HRM6000 Project 2

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**World Trade Organization**

The World Trade Organization is an intergovernmental regulatory organization for international trade. It started its operations on 1 January 1995 under an agreement known as Marrakesh Agreement. This agreement was signed by 124 nations on April 15, 1994. The agreement replaced GATT, General Agreement on Tariffs and Trade. WTO is the only global organization, which deals with the rules of trade between nations. Its operations are driven by the WTO agreements signed and negotiated by numerous trading nations and their parliaments (“What is the WTO?,” n.d.). The aim of WTO is that global trade flows smoothly and free. The WTO prohibits discrimination between trading companions; however, it provides exceptions for national security, environmental protection, and other important goals.

**Analyze China’s admittance into the WTO**

China became a member of WTO on December 11, 2001. After China's admittance, long process of negotiations was needed as China's economy had to face a lot of changes. These changes signified China's deeper integration into the world economy. The US played an important role in China's admittance into WTO and strongly favoured an open system. China was flourishing and could be a great market for the US made good and services. From 1996 to 2001, US imports from China doubled. The US imposed certain conditions on China, and hence admission to WTO had many positive and negative concerns for China.

The conditions imposed on China created difficulties for China and conflicted with Chinas earlier economics Strategies. Admission in WTO meant that China had to take part in the trade as per the rules it did not make. In addition, China's admission can be considered a multilateral achievement. China initially agreed to all the harsher conditions when it joined WTO than the other developing countries. When China joined WTO, foreign investment was allowed, and service sector flourished. Furthermore, restrictions on wholesale and retail also vanished. China also had to deal with the concerns regarding intellectual property and transparency that was underlined by accession to WTO.

**Pros and Cons of the WTO**

 World Trade organization has many pros such as it helps to remove the barriers of trade among different nations and to ensure that the trading activities are according to certain rules and regulations. The organization is dedicated to handling disputes among different nations that the trading countries may face. Rules governed by WTO has made international and global trade convenient and has contributed towards reducing the cost of living of participating nations (Subramanian & Wei, 2007). By promoting international trade, it ensures that the customers worldwide have a variety of choice in the products and services. Trade among the nations raises the income of different nations and help them improve their GDP's. WTO is contributing towards the increase in economic growth of different states and encourages countries to diversify their products and services. Other benefits of WTO includes that it creates policies and rules to follow for the trading countries, encourages governments to ensure good governance and saves governments from lobbying.

 The cons of WTO includes that it is undemocratic in many ways. WTO fails to guarantee the security of nations. WTO deals mainly with the governments and their interests, and hence it does not protect the rights of consumers. It is often accused of destroying environments as it encourages governments to build industries and set up plants at the expense of the environment and nature. Towards the developing countries, some of the trade rules by WTO are unfavorable due to the weak influence of developing countries. In this way, it hinders developing economies from growth. A lot of countries fail to make progress as they are tied to lobbying. WTO rules mostly favor multinational corporations and remaining companies remain unsuccessful. In addition, it is overshadowed by the other agencies such as TIPP. It is being observed that WTO protects and care for larger corporations and developed countries rather than small and medium corporations.

**What is ILO?**

 The International Labor Organization is the United Nations agency responsible for creating international labor laws and standards and promotes social protection and work opportunities for all. It is the only tripartite UN agency, which brings together governments, agencies, employers, and states. It is responsible for making rules and regulations and devises programs that ensure a decent working environment for all men and women (“About the ILO,” n.d.).

**Role of the ILO and the impact it has on CSR.**

According to the mission of ILO, it exists with the aim to provide a decent working environment for all the workers. It promotes social security, protection, and employment opportunities. To achieve its mission, it provides technical support to different countries and nations with the help of its development partners. The ILO plays a supervisory role as it monitors the implementation of ILO conventions ratified by its member states. ILO defines CSR as a way in which an organization gives consideration to the impact it produces on society. CSR is the voluntary adoption of responsible conduct and going beyond the legal responsibility of an enterprise. The ILO plays an important role in CSR because the labor standards and social dialogues are the crucial concepts of CSR and it is what the core business of ILO is.

The social responsibility and its contribution towards the working agenda have always been a central part of ILO efforts. CSR is a crucial way in which in which organizations affirm their values and principles, in their own internal ways as well as their interaction with other players. During 2006-07, ILO implemented an InFocus initiative, which is focused on ILO’s leadership in promoting CSR practices and policies (“Corporate Social Responsibility (CSR),” 2009). This initiative sets ILO’s role in implementing labor standards and promoting social dialogues and help countries implementing good policies in this regard.

**Evaluate the pros and cons of the ILO**

ILO is an agency focused on labor standards, and hence it is focused on developing people as human beings. It treats labor as valuable human beings and provides a decent path to work towards their protection. It presents a global legal structure which provided fair and stable globalization. These standards allow economic growth by offering a stable work environment and offers a comparative advantage (Busse, 2002). ILO assists the governments and employees to avoid the temptation of considering labor standards. In addition, it acts as a safety net for the organizations in times of economic crisis. It ensures the stability in the labor markets by setting out fair prices in the labor market. ILO is the outcome of international knowledge and expertise of a number of people, government and regulatory bodies, which shows the international consensus on solving a particular labor issue. The standard legal character allows the application of this expertise as part of the body of international law.

ILO serves the employers and labors by providing standards, but at the same time, it has some demerits in certain conditions. Some of these include the enforceable labor standards in the global economy can also be pursued on a regional level. Some organizations play the same role as ILO such as NAFTA and NAALC. The labor standards developed by ILO lacks penalties and powers. Therefore, compliance is dependent on violator’s publicity. International Labor standards sometimes are seen as demanding high costa and hence obstructs the economic development in the short run.

References

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