
**INTERNATIONAL TRADE CONDITIONS:
CHALLENGES FOR LESS DEVELOPED COUNTRIES¹**

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ABSTRACT

Main issues this paper takes into consideration are related to: (i) conceptual topics or theoretical aspects from mainstream international trade frameworks; and (ii) core concerns, less developed countries need to face to pursue higher standards both, in their efforts to improve internal markets and participation into foreign links regarding international trade scenarios. From the theoretical standpoint, major features of the current globalization processes are discussed. One of the key final considerations regards the evidence that under the new mechanisms of the World Trade Organization, less developed nations have better conditions to carry out trade negotiations, notwithstanding, broad margin for improvement exists to achieve fair circumstances in the foreign trade relationships.

1. This study is a product of research projects which were carry out by the author of this paper. *The subscriber of this document is entirely responsible for the contents of this paper; thereby it does not necessarily represent the standpoint of the Catholic University of Colombia or any other organization.*

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RESUMEN

Este documento discute dos aspectos importantes que son predominantes en las actuales condiciones del comercio internacional. En primer lugar una síntesis sobre los fundamentos conceptuales, esto es, elementos teóricos del comercio internacional y desarrollo. Se hace mención de las principales características y de cómo éstas influyen en la dinámica de los procesos de globalización actual. En segundo lugar se discuten aspectos medulares que deben enfrentar los países en desarrollo, en referencia a su inserción en los circuitos de la economía internacional. Una de las principales consideraciones finales es que, si bien se hace evidente que la creación de la Organización Mundial de Comercio representó un avance en las condiciones de negociación internacional, aún queda considerable margen de mejora en las circunstancias de equidad para el trato de intercambios con países menos desarrollados.

Palabras clave: economía internacional, comercio internacional, economías de países menos desarrollados.

Clasificación JEL: F02, F12, F43.

THEORETICAL FEATURES

The current process of globalization is basically characterized by (i) increasing worldwide active communication systems; and (ii) increasing fluent economic conditions, especially those circumstances and factors regarding mobility of financial resources and trade. Based on the aforementioned conditions, the global scenario is more integrated in economic transactions.

From a conceptual perspective, mainstream trade theory and its links to economic development includes traditional arguments and criticisms. This section summarizes the arguments of the classical theory of international trade, and its main alternative claims. We will then finish by presenting several points concerning the controversy of import substitution policy and the export-led economic growth. All these considerations will be related to the conditions of developing countries.

The main points of the classical theory of international trade are:

First, trade is an important stimulator of economic growth. It enlarges a country's consumption capacities, increases world output, and provides

those of the neocolonial dependence in terms of trade, technological links and financial relationships.

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