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Global trade policies and their effects on international commerce

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Abstract
Deals, rules, and disagreements have all contributed to the profound shaping of global trade policy in the context of international trade. A major contributor to trade liberalisation, tariff reduction, and dispute resolution has been the World Trade Organisation (WTO). The EU's single market and notable accords like NAFTA have made cross-border trade and economic integration easier. On the other hand, trade disputes and retaliatory actions have been triggered by protectionist policies, such tariffs and non-tariff barriers, adopted by certain countries to defend domestic sectors, which have affected global trade flows. Bypassing global frameworks periodically, the emergence of regional trade agreements (RTAs) has woven complex webs of trade. The dynamics of international commerce have changed as emerging economies have grown in importance. Trade practices are also impacted by legislation that address labour standards, environmental protection, and intellectual property rights, which have gained prominence and represent larger societal concerns. Global trade policies, thus, have played a crucial role in navigating complex economic interests, striking a balance between trade liberalisation and protectionism, and defining the parameters of global trade.

Keywords: Global trade policy, world trade organisation (WTO), regional trade agreements (RTAs), protectionist policies, tariff reduction, dispute resolution, economic integration, societal concerns

Introduction
International business has been greatly influenced by global trade policies, which have a profound impact on trade flows, market dynamics, and economic integration. In order to facilitate easier and more predictable international commerce, the World Trade Organisation (WTO) has played a key role in promoting "trade liberalisation" and lowering trade barriers. As per Hoekman and Kostecki (2009) [2], the World Trade Organization's endeavours to institute a "rules-based trading system" have led to a noteworthy decrease in trade barriers and tariffs, hence advancing more parity across nations. Due to their increased access to bigger markets and ability to promote economic growth, emerging countries have benefited most from increased engagement in international trade. But greater competition as a result of liberalisation initiatives has also put pressure on home sectors in some nations, calling for protections and "anti-dumping duties" among other preventive measures.

Global trade policies have mirrored protectionist impulses meant to defend national interests, notwithstanding the general trend towards liberalisation. This two-pronged strategy has been best illustrated by the rise in "regional trade agreements" (RTAs). Preferential trading blocs that have the power to discriminate against non-members have been established by RTAs like NAFTA and the EU single market, even if they have lowered internal trade barriers and encouraged economic integration. Manova (2013) [3] emphasised that trade agreements of this kind may result in "trade diversion," a phenomenon in which trade flows are shifted from highly productive global producers to less productive regional partners. Furthermore, the dynamics of global commerce have changed as a result of the emergence of rising economies like China and India, which are making a bigger impact internationally. The trade landscape has become even more complex as a result of their trade policies, which frequently prioritise "export-led growth" and strategic protectionism.

Global trade policies have had a big impact on society and the environment. Lenzen *et al*. (2012) [1] noted that growing demand for exports causes resource exploitation and environmental degradation, which in turn has exacerbated biodiversity concerns in developing countries as a result of international trade.

In line with broader societal concerns, trade policies have also come to target issues like "intellectual property rights," environmental norms, and labour conditions more frequently. The goal of these regulations is to prevent trade expansion from jeopardising human rights and sustainability. Trade agreements that take these factors into account are moving towards more thorough and accountable trade governance. It is still difficult to strike a balance between economic growth and social and environmental sustainability, which calls for constant innovation in policymaking as well as international collaboration.

Literature Review

International trade policies, which aim to control and promote global trade, have a significant impact on global trade. Kolk and Van Tulder (2010) [4] emphasised how closely trade laws and company practices interact. These rules and agreements, which establish these policies, provide a framework for international business operations. To encourage multinational firms to enter new markets, "trade agreements" lower tariffs and other hurdles. As businesses adjust to shifting legal requirements, their growth has social and environmental responsibilities in addition to economic ones. In order to ensure ethical and sustainable practices, firms are aligning their operations with global trade regulations in order to satisfy the "sustainable development goals" (SDGs), which are enforced by international agencies. This is where the "corporate social responsibility" (CSR) aspect becomes crucial. Trade policies therefore have an impact on corporate strategy and how they are implemented internationally in addition to shaping the economic environment.

Matsushita *et al*. (2015) [5] assessed that for discussion and dispute settlement, the WTO's legal framework seeks to encourage fair competition and lessen trade conflicts. The WTO's mission is to ensure that member nations follow established trade norms. It is based on the concepts of "non-discrimination," "reciprocity," and "transparency". Because it lowers the possibility of arbitrary trade obstacles, this legal framework promotes a stable trading environment that promotes global trade. Furthermore, through capacity-building programmes and technical support, the WTO helps emerging nations integrate into the world trading system. "Terms of trade shocks," as Jaaskela and Smith (2013) [6] have explained, are abrupt shifts in the relative costs of imports and exports that have the potential to have a substantial impact on the trade balance and economic stability of a nation. Governments must manage these swings by modifying trade laws to lessen negative consequences and take advantage of positive circumstances. A favourable "terms of trade shock," such a rise in commodity prices, can, for exporting nations, result in higher national incomes and better balances of payments. International trade is significantly impacted by "trade liberalisation" policies, which involve lowering or doing away with trade restrictions like tariffs and quotas.

