

## Lesson 6 : The World Trade Organization (WTO)

The World Trade Organization (WTO) is an international organization that is responsible for promoting and regulating global trade. It was established in 1995 and is headquartered in Geneva, Switzerland. In this lesson, we will explore the history, structure, and functions of the WTO.

1. **History:** The WTO was created to replace the General Agreement on Tariffs and Trade (GATT), which was established in 1947. The GATT was an international treaty that aimed to reduce trade barriers and promote international trade. However, the GATT lacked a formal institutional structure, and its rules were not legally binding. The WTO was established to provide a more comprehensive framework for global trade that includes legally binding rules and a dispute resolution mechanism.
2. **Structure:** The WTO is composed of 164 member countries. It is governed by a Ministerial Conference, which meets every two years, and a General Council, which is responsible for overseeing the day-to-day operations of the organization. The WTO also has a Secretariat, which is headed by a Director-General and is responsible for providing technical assistance and support to member countries.
3. **Functions:** The WTO has several functions, including:
  - a. **Setting trade rules:** The WTO sets rules for international trade, including rules on tariffs, non-tariff barriers, and intellectual property rights.
  - b. **Promoting trade liberalization:** The WTO promotes trade liberalization by encouraging member countries to reduce trade barriers and eliminate discriminatory practices.
  - c. **Providing a forum for negotiation:** The WTO provides a forum for member countries to negotiate trade agreements and resolve trade disputes.
  - d. **Dispute resolution:** The WTO has a dispute resolution mechanism that allows member countries to resolve trade disputes through a neutral and transparent process.
4. **Criticisms:** Despite its many achievements, the WTO has faced criticism from various quarters. Some critics argue that the WTO's rules favor developed countries and multinational corporations at the expense of developing countries. Others argue that the WTO has failed to address issues such as labor rights, environmental protection, and food safety adequately.

In summary, the World Trade Organization (WTO) is an international organization that aims to promote and regulate global trade. It was established in 1995 to replace the General Agreement on Tariffs and Trade (GATT). The WTO is responsible for setting trade rules, promoting trade liberalization, providing a forum for negotiation, and resolving trade disputes. Although the WTO has faced criticisms, it has played a significant role in promoting global economic growth and reducing trade barriers.