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# Review of Conflicts between Iranian Islamic Republic Laws and Regulations in Joining the World Trade Organization as a Permanent Member

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## Abstract

The aim of this research is to review the conflicts between the laws and regulations of the Islamic Republic of Iran and the World Trade Organization as a permanent member.

The Islamic Republic of Iran has been an observer member of the World Trade Organization since 1996, but has faced numerous obstacles to full membership in the organization, which have been addressed in this research.

**Methodology:** The research methodology used is descriptive analysis, which was conducted through searching in reputable scientific books, and based on the keywords "World Trade Organization", "conflicts", "laws and regulations", "Islamic Republic of Iran", and "permanent membership", up to 2023, the sources of this research were found in scientific databases in Persian. Based on the initial search in the database, articles that met the criteria and standards for inclusion in the research were evaluated.

The Islamic Republic of Iran has taken some steps in recent decades to develop and implement national strategies aimed at joining the World Trade Organization.

Joining the World Trade Organization has many benefits for the internal economy and foreign trade of the Islamic Republic of Iran, but due to some internal problems, external opposition (mainly from America), and lack of experienced and specialized diplomats, it has not been able to achieve this important goal..

**Keywords:** SMEs; technological innovation; strategy

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## **Introduction**

In the modern era, with the world moving towards progress and human life being affected by it, these progressions have, in fact, made the world into a global village. Therefore, countries must have close and understanding interactions with international organizations in order to achieve their goals in different areas. One of these organizations that plays a prominent role in these interactions is the World Trade Organization. This organization is an international body that deals with trade rules between countries and sets rules and regulations to legalize trade between countries. The General Agreement on Trade in Services is a framework for service trade negotiations in the World Trade Organization, which not only aims to further liberalize service trade in law, but also considers possible developments in regulatory systems at the international level. Iran has also been constantly trying to join the World Trade Organization, and the legislation has made great efforts to pass laws that take into account the fundamental principles of the World Trade Organization.

Since the modern and mechanized world is constantly growing and evolving, international trade seems to be unavoidable in today's conditions, in order to promote a portion of the standard of living and effective exploitation of global resources, and to participate in the trade and strengthening of the economies of member countries. It is important to increase the relative incomes and well-being of citizens of member countries and other matters. Therefore, the principle should be to exchange information and goods in any field, according to the needs of the time, place, economic interests, and tastes of various communities.

Therefore, societies should continue their progress to reach the pinnacle of finance and spirituality in proportion to their efforts and the volume of trade. In fact, the globalization of trade and Iran's membership in the World Trade Organization has the status. Joining the organization is a noble goal and a valuable and worthy necessity. Because, given the country's natural geographic potentials and creative and talented human resources, we should move away from oil dependency to the extent possible by holding onto the globalization of trade and take a new path for the country's income and progress.

In this research, we will examine the contradictions and inconsistencies of laws, obstacles, problems, and other issues related to Iran's non-accession and permanent membership of the World Trade Organization (WTO). And, we will examine whether it is possible to borrow from the science of law and make efforts to overcome obstacles (in a general sense) to permanent membership of Iran in the World Trade Organization, to take a step forward, and as a result, to develop international and global trade.

In this article, we will use library research, descriptive and analytical methods, and interviews (virtual and physical) with related individuals, organizations, and institutions to review the available materials, articles, and documents in order to be able to review all aspects of the legal review of Iran's legal conflicts with the rules and regulations of the Islamic Republic of Iran in the WTO as a permanent member.

### **Research Objectives:**

- **Main Objective:**

A- To review the conflicts of the laws and regulations of the Islamic Republic of Iran, which exist in permanent membership of the World Trade Organization.

**Sub-Objectives:**

B- To review the contradictions and inconsistencies of the Constitution of the Islamic Republic of Iran that exist in relation to the World Trade Organization.

C- To review the contradictions and inconsistencies of the laws and regulations of the Islamic Republic of Iran that exist in relation to the World Trade Organization.

