CHAPTER TWO

«The second chapter is devoted to literature review of globalization of economy and its relevance to this research »
2.1- **Globalization in Historical Perspective:**

Globalization is not a new concept but it has acquired a new significance and dimensions in face of the changed scenario at international level. For thousands of years, people and later corporations have been buying from and selling to each other in lands at great distances, such as through the famed Silk Road across Central Asia that connected China and Europe during the Middle Ages. Likewise, for centuries people and corporations have invested in enterprises in other countries. In fact, many of the features of the current wave of globalization are similar to those prevailing before the outbreak of the First World War in 1914. But policy and technological developments of the past few decades have spurred increases in cross-border trade, investment and migration that many observers believe the world has entered a qualitatively new phase in its economic development.

In considering the history of globalization, some authors focus on events since 1492, but most scholars and theorists concentrate on the much more recent past.

In any way, Dr. Bijlani Hiru (1994) has very briefly but effectively summarized the World History of Globalization as under:

"From the end of the 15th and early 16th centuries certain very rapid economic, social and cultural changes occurred in western Europe. States
began to regulate global trade which was stimulated by the protestant reformation's attitude of tolerance towards the accumulation of wealth.

Colonization by Spain, Portugal, Great Britain and France in the 16th and the 17th centuries led to rapid expansion of global trade with raw materials being shipped from colonies and finished goods being shipped back. All these developments resulted in a need for expansion of capital and laid the foundation of the modern corporation.

Chartered rights were granted for exclusive trade in exchange for certain obligations to the state. Subsequently the joint stock company also came into being and ensured that the life of a company was not to be linked exclusively to one individual.

Between the 18th and 19th centuries, with the advent of the industrial revolution, several companies began to market their products in the world market in an organized and effective manner. This was the beginning of the modern global corporation which used techniques such as marketing.  

The 20th century has seen rapid development in global business largely influenced by the following factors:

A- Political Blocs,

B- Revolution in Communication,

C- Polarization of Political Systems,

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1 Hiru Bijlani, Globalistion an overview, Singapore, Heinemann Asia, 1994 pp. 3-6.
D- Liberation of Colonies and etc.

2.2- The Concept and Process of Globalization:

In basic terms, the concept of globalization refers to the way the world has gradually become smaller; not literally, but of course, imaginarily. The process of globalization has sent the world through economic, political, social and cultural alterations that can be defined primarily as a process of integration of economic, social and political activity controlled by nation states into a more internationally-disintegrated structure. Globalization is centered on the integration of international markets for goods, services, technology, finance and labour.

Greater integration has had several effects on the production in national economies, on the role of multinational corporations and the Foreign Direct Investment, consumer selection, and other aspects of production and consumption. While there are many different dimensions of globalization, the recent focus of attention has been on growing economic globalization. Growing globalization has resulted in greater economic interdependence of businesses, regions and nations worldwide. The prime economic mechanism for this growth in global economic interdependence has been the extension of free market systems.

Global market extension has been facilitated by widespread economic reforms that have reduced man-made barriers to international
trade (for example, reductions in tariff barriers) and reduced restrictions on domestic business. Furthermore, governments have to a larger extent, vacated the supply of commodities that can be supplied by private enterprises thereby extending further the economic areas subject to private market decisions.

Proponents of globalization argue that it allows poor countries and their citizens to develop economically and raise their standards of living, while opponents of globalization claim that the creation of an unfettered international free market has benefited multinational corporations in the Western world at the expense of local enterprises, local cultures and common people. Resistance to globalization has therefore taken shape both at a popular and at a governmental level as people and governments try to manage the flow of capital, labor, goods and ideas that constitute the current wave of globalization.

To find the right balance between benefits and costs associated with globalization, citizens of all nations need to understand how globalization works and the policy choices facing them and their societies.

**2.3- Definition of Globalization:**
Globalization can be best defined in the words of I. Levitt "the global search for selective optimization of each stage of the value added chain, from research and development to distribution."\(^2\)

In other words "Globalization is nothing but getting into the main stream of international competitiveness. In the simple terms, it does not mean ones ability to produce goods and services of high quality which is comparable in the international market."\(^3\)

Thus globalization does not mean the freedom to do at will but it refers to opening the economy up to the ideal level.

In this study, globalization is defined as a process of growing interdependence between all people of this world. People are linked together socially, culturally, politically and economically by trade, investments and governance. These links are encouraged by market liberalization and information, communication and transportation technologies. On the other hand, we can start to define Globalization as a social process in which the constraints of geographic distance on cultural organization and relationships decline in significance. In addition, people become increasingly aware of this decline and start to exploit it economically, politically and culturally. In fact, a world economy has existed since the 16th century, based on the development of international

\(^2\) Mathur J.S. Globalization of Indian Economy, Southern Economist, April 1\(^{st}\), 1994, p. 9

\(^3\) Ibid., p.10
trade, foreign direct investment and migration. The engine of the world economy is the national state.

