

Q) WTO is a tool of developed countries to be used for exploitation of developing countries. Do you agree? Give arguments.

Ans) 1) Introduction:

To understand the World Trade Organisation one should thoroughly understand the history and the mandate of the World Trade Organisation (WTO). Moreover, as per the question WTO is a tool of developed countries for exploitation of developing countries, it can be checked through the policies and agenda of the WTO. Such as, reduction of Tax and Tariffs, internationalisation of Market; dollarisation of Trade and copy right on product; if analyzed critically, it can easily be concluded that the World Trade Organisation is a tool of developed countries to be used for exploitation of developing countries.

2) Historical connection of 'WTO' with the General Agreement on Trade and Tariff (GATT)

Destruction by the World War II



No trade among the countries



Formation of UNO 1945



A General Agreement on the Trade and Tariff in order to boost the trade and stabilize the economy



Because of Globalisation the GATT was unable to cater the needs



Thus, paved the way for the making of



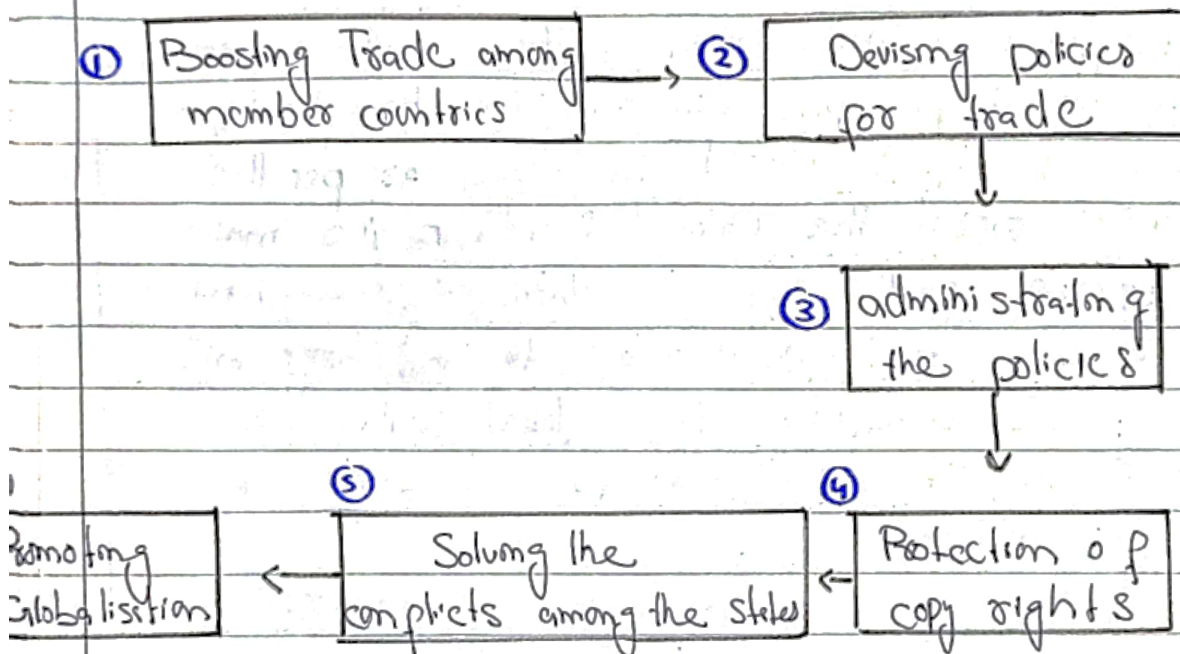
World Trade Organisation

### Defining WTO

The World Trade Organisation is a platform which helps to boost the

trade among the member countries by reducing the trade and tariff. Including this, the WTO also helps the member states to devise the trade policies and also administrator the member state trade related activities.