A study titled "Income on the Law of International Investment Dispute Resolution on the Basis of the 'ICSID Convention'" was conducted. In this study, the adoption and implementation of various legal facilitations demonstrates the tendency of legislators to adapt to economic and social changes to expand and encourage foreign investment in the country. The country's judicial system is determined as the reference for the resolution of disputes and the referral of foreign investors' lawsuits to the said reference is reprehensible in terms of lack of impartiality and is a major concern and worry for many foreign investors.

Although the arbitration method is the preferred method of resolving these disputes, there is still a concern about the possible jurisdiction and dominance of the host country, which must be addressed to some extent.

The ICSID, as the reference for resolving international investment disputes, which has been accepted by many countries, emphasizes the arbitration method as a dispute resolution method. In fact, by adopting a generous approach towards the will of the parties, it seeks to strike a balance between the interests of the host country and the foreign investor, through the identification of appropriate legal guarantees that can bring about tangible confidence.

By accepting the ICSID Convention, contracting states agree that regardless of whether they are one of the parties to the investment dispute or related to it, they will accept and enforce an arbitration award in their countries.

Iran, by adhering to the New York Convention of 1958 on the Enforcement of Foreign Arbitral Awards and other laws and regulations, has demonstrated its willingness to eliminate legal obstacles and fill legal voids in the field of foreign investment. Therefore, it seems that not adhering to the ICSID Convention, which is a continuation of the previous steps, does not seem to be a reasonable excuse. (Mojtahedi-2011) (1390)

The opinions of the authors and critics (in summary form) about our topic are listed below, with the name and title:

The research entitled "Identifying Challenges and Solutions for Iran's Accession to the World Trade Organization with a Production in the Global Class Approach" acknowledged that joining the WTO

would open up a large competitive market for Iranian manufacturers who could turn their strengths into global ones. Many industries in the current competitive environment need proper planning and decision-making in order to join international organizations with a global class approach. If a country does not join the WTO, which is responsible for free trade and the free movement of goods and services around the world, it will not be able to compete in global markets. In view of the membership of most countries in the world in this organization and the large volume of trade between member countries, many opposing and approving opinions have been raised about Iran's accession to the World Trade Organization and the challenges before and after the accession. According to a conducted research, solutions have been proposed for the auto industry to face the challenges of the future in the context of Iran's accession to the aforementioned organization. The importance of the topic is the main purpose of this article, and the method used for identifying and prioritizing challenges and providing solutions for Iran's accession to the World Trade Organization with a production in the global class approach in the Iranian automotive industry is based on the application of the DEMATEL method and the three-layer model. During the research process, after identifying the challenges, network relationships will be determined and then solutions and prioritization of them will be provided. At the end of the article, the mentioned issues are summarized, compared and concluded, and research suggestions are presented. (Khezr-Alah-2018) (1397)

Research with the title "Iran's Accession to the World Trade Organization: Requirements, Consequences, and Practical Solutions" was conducted in which, in addition to reviewing the position and role of the World Trade Organization in the international economy, the obligations under review were considered, which, like other countries, oblige Iran to join this organization. The study then examined the requirements and constraints, followed by an examination of a set of regulations and constraints that face the accession of Iran with problems and obstacles. The review of Iran's membership obstacles from several different perspectives (Basic Canons, Export and Import Regulations, Commercial Laws and Regulations, Banking Laws and Insurance) allows for a comprehensive review of the methods of overcoming obstacles, and the selection of the best and most useful methods. In the end, the probable consequences of deliberate and conscious accession to the World Trade Organization and also the probable consequences of non-membership in the World Trade Organization for the country's economy were discussed and some suggestions were made. (Shirkoond-2000) (1379)

Research with the title "Iran's Accession to the World Trade Organization and its Impact on the Import of Intermediate-Capital Goods - Iran's Investment" was conducted, in which they acknowledged that imports are influenced by different factors that must be understood and studied. Joining the World Trade Organization can affect import demand through mechanisms such as reduced tariff rates, increased international trade integration, and relative prices (domestic and foreign prices). In this regard, and considering the high share of intermediate and capital goods in the country's total imports, this article explains the effects of Iran's accession to the World Trade Organization on the import of the above goods by using the decomposition method and using data from the period 2008-2011(1387-1390). The results of the review show that the long-term import function of this category of goods has high sensitivity to the level of international trade and integration in the international economy, and relatively low sensitivity to the tariff rate and relative prices during the period under review. In this regard, the results of the short-term and long-term time series confirm each other. The analysis of the effects of the shocks and the

variance analysis shows that the imported shocks to the demand for imports under review over a period of three years tend to be neutral and changes in the demand for intermediate and capital goods imports have the greatest impact on international trade integration. (Seyed Norani-2011) (1390)

