

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

## 01. INTRODUCTION

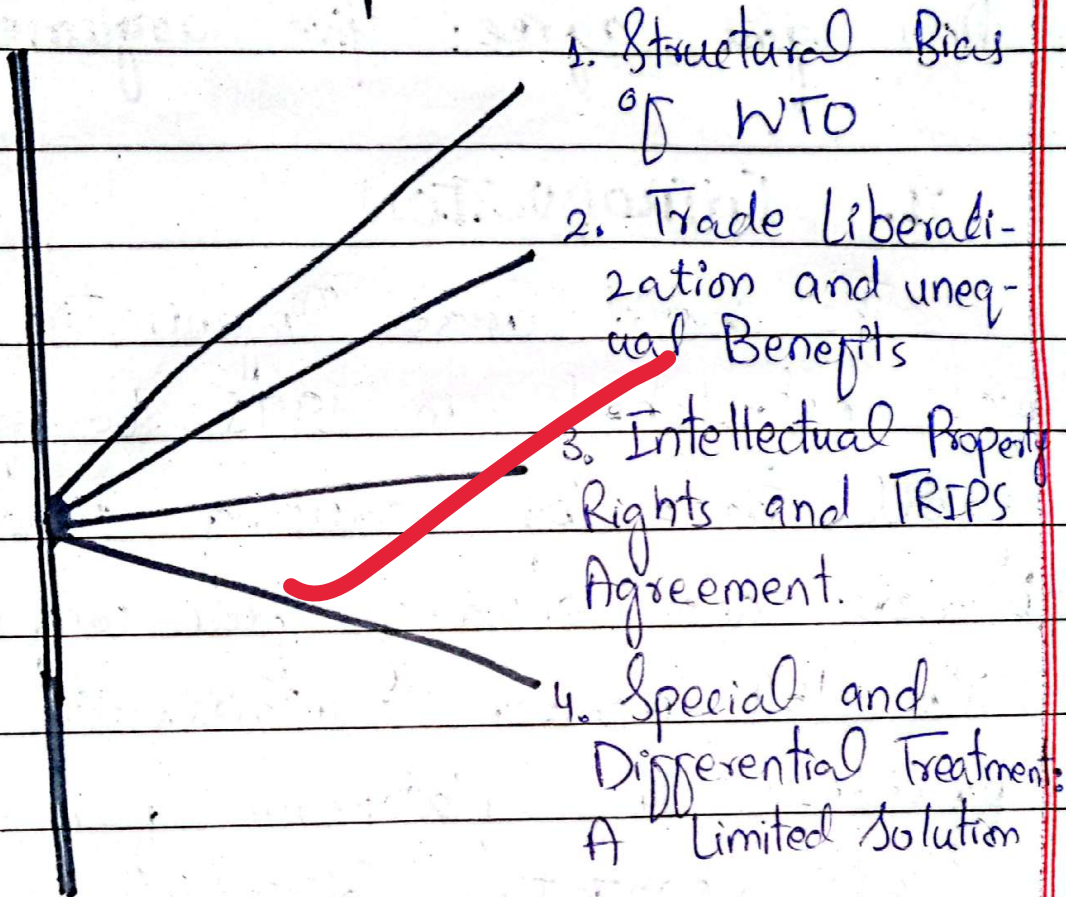
The World Trade Organization (WTO) was established in 1995 to promote global trade by reducing trade barriers and ensuring fair competition.

With 164 member countries, it provides a platform for trade negotiations, dispute settlements, and trade policy reviews.

However, critics argue that the WTO primarily serves the interests of developed countries, enabling them to exploit developing nations through unfair trade rules and economic dominance.



## 2. WTO AS A TOOL OF EXPLOITATION FOR DEVELOPING COUNTRIES



### 2.1 Structural Bias of WTO

The WTO operates on a principle of consensus, which theoretically gives equal voting rights to all member states. However, practical realities reveal structural



imbalances;

Dominance of Developed nations

Dispute Settlement System

Add and highlight references/examples against these arguments

## (a) Dominance of Developed Nations

Wealthier countries like the United States and European Union possess superior financial, legal, and human resources to negotiate favorable trade agreements, often sidelining the concerns of poorer nations. (Stiglitz, 2006)

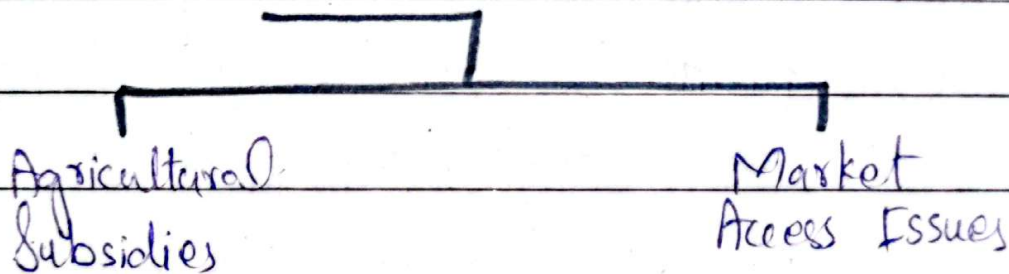
## (b) Dispute Settlement System

Developing countries often lack the resources to pursue lengthy legal battles in WTO's Dispute Settlement Body (DSB), giving developed nations a strategic advantage. (Shaffer, 2005)



## 2.2. Trade Liberalization And Unequal Benefits

The WTO promotes free trade by removing tariffs and subsidies. While this benefits advanced economies with competitive industries, it has adverse effects on developing countries.



### (a) Agricultural Subsidies

Developed countries heavily subsidize their agriculture sectors, making their products cheaper in global markets, thereby undercutting farmers in developing countries. (Chang, 2007)

### (b) Market Access Issues

Developing countries struggle to access markets in developed economies due to non-tariff barriers like sanitary

Use marker for references



and phytosanitary standards (Oxfam 2002)

## Case Study: Cotton Dispute

The United States's cotton subsidies led to disputes with West African nations, such as Burkina Faso and Mali. These countries faced declining exports despite having competitive production capabilities, leading to economic instability (WTO, 2004).

### (2.3) INTELLECTUAL PROPERTY

#### RIGHTS AND TRIPS AGREEMENT

The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) has sparked criticism for prioritizing corporate profits over public welfare:

Pharmaceutical  
Patents

Technological  
Dependence



## (a) Pharmaceutical Patents

TRIPS enforces stringent patent protections, making essential medicine unaffordable for many developing nations, exacerbating health crises such as HIV/AIDS in Africa (Correa, 2006)

## (b) Technological Dependence

Developing countries face barriers in accessing advanced technologies, deepening the technological divide.

## (2.4) SPECIAL AND DIFFERENTIAL TREATMENT (SDT): A LIMITED SOLUTION

While the WTO recognizes the need for Special and Differential Treatment (SDT) provisions for developing nations, these measures often fall short:

Voluntary Nature

Lack of Technical Assistance



## (a) Voluntary Nature:-

SDT provisions are non-binding, leaving their implementation at the discretion of developed nations (Hoekman 2005).

## (b) Lack of Technical Assistance:-

Many developing countries lack the institutional capacity to utilize SDT effectively.

Add and highlight references/examples against these arguments

## 3. CONCLUSION

The WTO was established to promote free and fair global trade, but its policies and structure often favor developed nations, creating challenges for developing countries.

Reforms are needed to make it more inclusive and fair ensuring equal opportunities for all members.

Fair representation, greater market access and stronger support for developing nations are some pertinent



demands need to be ensure.