2.4- Distinction between globalization, Liberalization and Privatization:

Liberalization, Privatization and Globalization are three essential parts of Iran's new economy policy. Globalization is not a new phenomenon since the process has been happening for ages. Perhaps, it is impossible to state globalization as either good or bad, since there is no easy ready-made answer to this question.

According to Dr. V. V. Ghanekar⁴ (2003) "The basic distinction between globalization, Liberalization and Privatization is that while globalization is not time-bound; the other two can occur in a time-bound manner. The processes are all interrelated as globalization encompasses liberalization, privatization, and the middle ground in between the two extremes. Liberalization means simplification of business i.e. Investment trade and etc such as doing away with license permit”.

2.5- Goals of Globalization:

Policy makers have decided three aims for better achievement from the globalization. They are as follows:

i. To stimulate competition in the domestic market will stimulate local industrialists, farmers and others to minimize their production cost and they become competitive in international market. This will be greatly beneficial to the Iranian consumers who have long suffered exploitation at the hands of monopolistic corporate sector at home.

ii. To increase the exports: Globalization helps us to restore trade and balance of payments problems by reducing costs and free access to imports of raw materials, industrial components and capital goods.

iii. To boost foreign investment: globalization boosts direct foreign investment in our economy and free import of foreign technology would support industrial and gross domestic product, growth rate and helps in raising standard of living and

2.6- Gains of Globalization:

Most researches generally support the hypothesis that there is a positive relationship between the degree of openness and higher GNP
growth rates, or in other words, they have shown that there is positive association between the degree of openness and efficiency gains. Kim and Part (1989) had established that globalization and liberalization would result in better capacity utilization and large scale economies. Krueger and Bhagwati (1978) had established a direct link between productivity and liberal trade policies. Some of the scholars who have undertaken studies in different countries have found that productivity growth is significantly higher in the periods of liberal trade policies. For example, Kim (1987) on Korea, Tuncer and Krueger (1982) on Turkey, Similarly, studies conducted by Michaley, Balassa and Jai have shown that there is positive relationship between the degree of openness and higher GNP growth rates.

On the experience of the above mentioned countries, globalization of the developing economies like Iran and etc. is advocated principally in terms of “More efficient" resource use.

2.7- Opponents of Globalization:

The Opponents of Globalization have severely criticized it in kinds of ways. Globalization of the Iranian economy has been criticized by the economists, social thinkers, politicians and host of others both within and outside.
They believe that Globalization will lead Iran and other developing countries to cut-throat foreign competition which will weaken their political, as well as social and economic independence.

Some thinkers feel that the inflow of foreign direct investment to developing countries like Iran on a very large scale is hindered by the World Bank and the International Monitory Found (IMF) and by a variety of factors. The workers and trade union leaders also fear that globalization will lead to more unemployment and hence they oppose globalization.

Dr. V. V. Ghanekar states that "the talk of globalization of economies and free trade will remain insignificant as long as the developed countries do not enable the developing countries easy access to marketing opportunities. It is also feared that devaluation of currency in developing countries will not succeed in promoting exports and decreasing imports, because the protectionist policies of the developed countries are increasingly discriminating against the exports of the less developed countries. Hence, just through devaluation it may not be possible to penetrate the market of the developed countries which often take protectionist action in the name of anti-dumping."\(^5\)

According to him, another argument against globalization is that it will adversely affect the social order.

\(^5\) Ibid, pp 5-6.
With capital investment from foreign countries, people will adopt foreign lifestyles and will lead to social discord. It will increase social tensions among different classes of people of the society.

2.7- Significance of Globalization in Iranian Economy:

Globalization will be beneficial to the Iranian economy in many ways as follows:

i. Globalization would expose Iranian companies to partial international competition in the both private and public sector. They will try their level best to become internationally competitive. Global competitiveness is the sum total of a company’s efforts to upgrade, minimize of costs and improve productivity etc.

ii. By inviting direct foreign investment, it increases income and employment in the economic fields.

iii. By reducing export subsidies on farm products in the developed countries, it makes Iranian agricultural exports more competitive. As a result, agricultural exports are likely to increase.

iv. The effect of globalization of other countries like India, Republic of Korea, Taiwan, Hong-Kong, Singapore, Indonesia, and China
has shown that foreign investment result increases economic development.⁶

v. Globalization affects in the long run on balance of food, agricultural self sufficiency, agricultural commodity prices and other consumption pattern.