Research with the title "Study of the Impact of Iran's Accession to the World Trade Organization (WTO) on the State of Iran's Natural Gas Exports" was conducted, in which they acknowledged that Iran's accession to the World Trade Organization can affect natural gas exports directly and indirectly through mechanisms such as reduced tariff rates, increased international trade integration, and changes in relative prices (domestic and foreign prices). In view of the increasing share of natural gas in the country's total imports, the present study examines the effect of Iran's accession to the World Trade Organization on the country's natural gas exports to the destinations of Turkey, Armenia, and Nakhchivan, using a combined data method over the period 2016-2017 (1395-1385). To achieve this goal, indicators of internationalization, such as the International Trade Integration Index and the level of international trade, were used. The results of this study show that Iran's membership in the World Trade Organization has a positive effect on the country's natural gas exports to selected export destinations. (Varhami-Arabmazar and Raof-2019) – (1398).

Research with the title "Evaluating the Effects of Iran's Partial Accession to the World Trade Organization" was conducted, in which the main objective of the article was to examine the effects of Iran's accession to the World Trade Organization (WTO) on the main sectors of the country's economy. For this purpose, a computable general equilibrium (CGE) model was used. The statistical base of the model is the Social Accounting Matrix for the year 1997. This matrix, in turn, is based on the time-series data for the year 1995 which has been updated by the research group for the base year. The results indicate that upon accession to the World Trade Organization, the mining and industrial sectors, in particular, are under contractionary pressure, the agricultural sector expands, and the service sector is unaffected. Access to foreign markets as a result of this accession, on its own, can increase the exports of the industrial, mining, and agricultural sectors by almost twenty percent. (Mojaver hosseini and Fayazmanesh-2006) (1385).

Research titled "Examination of the Economic Effects of Iran's Accession to the World Trade Organization on the Automotive Industry with a Focus on Modern Accounting Management Methods in Iran Khodro" was conducted, which is an empirical and applied study that examines the economic effects of Iran's accession to the World Trade Organization, with special emphasis on the automotive industry. An examination in the existing research and literature shows that the impact of accession to the WTO on the price and quality of locally manufactured products will raise. A survey was conducted using the segmentation of the Iranian automobile market and comparing it with the European market, which indicates that a reduction in the domestic car price of about 30% while maintaining and improving product quality is essential for participation in the global competitive market. The results of the survey and testing of the study's hypotheses show that to achieve such an objective and to participate in the global (competitive) market, a cost-targeting cost management system is chosen as a selected solution to reduce production costs. This system was designed, proposed and accepted for Peugeot 405, which is an example of high demand for cars in the future years. (Thaghafi and Robab Esmaeili-2004) (1383).

Research titled "Legal Effects of Iran's Accession to the World Trade Organization with an Emphasis on the Trips Agreement" was conducted in which the researchers acknowledged that the Trips Agreement is a set of rules that restricts the behavior of governments against foreign companies active in their own country. These conditions are called "investment restrictions" that oversee multinational corporations engaged in foreign direct investment and with production activities in the host country. It is called trade because the agreed conditions through one or more ways from the three basic pathways affect trade flows. Iran's accession to the World Trade Organization and its multiple agreements based on TRIMES, with the goal of resisting the economy, has been opposed and is certainly in addition to the conflicts in this area, has political, social and cultural dimensions. By studying TRIMES and other WTO agreements, it is possible to investigate the restrictions that stand in the way of achieving the economic goals of development on the one hand, and the lack of restrictions on foreign investment by multinational corporations, and prior to accession, to design a precise and appropriate roadmap to minimize the impact of TRIMES and other agreements, without consideration for the proactive issues and not having an accurate and sensitive diagnosis of the structural economic problems, will certainly make the process of accession detrimental to the country. In this process, TRIMES is a subject that can keep the country away from the desired goals, in terms of the subject. (Adibi & Habibzadeh-2018)- (1397).

