

Aid for trade is
beneficial for
developing countries
but disadvantageous
for firm...

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Aid For Trade Aid for trade is beneficial for developing countries but disadvantageous for firms in the developed world. Developing countries lack resources, and giving them aid for trade would definitely provide them with the resources to carry out and promote their production more effectively. Moreover, it has often been observed that there is a lot of talent found within developing countries which is undiscovered due to financial and other resource based constraints, therefore providing people of such country with aid for trade would enable their talent to flourish and help them lead a good lifestyle.

It has also been observed that traditional work has a lot of demand across the globe, and generally such work is carried out in villages of developing countries. Providing aid to such developing countries could enable this work get across borders and provide healthy inflow of cash across borders, thereby helping the trade position of the exporting developing country, alongside providing cash to cash strapped producers often located in villages.

While trade is beneficial for developing as well as developed countries alike, developed countries generally have substantial resources and they do not really need aid for trade. Giving them further aid only adds onto their pile of wealth and pressurizes them to perform even when they do not have the ability to do so. Rather than providing aid for trade to developed countries, such nations need to focus on new inventions, which can then be traded across the globe.

Finally, aid for trade is unhealthy for developed nations from an economic point of view as well as it causes productive and allocative inefficiencies

within their economy, and clearly leads to waste of resources that could be put to use much better elsewhere.