Frihandelsavtal - Pros and Cons

**Pros:**

**Lower Government Spending:** Many governments subsidize local industry segments. After the trade agreement removes subsidies, those funds can be put to better use.

**Technology Transfer:** Local companies also receive access to the latest technologies from their multinational partners. As local economies grow, so do job opportunities. Multi-national companies provide job training to local employees.

**Cons**

**Theft of Intellectual Property:** Many developing countries don't have laws to protect patents, inventions, and new processes. The laws they do have aren't always strictly enforced. As a result, corporations often have their ideas stolen. They must then compete with lower-priced domestic knock-offs.

**Poor Working Conditions:** Multi-national companies may outsource jobs to emerging market countries without adequate labor protections. As a result, women and children are often subjected to grueling factory jobs in sub-standard conditions.

**Bottom line**

Countries entering FTAs must protect their people and resources against the negative effects. But trade protectionism is rarely the most effective solution.

<https://www.thebalance.com/free-trade-agreement-pros-and-cons-3305845>

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