Research titled "The Impact of Iran's Accession to the WTO on Iran" was conducted in which the researchers stated that in the present era, given the fact that the world is moving towards progress and human life is being influenced by it, these developments have in fact made the whole world globalized. Therefore, countries are obliged to achieve their goals in various fields to interact closely with international organizations and have a broad-mindedness. One of the most prominent organizations that plays a significant role in these interactions is the World Trade Organization (WTO). This organization is one of the international bodies that deals with rules of trade between countries, and establishes and regulates trade rules to make trade legal between countries. The General Agreement on Trade in Services (GATS) is a legal document that provides a framework for negotiations in services within the WTO. This framework is not only aimed at greater liberalization of international trade services, but also pays attention to potential changes in regulatory systems at the international level. Iran has always been trying to join the World Trade Organization, and legislators have worked hard to pass laws to incorporate the basic principles of the World Trade Organization. The main question in this research, regarding the commitments of similar countries and the contradiction of Iranian laws with the principles and regulations of the General Agreement on Trade in Services, is to compare with other countries that have been given a privilege in this regard or have made a commitment. The results and analysis of these studies show that the Iranian legal system is in conflict with the GATS agreement. Therefore, with a consideration for other countries, these issues will be examined (Sabaahi-2018) (1397).

Research titled "The Role of Iran's Accession to the World Trade Organization" was conducted with an approach to evaluate the government's point of view. The research stated that accession to the WTO leads to a reduction in tariffs, an increase in the volume of international trade, and a change in relative prices. Iran's membership in the WTO has had a positive effect on the export of this country's goods to other countries based on the indicators of international trade level and international trade integration. The increase in government involvement in the economy has reduced the competitiveness of domestic goods

at the international level, while the increase in the presence of the government as an authority has increased the competitiveness of domestic goods with similar foreign goods. The research hypothesis is that the government acts like a trader in international trade and seeks profit and benefit, which will prevent the adoption of laws that will pave the way for Iran's membership in the WTO. This research, using a descriptive-analytical method and the Delphi technique, as well as library studies, seeks to examine the role of Iran's accession to the World Trade Organization. (Bodi Bonab, Masodi, and Saqhiri-2022) (1401)

Research titled "WTO Commitments from the Perspective of Law and Development" was conducted in which the researchers stated that, despite the different views about the impact of the World Trade Organization on the policy-making space of developing countries, the evidence suggests that some developing countries have been able to take advantage of the opportunities available in the WTO to achieve their development goals. This is also true for WTO accession. Depending on the details of the commitments made and the level of serious participation of the candidate country, the accession process can either accelerate or hinder the development process. Countries that have viewed accession not as a goal but as a means in the service of their development strategy have been able to use this opportunity as a catalyst for appropriate economic reforms. The government should not leave the guidelines and policies for accession to the forces that have been westernized by neoliberalism, but it must view it as a tool for formulating and implementing appropriate industrial development policies in a world of globalized production. (Ziaei-Bigdeli-2018) (1397)

Research titled "The Impact of Iran's Accession to the World Trade Organization (WTO) on the Ilam Cement Company (Case Study)" was conducted. In their research, they stated that at the beginning of Iran's accession to the World Trade Organization, various industries and factories were faced with the question of whether they would be able to compete with foreign competitors after entering the WTO? In this research, the attempt has been made to use the revealed comparative advantage indicators, cost of internal resources, and cost competitiveness to answer this question about the Ilam Cement Company and the cement industry. By calculating the mentioned indicators, using industrial accounting forms and the company's financial statements for three consecutive years, the results showed that the cost of internal resources and the cost competitiveness of the company were less than one in three different world prices for three consecutive years, which indicates the existence of a comparative advantage. (Asgari, Bidram, & Folah Haghighi, 2015)(1394)

