one of the biggest success stories of the organization is its ability to introduce representation for poor member countries in Geneva. The organization has managed to successfully get representation for them by footing the bill and flying in to Geneva the representatives of these poorer member countries. A move that was done in the spirit of open trade and a desire for a consensus in any decision that the organization finalizes. Basing all of their moves on a need for equality among its member countries, the WTO has always been a non-discriminatory agency that manages to succeed because it applies the same rules and regulations across its member nations regardless of the financial ability or world standing of a particular country. This is a move that finds itself successfully implemented every time because of the most favored nation obligation that exists among member nations. The most favored nation status prevents: “WTO members from discriminating between foreign goods, or treating products from one WTO member as better than those from another one.” This is a decision that finds itself grounded in the National Treatment Rule of the WTO that obliges: “governments to treat foreign and domestically produced products equally.” (Moore, Michael “WTO: A Success Story”). It is important to note however that although the WTO has its heart in the right place, the organization has failed to deliver its promise of providing pro-development changes to developing countries due to its sidelining by global powers. This proposal was outlined and widely discussed during the Ministerial Declaration that was adopted at the DOHA Development Round of Trade Negotiations on November 14, 2001 as a response to the anti-globalisation riots of the 1990's (“The WTO Has Failed <https://assignbuster.com/world-trade-organization/>

Developing Nations”). The result instead, was a deadlock in negotiations which the organization hopes to resolve during the December 2013 round of negotiations. The organization has also continuously failed to settle a notable number of disputes, produced too little trade agreements, confront ethical issues, tackle environmental issues, takes too long to arbitrate, and finally, continuously fails to promote multilateralism in the international business community (“The World Trade Organization (WTO)”). The most notable failure of the WTO as an international business organization is not something that can be immediately seen though. Rather, this failure has been 10 years in the making. According to sources: 10 years after the start of the Doha Development Round, governments have failed to make trade fair. As long as small and poor countries remain without a voice, the role of campaigning organisations, such as Traidcraft and Fairtrade Foundation, which are working together to eliminate cotton subsidies, will remain critical (“The WTO Has Failed Developing Nations”). Regardless of the failures that the WTO has encountered over the decades, what is important is that they continue to advocate for their mission, goals, and objectives as a trade organization. The member countries have not abandoned their fight for equal business opportunities on a world-wide scale. The difficulty the organization has in passing agreements and other relevant policies does not mean that it is ill effective of that the organization is dying and long with it, the global trade system will fail (Blustein Paul “R. I. P. , WTO”)... Rather, I believe that the organization will continue to evolve and remain relevant in the world of constantly changing international business needs. That is why I believe that there is a great possibility that the December round of DOHA Recovery Rounds talks just might succeed I believe that The DOHA Recovery Rounds

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stand to benefit from the growing interest in the globalized world market. More and more countries are seriously considering membership into the organization due to the perceived international trade benefits and with the continued interest in the organization, more trade agreements may result from discussions in the December talks. Therefore, the naysayers should not declare the World Trade Organization a lame duck just yet. Works Cited “The WTO Has Failed Developing Nations”. The Guardian. theguardian. com. n. d. Web. 30 Nov. 2013. “The WTO..... In Brief”. What is the WTO? wto. org. n. d. Web. 24 Nov. 2013. Moore, Mike. “Ten Years of the WTO: A Success Story of Global Governance”. IPG. fes. de. Feb. 2005. Web. 29 Nov. 2013. “The WTO”. Economics Online. economicsonline. co. uk. n. d. Web. 1 Dec. 2013.