

# Free essay on why are trade barriers so common in the global market how have free...

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Why are trade barriers so common in the global market? How have free trade policies been promoted by developed countries since 1950s? and How have free trade policies been promoted by states since 1950s.

Trade barriers pertain to restriction and conditions of legal nature that would encourage proper means of trade. In turn discourage all other means of businesses and trades that are counterproductive and not in the spirit of the global businesses and market operations. Other purposes of trade barriers are to bring about uniformity in operations, provide for clear rules of engagement and standardized operations and functions. The presence of barriers enables overcoming any kind of monopoly and cartel that may be established by the few dominant forces. Each member in the market has to go through the transparent way of barrier and tariff adherence. Friedman has given periods specification in which the generic development took place. One of those mentioned is that of the 15th century to early 20th century progress ( Friedman, 2000).

Standardization of items, imports and exports and the region's trading terms and requirements are kept in view while making any decision with regard to trade barriers determination. It is in an indirect manner a metric of development for sectors that are in need of investment and other associated items of usage and economic dependency. Regularized tariffs enactment have led to maximum market capture and improved performances in comparison to the previous modes of operation with no regular and uniform methods of operation and engagement in trade and business activities (Albright, 2010).

The domestic items in this scenario find more defined application and

booming opportunities with the investments and the tariff payments made to use in the domestic market items. (Lawrence, 2011) through their study of the barriers concept has established that the barriers enable protecting the local industries in a more comprehensive way against foreign cartels and artificial activities undertaken by set of investors from abroad or domestic function performers on large scale(Elwood, 2001, p. 8). Trade barriers in short are used to measure the total amount of imports and the subsequent flow of the exports, with due consideration given to each and being made sure that the foreign investors provide the charges and taxes that would be otherwise used for the local industries development (Donnan, 2010).

Since the end of the Second World War, different economic as well as political dynamics have been introduced. The presence and encouragement of free trade policies in central markets is one of them. The free trade policies have been encouraged and incorporated through the principles of participation (Cohen, et. al, 2003), reduced tariffs, business consortiums, and other entities establishment. The establishment of global financial administrations such as the likes of International Monetary Fund and World Bank are two of the contributions and measures undertaken towards the benefit of the states and the people residing within.

W. T. O acronym for World Trade Organization is another effort and move brought about by the world community and more so by the powerful states of the world. The sole purpose of such entities and W. T. O in particular was to promote trade and economic cooperation between the states which would allow for more active participation and improved lifestyles of the people residing within. (Hhn, 2009) suggests that the states have enacted reduction

in taxes with regard to the transport, delivery and trade performance and engagement between the nations, as a result more increased businesses and further encouraging patterns for the common man and the relatively weaker countries to make maximum use of privileges provided ( Lollis, 2007).

According to (Greaser, 2004, p. 1) the free trade has benefited as much as 80 billion dollars as a result of regulation and tariff reduction. Protectionism is another concept that has been discouraged in this context since W. W. II. Import licensing is part of global trade.

E. C. C, European Union are two of the many other associated entities that have been developed and designed for the same purpose. All are the features and products of the post World War Second scenario. The enactment of the most favored nation, customs and border protection (C. B. P), and multi fiber arrangement (M. F. A) with some awarding under the umbrella of World Trade Organization are few efforts aimed at bringing about more peace and harmony through maximized trading activities and reduced obstacles.

Domestically United States of America and United Kingdom come forth as examples of countries that have enacted organizations and policies that are aimed at bridging the gap between the investors and the purchases. In case of Great Britain, it is the organization like Department for Business which has been established for the same purpose of ensuring that the free trade process is being provided and the barriers are removed in any way present. Free Trade Agreement is another area that is being defined as a manifesto and guideline for ensuring smooth and free trade between the member countries of the world community. One example that can be traced in this

category is that of European Union getting in touch with South Korea for purpose of trade normalization and business expansion. Other socio economic organizations establishment such as D-8, G-77, SEATO, SENTO are examples of such operations and manifestation driven by the desire of making the world a prosperous and progressive region where people would be able to find all kinds of jobs for themselves and would be able to rely upon their abilities more. Multi lateral trade agreement under the guidance of W. T. O and the dispute resolution structured entity enables more effective businesses undertaking.

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