Research titled "The Legal Effects of Iran's Accession to the World Trade Organization on the Securities Exchange Services" was conducted, in which they stated that the General Agreement on Trade in Services (GATS), as one of the most important agreements of the World Trade Organization, contains a series of principles and commitments in the field of securities market services that are imposed on applicant countries for accession to this organization. These countries are obligated to make their legal and economic structures in the securities market services sector compatible with the GATS principles. In addition to its inflexible principles, GATS also contains some flexible principles, which means that the negotiating group of applicant countries can negotiate exemptions and exceptions to these principles during the accession negotiations. Iran, as an observer member of the World Trade Organization, is obligated to identify its legal conflicts in the securities market and to take the necessary measures to

resolve these conflicts. Considering that some regulations of the Iranian stock market conflict with GATS principles and this issue has not yet been the subject of critical and analytical discussions in our legal literature, in this paper, we try to review the most important conflicting laws after explaining GATS principles in the securities market section and expressing the experiences of some newly joined countries. In addition, we offer practical solutions to legislators to amend laws and propose benefits to the negotiating group of Iran for gaining advantages during the accession negotiations. (Sadaqhi-2010)

Research titled "Iranian Industries and World Trade, Threat or Opportunity?" pointed out that accession to the World Trade Organization is based on a multi-sided negotiation process. This fact transforms the accession to the organization into a complicated, time-consuming, and difficult process. The applicant countries must agree to take the necessary steps to align their national laws with the WTO's multilateral agreements and commit to reducing tariffs and reforming regulations in order to provide more access to foreign goods and services. The steps to join the World Trade Organization include applying for membership and forming a working group, reviewing the external trade process of the applicant country, conducting multi-sided negotiations for the preparation of the tariff schedule and commitments related to GATT 1994, and also negotiating special commitments regarding the General Agreement on Trade in Services. This also involves reaching an agreement on the Working Group's report, the Decision Document on Accession, and the Protocol of Accession, which defines the conditions for accession. In 1991, Iran's membership in GATT was proposed. After the establishment of the World Trade Organization, Iran officially requested membership in this organization in 1997 during the Singapore Round and Iran's accession to the organization was included in the agenda of the WTO Ministerial Conference in 2001. Ultimately, Iran became an observer member of the World Trade Organization in June 2005. Supporters of the World Trade Organization believe that free trade in goods and services will promote economic growth, improve the standard of living of people, and foster peace and stability in the world. Critics of the World Trade Organization see it as harmful to the interests of developing countries and argue that its regulations hinder the economic growth of these countries and restrict their development. Many critics of the World Trade Organization believe that trade will expand regardless of the organization and the only way to achieve this is to create fair and beneficial conditions for less developed and undeveloped countries as much as possible. (Salahi and Shokrolahi-2007) (1387).

The research methodology used in this study is of the applied type, given its goal, and of the descriptive type, given the method of data collection. This approach falls under the qualitative research branch. Based on this, first, the research aspects and related topics of the study on the conflicts between the laws and regulations of the Islamic Republic of Iran and the World Trade Organization (WTO) as a permanent member, as well as similar studies and research, are reviewed. Then, by using field studies, the hypotheses in line with the title and objective of the research will be explained. Given the fourfold approach of theoretical reflection, which involves extending or improving existing theories, comparing different theoretical views, examining a specific phenomenon using different theoretical perspectives, and finally, examining a documented and recurring phenomenon in a new context, this research falls into the fourth group.



## **Data analysis**

What are the conflicts between the laws and regulations of the Islamic Republic of Iran and the World Trade Organization (WTO) as a permanent member?