According to Topalova and Khandelwal (2011) [7], trade liberalisation exposed Indian businesses to foreign competition, which resulted in significant productivity increases. Trade liberalisation makes it necessary for domestic businesses to become more inventive and efficient in order to endure and prosper in a cutthroat market. As a result of this higher productivity, domestic businesses are more competitive globally and the economy as a whole grows. Businesses may offer higher-quality products at less costs as they grow more productive, which benefits consumers everywhere and encourages more active international trade. Particularly in developing nations, the geographical effects of "trade liberalisation" may not be equal. Topalova (2010) [8] emphasised the significance of implementing trade liberalisation policies along with steps to alleviate "factor immobility" and provide assistance to affected regions and populations. In the absence of such safeguards, trade liberalisation may have unequal effects on different groups of people, escalating social unrest and regional inequality.

Global trade policy also need to include the effect of "information and communication technology" (ICT) on international trade. ICT affects commerce in technology-intensive sectors more than conventional industries, according to Yushkova (2014) [9]. ICT makes it possible for businesses to access new markets and broaden their global reach by enabling the interchange of information and lowering the costs related to distance. This technological innovation facilitates trade liberalisation by increasing accessibility and integration of global markets. Policy measures that encourage the adoption of ICTs can thereby greatly increase international commerce, especially in high-tech industries, so promoting global economic interdependence and expansion. According to Kehoe and Ruhl (2013) [13], the "new goods margin" refers to the entry of new products into global markets, which can spur economic growth and commerce. Countries can take advantage of new market opportunities and better meet consumer expectations by diversifying the range of items that are available for trade. This highlights the significance of policies that promote creativity and the creation of novel goods. Increased trade volumes and economic development can result from such policies, which can strengthen a nation's competitive advantage in the international market. To maximise the advantages of global trade, it is therefore essential to promote an atmosphere that is innovative.

Baier *et al*. (2014) [11] assessed the role of "economic integration agreements" (EIAs) in global trade. These agreements, which include free trade agreements (FTAs) and customs unions, are designed to lower trade barriers and promote deeper economic cooperation among member nations. This emphasises that environmental impact assessments (EIAs) contribute to increased trade volumes of both the "extensive margin," which includes new product trade and market entry, and the "intensive margin" of trade, which entails growing trade volumes of current items. EIAs encourage businesses to expand their product offerings and look into new markets by decreasing tariffs and harmonising rules to provide a more predictable and favourable trading environment. According to Baldwin and Jaimovich (2012) [13], global trade policies have a multiplicity of consequences on the international commerce landscape and frequently display contagion through mechanisms like "free trade agreements" (FTAs). Because they lower trade obstacles and improve market access, free trade agreements (FTAs) have become essential in promoting closer economic relations between countries. A prime example of how trade liberalisation in one area can spur similar accords elsewhere, resulting in a cascade effect of economic integration and increased trade networks, is the spread of free trade agreements, or FTAs.

As noted by Abboushi (2010) [12], "trade protectionism" is still a problem despite the advantages of economic integration and trade liberalisation. Protectionism can result in trade wars, higher prices for consumers, and inefficiencies in home markets. Protectionist policies may also lead to retaliatory actions from trading partners, which would further impede international trade. Protectionism's continued existence emphasises how crucial it is to strike a balance between national economic interests and the more general objectives of international trade cooperation. The emergence of "e-commerce," as discussed by Terzi (2011) [14], has completely changed the nature of international trade by allowing companies to contact customers anywhere in the world with previously unheard-of ease and by moving beyond national borders. E-commerce systems save expenses, streamline processes, and link buyers and sellers worldwide to promote trade. In addition to broadening the scope of international trade, technology advancements have also changed traditional employment patterns, opening up new opportunities while requiring changes in workforce training and skill sets.

Conclusion

In conclusion, the development of international trade policies had a substantial impact on global geopolitical relations and economic dynamics, as well as shaping international commerce. During this time, regional trade agreements, which aimed to promote trade liberalisation and enable more seamless cross-border transactions, emerged in tandem with multilateral initiatives such as the World Trade Organisation (WTO). Notwithstanding, obstacles including trade conflicts, protectionism, and uneven benefit distribution have tarnished the efficacy of these measures. In addition to promoting economic cooperation among member nations, the creation of free trade agreements like NAFTA and the European Union has generated discussions about job displacement and wealth inequality. Tensions between trading partners were also brought about by the growth of tariffs, subsidies, and non-tariff barriers, which hampered the free movement of goods and services. A more inclusive and equitable trading system is also required, as evidenced by the emergence of emerging economies as major actors in international trade. The differences between industrialised and developing countries are made worse by the fact that, despite progress, there are still large variations in trade governance and regulatory frameworks. In order to address these issues, governments, corporations, and civil society organisations must work together to advance sustainable, ethical, and open trade practices. To ensure that global trade policies positively contribute to inclusive growth and prosperity for all engaged nations, it will be imperative to embrace innovation, foster cooperation, and defend the values of open markets.

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