### ③ Mandate of the WTO

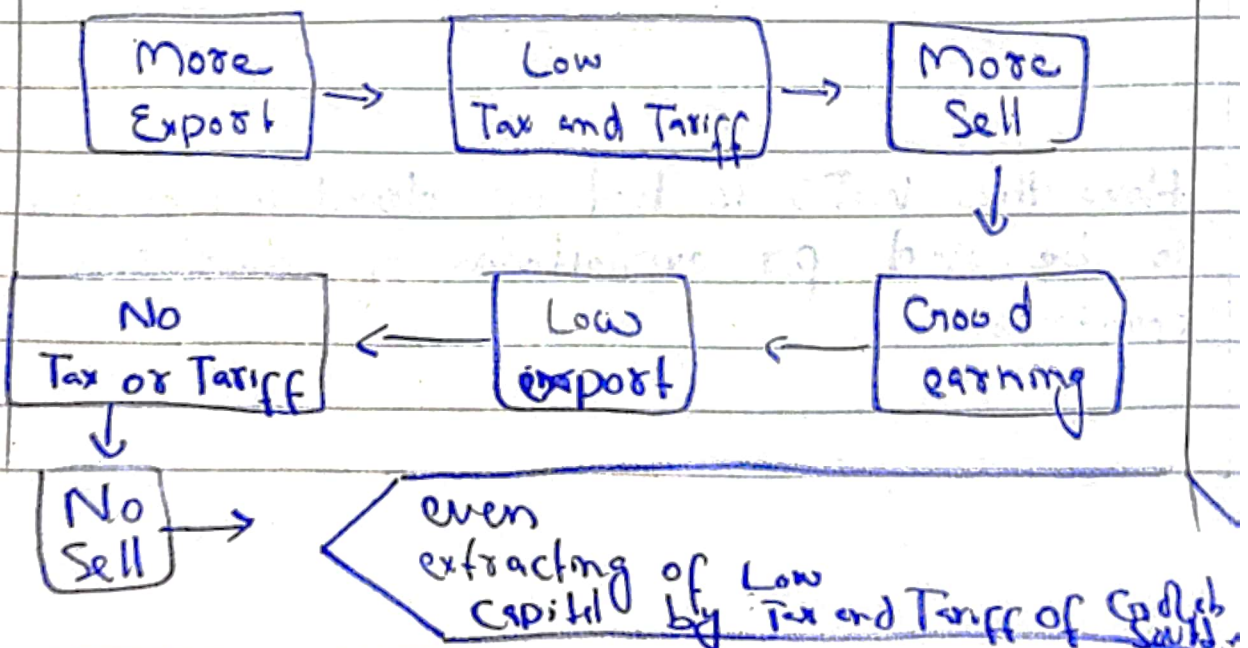


③ How the WTO is tool of developed countries to be used for exploitation of developing countries



## ② Reduction of Tax and Tariff: A Zero Sum Game for the Developing World

The reduction of tax and tariff is ~~is~~ among the main principle of the World Trade Organisation. That means that, the trade between the developing countries and developed countries, as who are the member state of WTO, will be on the reduced trade and tariff. Moreover, that trade on the above mentioned principle will only be beneficial for the developed world because, as per the WTO report the Global North is the main exporter of the goods. Therefore, in that context, the reduction of tax and tariff will only be benefiting the global south, as high import with low tax and tariff and high sell.



## Internationalisation of Market: High Product Competition for developing economy

Internationalisation of Market is another principle of the World Trade Organisation.

It means that the free flowing of the international brands in member countries (developing or developed) without high taxes, even with comparable prices with local product. The main demerit of that principle is the dying of the local market by the international brands. As per the Economic Survey of Pakistan, owing to internationalisation the local products are unable to survive in the market. That kind of situation is common in all the developing world of member countries.

## ② Dollarization of Trade: A Hard Line for Dollar Deficit Countries

The global trade has been standardised by the dollar, and the policies of the World Trade Organisation revolves around the trade with the dollars. Thus, because of this policies many countries of the world deficit



dollars and falls in the abyss of Trade deficit. For example, Egypt, Sri Lanka and Pakistan was about to deficit. Therefore, it is pertinent to say that the dollarization by WTO is main reason of deficit of developing economies.

