**Organisation for European Economic Co-operation (OECD)**

[**https://www.youtube.com/watch?v=lklm7zOGd-c**](https://www.youtube.com/watch?v=lklm7zOGd-c)

The Organization for Economic Co-operation and Development (OECD) is a unique forum where the governments of [37 democracies](http://www.oecd.org/about/membersandpartners/) with market-based economies collaborate to develop policy standards to promote sustainable economic growth.  The OECD provides a setting where governments can compare experiences, seek answers to common challenges, identify good practices, and develop high standards for economic policy.  For more than 50 years, the OECD has been a reliable source of evidence-based policy analysis and [economic data](https://data.oecd.org/).  The United States is working with other members to reinforce transparency, accountability, budget discipline and responsiveness to member priorities at the OECD.

Today, OECD member countries account for three-fifths of world GDP, three-quarters of world trade, over 90 percent of global official development assistance, half of the world’s energy consumption, and 18 percent of the world’s population.  Together with its sister agencies, the International Energy Agency (IEA) and the Nuclear Energy Agency (NEA), the OECD helps the United States and its partners reap the benefits and confront the challenges of a global economy by promoting sound economic policies, freer markets, more efficient use of resources, and better innovation through science and technology.

# The WTO

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world’s trading nations and ratified in their parliaments. The goal is to ensure that trade flows as smoothly, predictably and freely as possible.

## What Is the World Trade Organization (WTO)?

Created in 1995, the World Trade Organization (WTO) is an international institution that oversees the rules for global trade among nations. It superseded the 1947 [General Agreement on Tariffs and Trade](https://www.investopedia.com/terms/g/gatt.asp) (GATT) created in the wake of World War II.

The WTO is based on agreements signed by a majority of the world’s trading nations. The main function of the organization is to help producers of goods and services, as well as exporters and importers, protect and manage their businesses.

As of 2021, the WTO has 164 member countries, with Liberia and Afghanistan the most recent members, having joined in July 2016, and 25 “observer” countries and governments.

### Key Takeaways

* The World Trade Organization (WTO) oversees global trade rules among nations and mediates disputes.
* The WTO has been a force for globalization, with both positive and negative effects.
* Big businesses tend to support the WTO for its positive impact on international economic growth.
* Skeptics see it as increasing the wealth gap and hurting local workers and communities.

## Understanding the World Trade Organization (WTO)

The WTO is essentially [an alternative dispute or mediation entity](https://www.investopedia.com/investing/what-is-the-world-trade-organization/) that upholds the international rules of trade among nations. The organization provides a platform that allows member governments to negotiate and resolve trade issues with other members. The WTO’s main focus is to provide open lines of communication concerning trade among its members.

The WTO has lowered trade barriers and increased trade among member countries. It also has also maintained trade barriers when it makes sense to do so in the global context. The WTO attempts to mediate between nations in order to benefit the global economy.2

Once negotiations are complete and an agreement is in place, the WTO offers to interpret the agreement in case of a future dispute. All WTO agreements include a settlement process that allows it to conduct neutral conflict resolution.

## Advantages and Disadvantages of the WTO

The history of international trade has been a battle between protectionism and free trade, and the WTO has fueled globalization, with both positive and adverse effects. The organization’s efforts have increased [global trade](https://www.investopedia.com/insights/what-is-international-trade/) expansion. There are side effects to globalization, including a negative impact on local communities and human rights.

Proponents of the WTO, particularly multinational corporations, believe that the organization is beneficial to business, seeing the stimulation of free trade and a decline in trade disputes as beneficial to the global economy.

Skeptics believe that the WTO undermines the principles of organic democracy and widens the international wealth gap. They point to the decline in domestic industries and increasing foreign influence as negative impacts on the world economy.

As part of his broader attempts to renegotiate U.S. international trade deals, when he was in office, then-President Donald Trump threatened to withdraw from the WTO, calling it a “disaster.” A U.S. withdrawal from the WTO could have disrupted trillions of dollars in global trade. However, he didn’t withdraw the U.S. from the WTO during his time in office.

## Why Is the World Trade Organization Important?

The World Trade Organization (WTO) is the body that keeps global trade running smoothly. It oversees the rules and mediates disputes among its member nations. It now has 164 member nations and 25 observer nations (out of a total 195 nations in the world).