One of the requirements for joining the World Trade Organization is the compatibility of domestic laws with the organization's regulations. The dense network of laws, regulations, codes, bylaws, and instructions in Iran has created ambiguities and difficulties in assessing the potential conflicts with WTO regulations... that they have been left far behind the rapid social transformations of Iranian society and have not kept pace with global economic developments and the requirements that are needed to harmonize under the umbrella of the World Trade Organization. Other laws, such as the Five-Year Development Plan Law, were passed without considering Iran's potential membership in the World Trade Organization. Export and import laws, as the most significant laws in the country's foreign trade, are most closely related to the WTO regulations. Some parts of these laws are also in conflict with WTO regulations, and the most significant areas of conflict include support for domestic production, import restrictions, and export incentives. It seems that the Iranian government has tried to address these conflicts in the past and has taken important steps in this direction. Among these efforts, we can mention the enactment of the 1390 Customs Law and numerous amendments to the Export and Import Regulations Act, which show significant but not sufficient attempts to eliminate existing conflicts and inconsistencies with the WTO agreements. However, many provisions of the Export and Import Regulations Act are in conflict with the principles of the World Trade Organization and the General Agreement on Tariffs and Trade, and thus, they require fundamental review and revision, or even the enactment of a new Export and Import Law.

What are the conflicts and inconsistencies between the Iranian Constitution and the World Trade Organization (WTO) that might hinder Iran's accession to the WTO?

Opponents of the World Trade Organization (WTO) believe that any country, particularly developing countries, which join the WTO, will experience a more difficult trade deficit, a culture of consumerism and vanity will spread, and industries that depend on government support will disappear. Security in the country will decline due to an increase in unemployment, a small part of a country's industries will be exposed to new global conditions. This may lead to changes in some constitutional principles due to the inability of domestic industries to compete, resulting in an employment crisis. The vulnerable sectors of the economy will face a tough economic test, and there will be dissatisfaction and loss of confidence as a result of removing products, industries, services, and agricultural products from the competitive market. On the other hand, supporters of the WTO believe that joining the organization diversifies financial resources. Due to the lack of adherence to rapid laws, joining the WTO, in the view of supporters, leads to a more legitimate economy. Government institutions become more managerial and administrative in nature, rather than state-run. The importance of export development facilitates easier access to the market, leading to increased productivity in the long run. There is optimal allocation of the factors of production, and the conditions for the ideal consumer are realized through the purchase of cheaper, quality products. Ideal conditions for the producer are created through the availability of raw materials and preferred materials for the production of the final product. If Iran joins the WTO, it will be protected from the

consequences of isolation and non-participation in international trade. The government will become more efficient as a result of transferring most economic matters to the private sector, which is smaller and more efficient. The only way for domestic and foreign producers to survive is to compete with each other. The quality of products will improve, and costs will decrease due to competitive markets and the need for survival. This will lead to the replacement of outdated equipment, more flexible use of production resources, improved personnel management, and an increase in the effectiveness and productivity of employees, Iran's accession to the WTO would facilitate the attraction of more foreign investment, which would benefit the country by expanding the private sector's performance and improving the quality of its products. This is due to the need to comply with international standards. In addition, the elimination of non-tariff barriers and the conversion of these barriers into tariff barriers will increase the country's tax revenues and improve its protective systems.

What are the conflicts and inconsistencies between the ordinary laws and regulations of the Islamic Republic of Iran and the World Trade Organization (WTO) that might hinder Iran's accession to the WTO?

In order to maintain its position in the international political economy and ensure economic prosperity, the Islamic Republic of Iran has been forced, after about two decades, to make adjustments due to pressures from global powers. Adapting the new economic orientation to the country's foreign policy and changing the economic outlook in response to international developments is a necessary step in accepting the globalization process. The economic logic in foreign policy will bring new advantages for Iran both regionally and globally. These advantages will open new doors for the country. The new foreign policy planning requires coordination and participation of the country's economic sector. Security and politics can no longer be the only planners of foreign policy. Economics and culture have gained prominence on a global scale, and their influence in global politics is not comparable to the Cold War era. Ignoring the process of economic globalization, which involves disregarding foreign capital and technology, not following international standards and rules, and turning a blind eye to the advantages of the system, will result in a further technological gap between Iran and the rest of the world. In addition, the reduced investment and production for the limited domestic market instead of the global market, and the weakening of the country's technological position will result in a weakening of the country's political and security position in the region and the world.

What impact do political issues, differences in views between politicians and experts, both domestic and international, have on the process of Iran joining the World Trade Organization (WTO) as a permanent member?

