**What is the 'World Trade Organization - WTO'**

The World Trade Organization (WTO) is the only international organization that **deals with the global rules** of trade between nations. The WTO is built on WTO agreements signed by the majority of the world's trading nations; **its main function is to help** producers of goods and services; exporters and importers better **protect and manage their businesses.**

Some, especially multinational corporations, believe that the WTO is **great** for business. Other organization types and private individuals believe the WTO **undermines** the principles of organic democracy and further increases the international wealth gap.

**BREAKING DOWN 'World Trade Organization - WTO'**

The WTO is essentially a **mediation entity** that helps with the international rules of trade between nations; however, the WTO has become a **driving force** behind the institution of globalization and has had both **positive** and potentially **adverse** effects on the world. The WTO's efforts have positively increased trade expansion globally, but as a side effect, it has negatively impacted local communities and human rights.

**Advocates** of the WTO cite the stimulation of free trade and a decline in trade disputes as benefits in today's global economy. **Critics** of the WTO point to the decline in domestic industries and the increase in foreign influence as negative impacts on the world economy. Regardless, the WTO is here to stay, and it's important to understand how it operates.

**The WTO as a Negotiation Forum**

The WTO provides a platform that allows member governments to try to sort out any trade problems they face with other members. The WTO itself was born out of a **negotiation**, and its main focus is to provide open lines of **communication** between its members as it relates to international trade. For example, the WTO has helped **lower trade barriers and increase trade** between member countries. On the other hand, it has **also** helped maintain trade barriers when it makes the most global sense to do so. Therefore, the WTO tries to provide negotiation mediation that best suits the international economy.

Once negotiations are complete and an agreement is in place, the WTO then offers to **interpret that agreement** in the event of a future dispute. All WTO agreements include a settlement process that lets it legally conduct a **neutral procedure** for conflict resolution.

**The WTO as a Set of Rules**

No **negotiation, mediation or resolution** would be possible without the foundational WTO agreements. These agreements set the legal ground rules for the international commerce that the WTO oversees. When a member country signs its agreement, it binds the country's government to a set of constraints that it must observe when making future trade policies. This gives producers, importers and exporters the chance to maintain their businesses while encouraging world governments to meet specific social and environmental standards.