## What Are the Main Functions of the World Trade Organization?

The World Trade Organization (WTO) administers the trade agreements made among its member nations. It also mediates any trade disputes that arise.

What is WTO <https://www.youtube.com/watch?v=3Gqq2sBWai4>

Outdated <https://www.youtube.com/watch?v=GJxvWt2Sp4I>

**OPEC**

In accordance with its [Statute](https://www.opec.org/opec_web/static_files_project/media/downloads/publications/OPEC_Statute.pdf), the mission of the Organization of the Petroleum Exporting Countries (OPEC) is to coordinate and unify the petroleum policies of its Member Countries and ensure the stabilization of oil markets in order to secure an efficient, economic and regular supply of petroleum to consumers, a steady income to producers and a fair return on capital for those investing in the petroleum industry.

The Organization of the Petroleum Exporting Countries (OPEC) is a permanent, intergovernmental Organization, created at the Baghdad Conference on September 10–14, 1960, by Iran, Iraq, Kuwait, Saudi Arabia and Venezuela. The five Founding Members were later joined by: Qatar (1961) – terminated its membership in January 2019; Indonesia (1962) – suspended its membership in January 2009, reactivated it in January 2016, but decided to suspend it again in November 2016; Libya (1962); United Arab Emirates (1967); Algeria (1969); Nigeria (1971); Ecuador (1973) – suspended its membership in December 1992, reactivated it in October 2007, but decided to withdraw its membership effective 1 January 2020; Angola (2007); Gabon (1975) - terminated its membership in January 1995 but rejoined in July 2016; Equatorial Guinea (2017); and Congo (2018). OPEC had its headquarters in Geneva, Switzerland, in the first five years of its existence. This was moved to Vienna, Austria, on September 1, 1965.

**Is Russia under OPEC?**

Nevertheless, **Russia is a voice within OPEC** that fully supports Saudi leadership. The Russians also have influence over Iran, an important OPEC member, which is something the Saudis lack. For all those reasons these countries formed a partnership that is largely limited to cooperation on price control.

In 2016, Russia and Saudi Arabia combined their oil market power to form OPEC+. But this is not the beginning of their cooperation. They have also faced off as rivals. In the end, their interests align with oil prices alone.

## **BRICS**

<https://www.youtube.com/watch?v=wngbMZyhfA8>

BRICS vs NATO <https://www.youtube.com/watch?v=-8SvfPnt9Y0>

New members <https://www.youtube.com/watch?v=lCflDMCPTq4>

Russian vs US currency <https://www.youtube.com/watch?v=ivU-3PTLWlI>

BRICS endangers Dollar <https://www.youtube.com/watch?v=72oa1ls4USg>

* BRICS is an acronym for the powerful grouping of the world’s leading emerging market economies, namely Brazil, Russia, India, China and South Africa.
* The BRICS mechanism aims to promote peace, security, development and cooperation. It also aims at contributing significantly to the development of humanity and establishing a more equitable and fair world.
* The first BRIC Summit took place in Yekateringburg, Russia, where the elected leaders of the four countries formally declared the membership of the BRIC economic bloc. South Africa was invited to join the bloc in December 2010, resulting in BRICS.
* BRICS has since its inception had a positive effect on the international system. BRICS countries have individually emerged to assume new economic rankings.
* In 2010,China became the second-biggest economy in the world.
* India currently stands as the 10th-largest economy in gross domestic product (GDP) in nominal terms, and is the fourth-largest economy in terms of GDP at Purchasing Power Parity (PPP).
* In 2011, Brazil became the world’s sixth-largest economy.
* Russia is currently the ninth-biggest economy and South Africa is ranked as the 26th-largest economy.
* BRICS countries coordinate on their positions and actions in international organisations, as seen in the United Nations.
* In the midst of the current global economic crisis, many countries in the world are looking to BRICS members as the new locomotives for global economic growth to provide renewed impetus to global economic cooperation. For example, BRICS trade and investment with low-income countries have served as a major support system in the wake of the global financial crisis (International Monetary Fund[IMF] Study).

