World Trade Organization

Student’s Name

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**Brief History of World Trade Organization**

World Trade Organization is an organization whose main function was to improve trade relations between nations (Matsushita, Schoenbaum, Mavroidis, & Hahn, 2015). In addition are trade rules that ensure smooth flow of trade, and predictable business environment. The organization became operational on 1 January 1995 based on the Marrakesh agreement signed by 123 nations in April 1994. Formation of the organization replaced the General Agreement on Tariffs and Trade that existed from 1948 (Matsushita et al., 2015).

**Advantages**

World trade organizations help in promoting peace among nations. As trade expands and business shift into the global markets disputes arise, therefore, WTO helps to settle disputes constructively. The WTO provides rules that benefit all the members rather than considering power. The organization lowers trade barriers hence ensuring free trade, which cuts the cost of living. in addition, there are a variety of products and services available for trade. Moreover, the free trade increase income and stimulates economic growth (Matsushita et al., 2015).

**Disadvantages**

The organization does not support democracy hence no transparency. Involving the organization, the richer countries take advantage of the poor nations posing a risk on development. The organization considers corporations rights rather than labour and human rights. It privatizes essential services and destroys the environment hence encouraging killing people (Matsushita et al., 2015).

**Settling disputes**

The organization has a mandate of establishing a panel comprising a group of experts to handle the case.at the first stage there is room for consultation of up to 60 days. In the second stage, the organization forms a panel, an exercise that takes up to 45 days (Matsushita et al., 2015). Hence, the panel is responsible to give a report on the findings and advice accordingly.

**Examples**

Canada and USA have entered into a dispute regarding the USA dumping duties. The WTO that was to help in settling the dispute between the two countries formed a panel. A report was provided and Canada had to appeal. This shows the role played by the WTO. The appellate body has up to 3 months to conclude on the case.

Reference

Matsushita, M., Schoenbaum, T. J., Mavroidis, P. C., & Hahn, M. (2015). *The World Trade Organization: law, practice, and policy*. Oxford University Press.