

Home > Journal > Business & Economics > IB

[Indexing](#) [View Papers](#) [Aims & Scope](#) [Editorial Board](#) [Guideline](#) [Article Processing Charges](#)

IB > Vol.4 No.2, June 2012

OPEN ACCESS

Is the WTO Truly Effective?

PDF (Size: 116KB) PP. 121-125 DOI : 10.4236/ib.2012.42014

Author(s)

Yutaka Kurihara

ABSTRACT

Whether or not the World Trade Organization (WTO) has promoted international trade is under dispute. This article uses a revised traditional gravity model to conduct empirical examination of this problem and found that WTO has recently promoted international trade and that the degree of increase is larger in developed countries than in developing ones. Moreover, regional trade agreements (RTA), currency unions, GDP, and distance are related to the increase of international trade along with the effects of WTO activities. On the other hand, the effect of distance on international trade has been decreasing. Improvements in information technology (IT) may have influenced this finding.

KEYWORDS

Gravity Model; International Trade; IT; WTO

Cite this paper

Y. Kurihara, "Is the WTO Truly Effective?," *iBusiness*, Vol. 4 No. 2, 2012, pp. 121-125. doi: 10.4236/ib.2012.42014.

References

- [1] M. Tomz, J. L. Goldstein and D. Rivers, " Do We Know That the WTO Increase Trade? Comment," *American Economic Review*, Vol. 97, No. 5, 2007, pp. 2005-2018. doi: 10.1257/aer.97.5.2005
- [2] A. K. Rose, " Do We Really Know that the WTO Increase Trade," *American Economics Review*, Vol. 97, No. 5, 2007, pp. 2019-2025. doi: 10.1257/aer.97.5.2019
- [3] X. Liu, " GATT/WTO Promotes Trade Strongly: Sample Selection and Model Specification," *Review of International Economics*, Vol. 17, No. 3, 2009, pp. 428-446. doi: 10.1111/j.1467-9396.2009.00816.x
- [4] B. Christopher, " A Re-Examination of the Relation between Democracy and International Trade," *The Journal of International Trade & Economic Development*, Vol. 20, No. 5, 2011, pp. 585-600.
- [5] B. J. Frickel, V. V. Kotcherlakota, F. A. Tekorang, and B. R. Elder, " The Effect of NAFTA on Trade and Investment between Member Countries," *International Business and Economics Research Journal*, Vol. 10, No. 6, 2011, pp. 1-8.
- [6] C. K. Lee, " WTO Negotiations between Democracy and Developed Countries: An Evolutionary Game Theory Approach," *International Journal of Management*, Vol. 28, No. 3, 2011, pp. 867-879.
- [7] I. Siedschlag and G. Tondl, " Regional Output Growth Synchronisation with the Euro Area," *Empirica*, Vol. 38, No. 2, 2011, pp. 203-211. doi: 10.1007/s10663-010-9130-7
- [8] S. Coulibaly, " Evaluating the Trade Effect of Developing Regional Trade Agreements: A Semi-Parametric Approach," *Journal of Economic Integration*, Vol. 24, No. 4, 2009, pp. 709-743.
- [9] J. Korinek and M. Melatos, " Trade Impacts of Selected Regional Trade Agreements in Agriculture," *OECD Trade Policy Working Paper*, No. 87, 2009, P. 59.
- [10] I. Park, " Regional Trade Agreements in East Asia: Will They Be Sustainable?" *Asian Economic Journal*, Vol. 23, No. 2, 2009, pp. 169-194. doi: 10.1111/j.1467-8381.2009.02008.x

- [Open Special Issues](#)
- [Published Special Issues](#)
- [Special Issues Guideline](#)

[IB Subscription](#)

[Most popular papers in IB](#)

[About IB News](#)

[Frequently Asked Questions](#)

[Recommend to Peers](#)

[Recommend to Library](#)

[Contact Us](#)

