

INDIA MEANS BUSINESS - REFORM PERFORM & TRANSFORM



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IMPACT OF WORLD TRADE ORGANIZATION

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ABSTRACT:

The international movement towards open markets prompted by the World Trade Organisation (WTO) has its premise that trade liberalization will benefit all those who are concerned.. Each country will be able to exploit its position of comparative advantage, once a free and fair trade regime has been implemented. After the Second World War, world trade has been growing continuously due to a number of factors. In particular, the liberalization of trade restrictions and advent of WTO in recent times have expanded the trade between the international communities. This article traces the factors responsible for this phenomenon as well as the impact of liberalization of trade on developing countries.

Keywords: *Merchandise trade, globalization, Liberalization*

INTRODUCTION:

World Trade Organization (WTO) which was established in 1995 has become an organization to establish strong trade relations among the member countries. "The WTO is rightly as referred as the

legal and institutional foundation of multi-lateral trading system. it is the organization that succeeds the General Agreement Of Tariffs and Trade (GATT)" The WTO since its inception laid great impact on trade relationship among the member countries. India too became part of this organization in 1995 by virtue of being member of GATT.

WTO LEADERSHIP:

- On feb.15, 2021, the WTO's General Council selected two-time Nigerian finance minister Ngozi Okonjo-Iweala as it's director-general. She is the first woman and the first African to be selected for the position. she took office on March1, 2021, for a four-year term
- No negotiation, mediation, or resolution would be possible without the foundational WTO agreements. These agreements set the legal ground-rules for international commerce that the WTO oversees. they bind a country's government to a set of constraints that must be observed when setting future trade policies
- The agreements protect producers, importers, and exporters while encouraging world

governments to meet specific social and environmental standards

3.OBJECTIVES:

- To analyze the impact level of WTO .
- To know the level of positive &negative impacts among WTO.

TRADE ORGANIZATION IMPORTANCE:

The purpose of the WTO is to ensure Global Trade Commerce Smoothly, freely and predictably. The WTO and embodies the ground rules for global trade among member nations. Affirming a system for international commerce.

FEATURES OF WTO:

- There are rules implemented for the protection of small and weak countries against the discriminatory trade practices of developed countries
- National treatment articles and Most Favored Nation (MFN) Clause permits equal access to markets for just treatment of both domestic and foreign suppliers
- Each member country of the WTO carries a single voting right and all members enjoy privilege on the global scale
- The WTO agreements encompass all the member states and act as a common forum of deliberation for the members
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FUNCTIONS OF THE WTO:

TRADE NEGOTIATIONS:

The WTO facilitates trade negotiations among countries by providing a framework to structure the agreements, as well as providing dispute resolution mechanisms. It creates an international legal framework that ensures the smooth exchange of goods and services among the member countries

IMPLEMENTATION AND MONITORING:

Once the agreements are negotiated, the job of the WTO is to ensure that the signatory countries adhere to their commitments in practice. It also produces research based on the impact of the agreements on the economies of the countries involved

BUILDING TRADE CAPACITY:

The WTO runs special programs to support developing countries by helping them build the capacity to participate in free trade with more developed countries. It also gives concessions under certain agreements to low-development countries to ease them into free trade with other countries

IMPACT OF WTO:

The full form of the WTO is the World Trade Organization and its function is to control and maintain trade across the world. Generally, this organization makes the rules for trading between countries. At present, 159 countries are members of the WTO. It ensures that trade between the nations runs smoothly and peacefully and is profitable for both countries

As everything has advantages and disadvantages, the WTO also has good and harmful effects on

India, and we will study both.

8.ADVANTAGES OF THE WTO:

BUSINESS SIMPLIFIED:

The World Trade Organization has committed itself to create guidelines that make business easier. these laws and regulations are established by the WTO and guarantee compliance by all countries with their trade regulations.

HARMONY IS A VALUE:

The WTO primary objective is to promote trade among member countries and to ensure that every nation abides by the provision of its trade treaty to preserve harmony and peace in trade among the members. It taken specialized care of an important aspects of the economy of every nation-trade .

THE LIFESTYLE COST IS REDUCE:

WTO confirms that countries are successful aslong as it is trade-related. the WTO guidelines are followed by the countries to ensure that they maintain their profile. This helps them lives by lowering their living costs. It ultimately improves the lifestyle.

ROUSES MONETARY PROGRESS:

his international organization is responsible for all trade-related issues of its member countries. It encourages countries to diversify their products to show they have enough choices to satisfy people's needs. The process of globalization and the agenda

of the World Trade Organisation go hand in hand. As the trade between nations becomes free and uncomplicated, the world becomes an even smaller place with all the products available everywhere.

HEIGHTENS NATIONS' NET INCOME:

WTO's primary goal is to encourage trade between nations and ensure trade flows. This allows countries to do business with each other and facilitates the flow of the economy, ultimately leading to the diversification of capital and an increase in the nation's net income.

9.DISADVANTAGES OF THE WTO :

INSECURITY :

The World Trade Organization only concern is to regulate and maintain trade conditions and validate the security of governments in this area. The WTO is not responsible for any other aspects of national security

UNFAIR :

WTO has been accused of being unfair to developing countries governments for a long time. It conducts its trade deals where powerful governments and large corporations dictate policy.WTO rules dictate that developing countries will suffer more from the cutting offtrade deals with other nations due to their low impact on the global economic system

DISREGARDS LABOR RIGHTS :

The WTO is primarily concerned with the interests of large corporations and governments. It does not care about unfair behaviour towards workers and laborers involved in the trade. WTO does not protect the rights of consumers or workers.

BENDS TOWARDS MULTINATIONAL:

Although the WTO claims that it has established rules and regulations for trade to treat all companies equally, these rules are primarily designed to favor powerful multinationals. This reduces the trade balance and makes it difficult for small businesses to succeed.

HAMPERS NATURE :

The World Trade Organization encourages countries and inspires them to greater trade in order to make more profit. The countries create more industries and technical enterprises, which leads them to use more resources and degrade the environment.

.CONCLUSION:

The World Trade Organization is an international organisation that deals with the rules and regulations of trading worldwide. Currently, it has a total of 159 countries, including India. India has been the founding member of this organisation since 1995. This organisation has helped many countries to develop with the help of trade. It also helped India and still does toward making it a

developed country. Trading has a significant impact on any nation's economy, and it is a part of globalisation. It also has negative impacts, but they are overshadowed by the positive impacts. So, for India, the WTO seems like a life-uplifting organisation.

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