

Coevolution of the WTO and the and international business

How do multiple embeddedness and the different life
cycle stages



UNIVERSITY OF AMSTERDAM

Duco Wiertsema

University of Amsterdam

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Supervisor 2:

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1 | Introduction

Trade has been as old as the Middle Paleolithic (300.000 to 30.000 years ago) and originated with the start of communication in prehistoric times. The first signs of trade have been discovered from around 150.000 years ago [Bacon 2006] [Watson 2005] [Fernández-Armesto 2003] [Mayell 2003] [Henahan 2002]. These first trades were in ochre, an earth pigment, used to dye fabrics. These trades were mainly in the form of bartered goods and services [O’Sullivan et al. 2003] from each other before the innovation of the modern day currency [Watson 2005].

The innovation of money meant that barter ¹ was not longer a necessity to trade goods or services. With money medium common between the supplier and the demander became available. This facilitated a wider market and created the possibility of mercantilism [Heckscher 1936].

That trade is an important aspect in our history, can be observed from the fact the silk route is still a well known aspect, although this route has been out of commission in the way that was used.

In some way money changed from a means to an objective. Amidst the financial turmoil that engulfed the world in 2012 and 2013, one may assume that "*Money makes the world go round*". The quote has been around for some time now, dating back to the musical *Cabaret* from the 1960s.

From a trade perspective money is still a means As [Mises 2009] has defined: "The function of money is to facilitate the business of the market by acting as a common medium of exchange".

¹according to [Merriam-Webster](#): barter is *to trade by exchanging one commodity for another*

By this line of thought the underlying motivation of money is the exchange of goods and later services.

After World War II much needed to change. The world had to come together. Hence two global albeit of truly global organisations have For this purpose the International Monetary Fund (IMF) and World Bank were founded in 1944.

The World Trade Organisation (WTO) was established on January 1 1995. The WTO came into existence after the General Agreement on Tariffs and Trade (GATT) had been dissolved into the WTO.

2 | Literature Review

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Acronyms

GATT General Agreement on Tariffs and Trade. [2](#)

IMF International Monetary Fund. [2](#)

WTO World Trade Organisation. [2](#)