Downloads: 172,082

Visits: 337,773

Sponsors, Associates, and Links >>

- [International Conference on Management and Service Science \(MASS 2013\)](#)
- [The 4th Conference on Web Based Business Management \(WBM 2013\)](#)

- [11] Y. Kurihara, " The Impact of Regional Trade Agreements on International Trade," *Modern Economy*, Vol. 2, No. 5, 2011, pp. 846-849. doi:10.4236/me.2011.25094
- [12] A. Vamvakidis, " Regional Trade Agreement or Broad Liberalization: Which Path Leads to Faster Growth?" *IMF Economic Review*, Vol. 46, No. 1, 1999, pp. 42-52.
- [13] J. Varzary, " The Failure of Regional and Multinational Trade Agreements," *The Business Review*, Vol. 17, No.1, 2011, pp. 235-240.
- [14] L. Xuepeng, " Testing Conflicting Political Economy Theories: Full-Fledged Partial-Scope Regional Trade Agreements," *Southern Economic Journal*, Vol. 77, No. 1, 2010, pp. 78-103. doi:10.4284/sej.2010.77.1.78
- [15] V. Vicard, " On Trade Creation and Regional Trade Agreements: Does Depth Matter?" *Review of World Economics*, Vol. 145, No. 2, 2009, pp. 167-187. doi:10.1007/s10290-009-0010-9
- [16] Y. Kurihara, " APEC: International Trade and Economic Growth," *Pacific Economic Review*, Vol. 10, No. 2, 2003, pp. 27-42.
- [17] S. Freitag, " Adopting External Currencies for Trade Growth in the Pacific," *Asian-Pacific Economic Literature*, Vol. 25, No. 1, 2011, pp. 103-120. doi:10.1111/j.1467-8411.2011.01273.x
- [18] J. Roy, " On the Robustness of the Trade-Inducing Effects of Trade Agreements and Currency Unions," *Appalachian State University Working Papers*, Vol. 10, No. 9, 2010, pp. 1-39.
- [19] J. Roy, " Is the WTO Mystery Really Solved?" *Economics Letters*, Vol. 113, No. 2, 2011, pp. 127-130. doi:10.1016/j.econlet.2011.06.010
- [20] R. A. Frankel and A. Rose, " The Endogeneity of the Optimum Currency Area Criteria," *The Economic Journal*, Vol. 108, No. 449, 1998, pp. 1009-1025. doi:10.1111/1468-0297.00327
- [21] H. Katayama and M. Melatos, " The Nonlinear Impact of Currency Unions on Bilateral Trade," *Economics Letters*, Vol. 112, No. 1, 2011, pp. 94-96. doi:10.1016/j.econlet.2011.03.022
- [22] P. Krugman, " Lessons of Massachusetts for EMU," In: F. Glavazzi and F. Torres, Eds., *The Transition to Economic and Monetary Union in Europe*, Cambridge University Press, New York, 2001, pp. 241-261.
- [23] A. Subramanian and S. Wei, " The WTO Promotes Trade, Strongly but Unevenly," *Journal of International Economics*, Vol. 72, No. 1, 2007, pp. 151-175. doi:10.1016/j.jinteco.2006.07.007
- [24] T. S. Eicher and J. Henn, " In Search of WTO Trade Effects: Preferential Trade Agreements Promote Trade Strongly But Unevenly," *Journal of International Economics*, Vol. 83, No. 2, 2011, pp. 137-153. doi:10.1016/j.jinteco.2010.12.002
- [25] Y. Lee, " Reconciling RTAs with the WTO Multinational Trading System: Case for a New Sunset Requirement on RTAs and Development Facilitation," *Journal of World Trade*, Vol. 45, No. 3, 2011, pp. 629-651.
- [26] F. Tesón, " Why Free Trade Is Required by Justice," *Social Philosophy and Policy*, Vol. 29, No. 1,