## Expansion of BRIC into BRICS

South Africa was invited to join the BRIC bloc on 24 December 2010 and on 14 April 2011,South African President Jacob Zuma attended the third BRICS Summit in Sanya, China.
BRICS is a continuation of the tradition that was firmly established 57 years ago, in April 1955, when countries of Asia and Africa met at the historic Bandung Conference to galvanise their collective muscle in the context of the Cold War and assert themselves in the international system. The Bandung Conference, which led to the formation of the Non-Aligned Movement (NAM), was a historic watershed in the international relations of developing countries. Amid pressure from the growing Cold War biopolarism, those countries were able to concertedly affirm that they would choose neither the East nor the West, but pursue their own path and strategy under the guidance of the “Bandung Principles” of Afro-Asian solidarity. South Africa was at the Bandung Conference, represented through the African National Congress.
BRICS membership is in line with South Africa’s foreign policy objectives of notably strengthening South-South relations. The present context of international relations and cooperation between Asian, African and Latin American countries – collectively known as countries of the South – remains critical, and has become more important than ever before.
South Africa’s membership of BRICS is premised on its regional, continental and global role as well as its domestic achievements in the “proudly South African manner”.
South Africa joined BRICS with three objectives in mind:
to advance its national interests as outlined in the President’s State of the Nation Address
to promote its regional integration programme and related continental infrastructure programmes
to partner with key players of the South on issues related to global governance and its reform.
South Africa’s membership of this body has expanded BRICS’ geographic and intercontinental reach, including its global representivity and inclusiveness.

## BRICS statistics

* BRICS countries have increased their share of global GDP threefold in the past 15 years.
* BRICS’ share of global output will increase from18% (according to market exchange rates), to 25% to 26% over the next 10 years and even to one-third by 2030.
* In PPP terms, it is about 30% of world's GDP at the moment. By 2020, it will be 37% to 38% and increasing to as much as 45% by about 2030.
* In 2011, the BRICS' share of GDP, based on PPP amounted to about 20 % and 25% (estimated at US$13,7 trillion).
* BRICS countries occupy 30% of the global territory.
* They are home to 45% of the world's population.
* The contribution to global economic growth over the last decade has reached 50%, which makes this group of states the leading power in global economic development.
* BRICS accounted for approximately 11% of global annual foreign direct investment (FDI) flows in 2012 (US$465 billion).
* BRICS account for 17% of world trade.
* BRICS’ combined foreign reserves are estimated at US$4 trillion.
* Some analysts predict that BRICS could become as big as the Group of 7 (the United States of America [USA], Japan, Germany, France, Britain, Canada and Italy) by 2027.
* South Africa has a population of more than 50 million and an economy worth approximately US$527 billion. Its per capita income level at PPP compares favourably with BRICS partners, estimated at US$11 000 (after the Russian Federation at US$16 700 and Brazil at US$11 845).