### ① Copy Rights on Products: An unaccessibility to new technology for developing countries ①

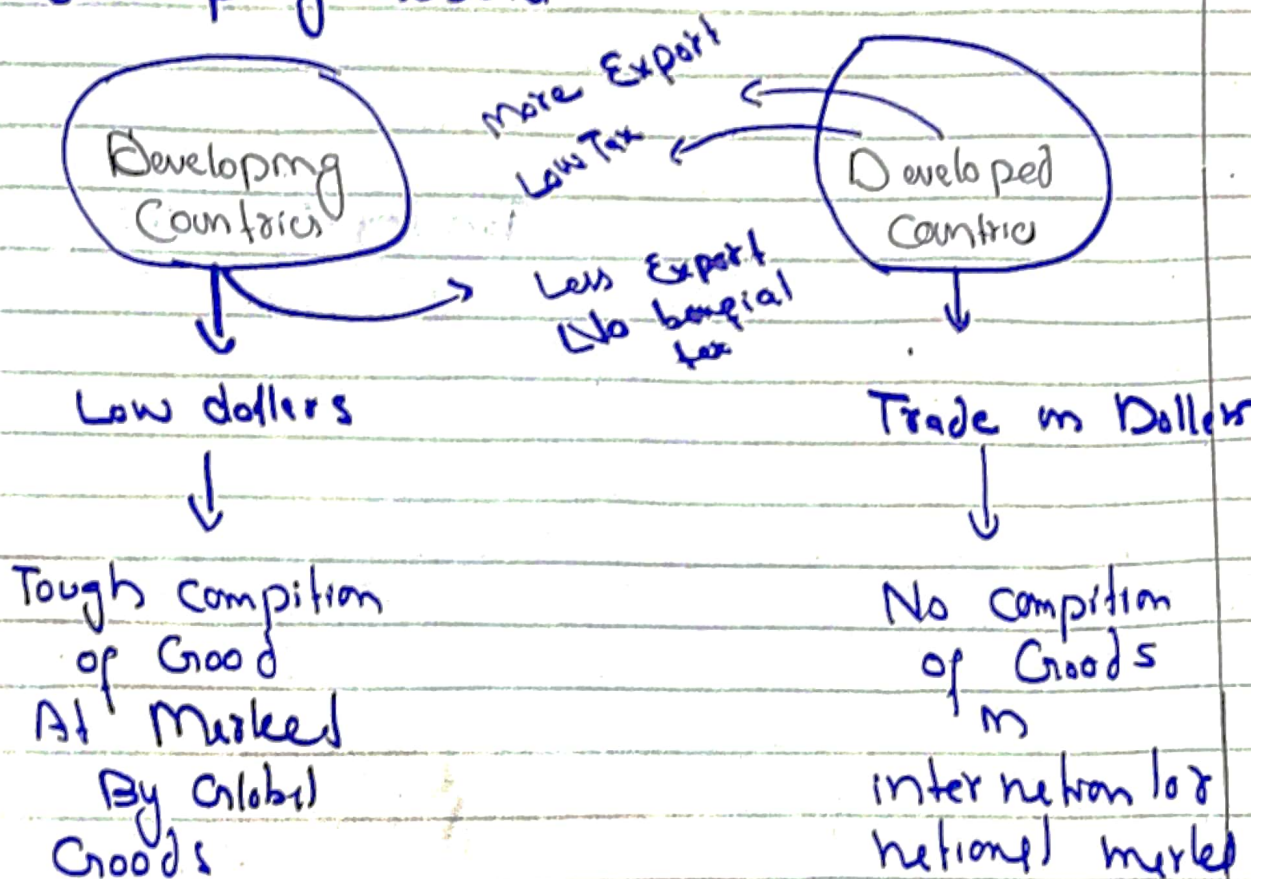
Copy Rights or Patent on products is a good initiative, but because of the copy rights on products the new technology or innovation has been unable to be accessed unless the price is paid. However, no moral grounds it can not be supported. As India and South Africa demanded to remove patent on the COVID vaccine. Thus, on moral grounds, the principle of copy rights can be regarded as biggest exploitation of developing countries.

### ② WTO Policies in Accordance with the developed world

It has been said and condemned by the developing economies, that the

policies of the world trade Organisation supports the agenda of the Developed countries in order to protect their interest and sanction those countries that oppose the agenda of that economies eg Sanctioning of Iran and Russia.

WTO as an Exploitor of developing countries on the agenda of the developing world





## ① Conclusion

In short, the WTO is tool of the developing & developed countries in order to exploit the developing economies. As mentioned earlier, the mandate and agenda of the WTO is helistically aligned with the Global World Order and support those who support the Order. Moreover, the trade and tax related business of WTO has ~~been~~ helped it to exploit the developing economies.