Openness of an economy can be measured by the ratio of tradeable goods to actual production, and by the ratio of imports and exports to gross domestic product. Ultimately, the degree of economic openness is measured by the capital account, which is the ratio of foreign capital to gross domestic product. The more open the economy is, the more benefits from trade and more efficient allocation of resources are possible. Another advantage of free trade is the improvement in the management of countries. Government officials are forced to adopt more sensible policies in the economy to strengthen domestic institutions to compete in world markets and attract foreign investment. Numerous studies have also examined the

positive effects of foreign investment on economic growth and found that each percentage increase in foreign direct investment to gross domestic product (FDI/GDP) ratio contributes to an increase of about 30% in annual GDP growth. As a result, some economists view globalization as a powerful driving force that will hold the key to economic development in the world of the future. However, another group believes that such actions increase inequality between nations, lead to job loss and pose obstacles to standards of living and social progress.

### **Conclusions**

Thomas L. Friedman groups the opponents of globalization in an interesting way in his book, "The World Is Flat." He mentions the negative attitudes of protectionists and nationalists, arguing that their nationalistic concerns are a barrier to a positive attitude towards globalization. However, the newest opponents of the process of globalization are not protectionists, but Marxists. Marxists view globalization as an imperialist phenomenon that is justified by a neo-liberal ideology, which provides legitimacy for the global neo-liberal project. According to them, economic and political relations are conditioned by the policies and priorities adopted by the great powers of today, because only they possess the necessary military and economic capabilities to create and maintain the conditions for a kind of open neo-liberal international order. According to their argument, without the exercise of power, America will not be able to sustain the current liberal world order, which is based on the principle of mutual international interdependence. Therefore, globalization is nothing more than Americanization in disguise.

Some prominent international relations and sociological theorists, such as Immanuel Wallerstein and his followers, believe that globalization began with the rise and development of the global capitalist system in the 16th century. They further categorize the historical course of globalization into five main stages, starting from the 15th century to the end of the 20th century, and refer to these stages as embryonic, first, take-off (1920-1870), struggle for hegemony (1920s), and insecurity from the 1960s onwards. Some theorists, such as Ohm, suggest that the state is being eliminated from political life due to the effects of globalization. Some researchers also argue that globalization weakens national and ethnic identities.

Some theorists believe that global forces, especially multinational corporations and other international economic organizations, are becoming so powerful by disseminating and promoting global culture with diverse world-centric beliefs and ideologies, that they perceive the continued existence of national states as an obstacle to their activities.

Some people understand the globalization of the economy as the process of increasing the integration of world markets for goods, services and factors of production. Based on this definition, globalization leads to the integration of more economies with each other, and global markets for goods, services, labor and capital move towards homogenization. The integration of the goods market takes place through the reduction of tariff and non-tariff trade barriers, and various services and markets for the factors of production are exchanged through international trade agreements in the same markets.

Advocates of the free market argue that the unlimited and transnational exchange of goods benefits all market participants and increases the welfare of all nations. Opponents of this view contend that when a multinational corporation produces in a place where labor is cheap and social and environmental service

costs are zero, it reduces its absolute costs and undermines the value of the manufactured goods and the value of human labor in poor countries. The benefits that are derived from this process are not insignificant, and it transforms the traditional mechanisms of the world economy. The formation of these giant organizations in the form of multinational corporations, which are powerful and uncontrollable, is a mechanism that has deprived citizens of their control and has made them fearful. In this way, it can be observed that instead of countries and national companies competing in selling products, the workers of the world are competing with each other to gain job opportunities and to be employed in the world's centralized production centers. Thus, it is believed that this process damages the national economic framework because, firstly, the technical and intellectual innovation of production has accelerated economic activities to the extent that its goal has been challenged. For example, the rate of profit has grown faster than the rate of return on production. The consequence of this process is the lack of new job opportunities despite economic growth. This situation has become known as the "Great Jobless," which means a type of economic growth that does not create new employment opportunities. Secondly, it has fundamentally changed the relationship between capital and labor. Globalization, which was once a forum for workers' advertising campaigns against governments and capitalists, has now become an instrument of the powerful. Workers who were organized only in national structures face multinational corporations that respond to any request with the threat of relocating production. For this group of opponents of globalization, the slogan of "well-being through free trade" has credibility for capitalists and company executives, but they believe that the slogan of "well-being through free trade" is not appealing for workers and employees of companies, especially the unemployed in underdeveloped countries whose number is still increasing. This issue is about the competition between countries in attracting capital and creating jobs in spite of each other.

