



Can Trade help the poor?

Description

Background:-

- Exchange of goods and services is called as 'Trade'.
- In ancient days, goods were exchanged directly. Later money is being used as medium of exchange.
- 'Free trade' refers to a general openness to exchange goods, labor and information between and among nations with no barriers.
- 'Fair Trade movement' began in 1950's with the aim of eradicating poverty in developing nations. Fair Trade focuses on exports from developing countries to developed countries, most notably handicrafts, coffee, cocoa, sugar, tea, bananas, honey, cotton, wine, fresh fruit, chocolate, flowers and gold.

In Favor:-

- It helps poor people to become middle class people by paying fair wages.
- It creates the quality of entrepreneurship in poor people, So that their standard of living increases.
- It supports the people, who have small business farms.
- It provides safer and healthier working environment especially for women.
- It's a advantage for all developing countries as it increases country's economy by exporting goods.

In Against:-

- More than half of the poor people are not aware of Trade.
- The goods imported through fair trade are of low cost than the goods produced in that country. There is a chance that super markets may buy imported goods and sell them as the local goods for high cost as there is no separate label for fair trade products.
- Local companies suffer from high competition.
- By free Trade, people have no restrictions to move from one country to another. By this, National security is at stake.

Conclusion:-

'Fair Trade' is better than Free Trade. Fair Trade is a boon for developing countries as it helps to eradicate poverty and every person will have a decent life. It'll be nice, if Govt. provides awareness programs about Trade in poor people.

Afterwords :- What are your thoughts on this topic? Feel free to express your opinion in the comment section below.