## South Africa in BRICS

* South Africa’s comparative advantage within BRICS pertains to the country’s considerable non-energy in situ mineral wealth. In a recent report commissioned by the US-based Citigroup bank, South Africa was ranked as the world’s richest country in terms of its mineral reserves, worth an estimated US$2,5 trillion. South Africa is the world's largest producer of platinum, chrome, vanadium and manganese, the third-largest gold-miner, and offers highly sophisticated mining-related professional services, contributing significantly to the BRICS resource pool.
* South Africa is investing R300 billion (US$35,6 billion) into expanding and improving its railways, ports and fuel pipelines, as a catalyst to help unlock the world’s greatest mineral wealth. Africa will also continue to be buoyed by the exploding global demand for oil, metals, minerals, food and other natural resources. Likewise, the African continent, which is arguably one of the world’s largest unexplored resource basins, has an abundance of riches, including 10% of the world’s oil reserves, 40% of its gold ore and 95% of platinum.
* The demand from BRICS countries for these commodities has been a critical source to support growth on the continent.
* South Africa’s financial market development and sophistication, also as a source of exceptionally sophisticated professional services and financial expertise, is globally recognised. The World Economic Forum's 2011/12Global Competitiveness Index displayed a high level of confidence in South Africa’s financial market development, ranking the country in fourth place globally on this measure.
* The regulation of the Johannesburg Stock Exchange was ranked number one in the world, as was the strength of South Africa's auditing and reporting standards. Additionally, South Africa is ranked second for both the soundness of banks and the efficacy of corporate boards.
* South Africa’s excellence in science, technology and innovation is also recognised, e.g. it being awarded the majority stake in hosting the Square Kilometre Array. BRICS countries supported South Africa in obtaining the majority stake.
* South Africa’s export structure to BRICS member countries shows significant diversification and the negative trade balance has also narrowed over the last four years, i.e. from R57 billion in 2008 to R22,8 billion in 2011. South Africa’s export trade with the BRIC partners grew from 6,2% of the total in 2005 to 16,8% in 2011, whereas its imports from the BRIC countries represented 13,6% of total imports in 2005 and 20% in 2011. The Minister of Trade and Industry, Dr Rob Davies, has emphasised that in 2011 alone, trade between South Africa and BRICS countries grew by 29%, which is considerable.
* South Africa enjoys recognition as a dedicated and committed global and regional player. South Africa’s constructive role in global governance structures as well as its position within organisations of the South, notably the African Union (AU), the Group of G77 (G77) and China and NAM is appreciated by BRICS and other like-minded partners. South Africa is also the only African country represented in the Group of 20 (G20), which has become an important institution on the reform of the financial and economic global governance architecture.
* South Africa has always been at the forefront of promoting more inclusive formations and more equitable participation of notably emerging markets and developing economies in the world system and its decision-making structures. This belief stems from our core conviction that Africa has to be repositioned in the global system to assume its rightful place. South Africa, together with other African countries, initiated the dialogue with the Group of 8 (G8) in 2000, which led to the subsequent endorsement of the AU’s New Partnership for Africa’s Development (NEPAD) by the international community at large. At the last BRICS Summit, President Zuma once again strongly articulated this view, also in light of the issue of the World Bank Presidency, where Africa had put forward an exceptionally merit-based candidate.
* South Africa’s own unique historic political transformation process to become a constitutional democracy is perceived as a unique contribution to the world. The country has facilitated similar processes for peace elsewhere in the world.

## BRICS and Africa

* South Africa’s invitation to join BRICS recognises the country’s contribution to shaping the socio-economic regeneration of Africa, as well as the country’s active involvement in peace, security and reconstruction efforts on the continent.
* The BRICS countries constitute the largest trading partners of Africa and the largest new (not total) investors.
* The past decade has seen a seismic acceleration of commercial and strategic engagements between BRICS and Africa. BRICS has nourished Africa’s economic emergence and elevated the continent’s contemporary global relevance.
* The recession and recovery period have enhanced this shift. In 2010, Standard Bank economists predicted BRICS-Africa trade would “see an additional increase in the velocity of BRIC-Africa engagements, with trade and investment spearheading the commercial charge”.
* According to Standard Bank, BRICS-Africa trade will increase threefold, from US$150 billion in 2010 to US$530 billion in 2015. Between 2010 and 2015, BRICS’ share of Africa’s total trade will increase from one-fifth to one-third and BRICS FDI stock in Africa will swell from around US$60 billion in 2009 to more than US$150 billion by 2015.
* While South Africa’s share was not absorbed into these projections at the time, South Africa’s trade with Africa accounts for 17% of South Africa’s total trade, 21% of its outward investment and when broken down, 14% of its total exports to the world, as well as 24% when including the Southern African Customs Union.
* The IMF also conducted a study, which indicated that the trade and investment from BRICS to low-income countries was deemed as a critical factor to protect them from the shock of the global recession.
* BRICS leaders have expressed support for infrastructure development in Africa and its industrialisation within the framework of NEPAD. The leaders reiterated the highest importance attached to economic growth that supports development and stability in Africa, as many of these countries have not yet realised their full economic potential. The BRICS leaders undertook to take their cooperation forward to support Africa’s efforts to accelerate the diversification and modernisation of its economies, through infrastructure development, knowledge exchange and support for increased access to technology, enhanced capacity-building and investment in human capital, including within the framework of NEPAD.

## BRICS Development Bank

* BRICS leaders are considering the possibility of setting up a new development bank for mobilising resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, to supplement the existing efforts of multilateral and regional financial institutions for global growth and development.
* BRICS finance ministers have been tasked to examine the feasibility and viability of such an initiative, set up a joint working group for further study, and report back at the next summit in South Africa. Such a new development bank could complement existing institutions and address gaps and challenges in critical sectors.
* President Zuma has articulated South Africa’s strong support for this initiative and other African leaders have also indicated their keen interest.

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