Many opponents of globalization, from different perspectives and even from the standpoint of sustainable development, believe that the reality is that the rate of growth predicted from economic liberalization is not achieved, and instead, the gradual corruption of culture and the environment will result in a proliferation of social corruption. In this regard, this group believes that contrary to the World Bank's report, which has identified the main issue in the globalization and neoliberal economies in the area of free trade as minimizing the role of the government and eliminating barriers to capital flows, and has stated the superiority of such policies by referring to the successes of the northern (rich) countries in contrast to the southern (poor) countries, such claims have been questioned by the southern countries. The studies conducted by the southern countries on this issue emphasize that the research done in the World Bank reports are based on misinterpretations of facts. The reports point to the following:

1-Liberalization and globalization have both been promoted in industrialized and developing countries, collectively and continuously over many years. However, at a practical level, these two can be considered as more or less the trend of free trade in relation to factory production and the freedom of capital movement between industrialized countries in recent decades. This is especially evident not only in comparison with developing countries, but also effectively in comparison with their economic situation in the 1950s and 1960s. In the decades mentioned above, most countries under the Bretton Woods system not only enforced capital control systems, but also their domestic production, capital markets, and labor forces were under extensive regulations and laws in line with their socio-economic and political goals.

2-It was expected that the liberal system in industrialized countries in recent decades, in relation to trade and capital movements, would improve their economic situation. However, this expectation was not met, and the free economy was unable to fulfill many of the expectations.

3-Recent decades in industrialized countries have been characterized by economic stagnation, widespread unemployment, and social problems. Therefore, it can be said that the period before the deregulation of domestic and foreign markets was more dynamic in industrialized countries.

4-The widespread unemployment in European countries in recent decades has been a major failure of the free economy. High levels of unemployment, along with poverty and the continued trend of liberalization, confirms the need for support policies.

5-The economic failures of member countries of the Organization for Economic Co-operation and Development (OECD) cannot be attributed to external factors such as technology. The main result is that liberalization through the performance of capital and financial markets has caused significant damage to the developed industrial countries in two interrelated ways. First, the volatility of markets has caused capital costs to rise, directly or indirectly (through an increase in real interest rates), which has caused significant damage to investors. Second, financial markets have generally compelled governments to adopt policies of inflation targeting or reduced growth. Under a free economy, it is unlikely that countries will be able to increase their growth rate using current policies that focus on labor market flexibility. Globalization not only cannot help economic growth and employment, but can also lead to the division of labor in industrialized countries. In addition, it can exacerbate conflicts between workers in industrialized and developing countries.

Liberalization and globalization in developing countries has progressed more slowly than in industrialized countries. Despite the implementation of extensive trade policy reforms in developing countries, the scope of liberalization policies adopted by these countries is still highly limited. Capital flow liberalization in developing countries has been mainly due to direct foreign investment rather than trade reforms.

The delay in globalizing the economy has been due to various factors such as not benefiting from foreign capital and technology, being deprived of trade-related tariff reductions and privileges, the high cost of trade, and decreased demand for exports, all of which will lead to a deterioration of the country's competitive position, increasing the country's dependence on volatile and unsustainable oil revenues. The decrease in foreign investment and relative deprivation in accessing global markets also reduces capital formation in the country, which will result in long-term reductions in the growth of domestic capital stock and ultimately lead to reduced economic growth potential, increased unemployment, and poverty.

Studies show that countries with higher degrees of economic freedom and openness have higher economic growth and income per capita. Staying away from the process of globalization through non-acceptance and application of international intellectual property rights will lead to a lack of attraction of foreign capital, resulting in a much slower pace of technological changes in the country compared to the rest of the world.

Relative closure of the economy will also leave domestic producers with little incentive to improve technology, resulting in a wider technological gap.

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