2.8- **SWOT Analysis:**

2.8.1- **Iran's Strength for Meeting Globalization Challenges:**

A. Iran has vast natural resources such as petroleum, natural gas, coal, chromium, copper, iron ore, lead, manganese, zinc, sulfur etc. Iran ranks sixth in the world and fourth in the Middle East in terms of oil resources. Iran is among the top four countries of the world which will have oil resources for the next 70 years. Iran also ranks second in the world in terms of its gas reserves (23 trillion cubic meters) and it ranks first in the Middle East in terms of coal mines.

B. Iran ranks first in the world in production of pistachios, dates, saffron and cherry. Iran is also among top 10 producers of apple, citrus fruits, almonds, walnuts, hazelnut, fig, apricot, tea and kiwi.

C. Iran has comparative advantages in services, resource-intensive and agro-based industries.

D. The Islamic Republic Iran’s railroad with a history of 60 years, one of the sub-institutions of the Road and Transportation Ministry. The railroad network is connected in the west via Razi border to West Asia and European railroads and in the North-East from Sarakhs to Turkmenistan, the Central Asian railroad and China.
E. Iran is among the most important countries of the world in terms of handicrafts. Some 140 types of artifacts are produced locally. Iranian handicrafts are also exported to countries such as Germany, Italy, the U.K., France, Canada, Australia, and the Persian Gulf littoral states, Japan, Turkey, the Netherlands, and South Africa. The Iranian carpets, gelims (hand-woven floor mats) and gabehs (a form of tribal rug) have a global reputation. Iran is ranked first worldwide in terms of the production and exports of carpets and gelims.

2.8.2- Weaknesses of Globalization for Iranian Economy:

Weaknesses could be identified, e.g. in the area of technology, lack of quality consciousness, narrow vision, lack of adequate R & D, lack of trained manpower etc.

2.8.3- Opportunities of Globalization for Iranian Economy:

There are four opportunities of globalization for Iranian economy.

i. Globalization attracts foreign investment for making Iran one of the centers of the world’s industrial market.

ii. Globalization can provide opportunities to the Iranian companies to become multinational companies at the world level.
iii. Globalization provides opportunities to Iran to become one of the most important centers of the world in the field of agriculture, industry and handicrafts.

iv. The opportunities could also be new markets, new products to be developed for existing markets, higher profit margins in new territories, higher volumes of production adding up to better contribution, etc.

2.8.4- Threats of Globalization for Iranian Economy:

Threats could be along the lines of competition, geographical limitations, governmental legislation, obsolescence of products etc. Besides, demographic structure of society is not suitable for globalization. Furthermore, Iranian economy is basically rural and agricultural oriented that is why private foreign investors and private internal investors are not interested in investment of capital in rural area.
2.9- General Agreement on Trade and Tariffs (GATT):

The origin of GATT was the origin of Trade agreements among the all countries. General Agreement on Trade and Tariffs (GATT) was founded on Oct. 1947 in Geneva with the objective of prescribing the rules for international trade. But GATT started functioning from January 1948. On January 1, 1948 the agreement was signed by 23 countries: Australia, Belgium, Brazil, Burma, Canada, Ceylon, Chile, China, Cuba, the Czechoslovak Republic, France, India, Lebanon, Luxembourg, Netherlands, New Zealand, Norway, Pakistan, Southern Rhodesia, Syria, South Africa, the United Kingdom, and the United States. The GATT, as an international agreement, is a treaty. Over the years the membership of GATT swelled and in 1994 it had reached 118 member countries. The members of the GATT account for 95 percent of world trade at present. The history of the GATT can be divided into three phases: the first, from 1947 until the Uruguay Round, largely concerned which commodities would be covered by the agreement and freezing existing tariff levels. A second phase, encompassing three rounds, from 1959 to 1979, focused on reducing tariffs. The third phase, consisting only of the Uruguay Round from 1986 to 1994, extended the agreement fully to new areas such as intellectual property, services, capital, and agriculture. Out of this round the WTO was born.
2.9.1- Objectives of GATT:

The GATT's main objective was the reduction of barriers to international trade. This was achieved through the reduction of tariff barriers, quantitative restrictions and subsidies on trade through a series of agreements.

The objectives of the GATT were based on a few fundamental principles contained in the Code of International Trade Conduct. They are enumerated as under:

i. World trade should be carried on non-discriminatory basis and transparency.

ii. Domestic industry should only be protected by means of custom tariffs and not through other commercial measures.

iii. To follow unconditional most favored nation (MFN) principle.

iv. To liberalize tariff and non-tariff measures through multilateral negotiations.\(^7\)

According to M.L. Jhingan,\(^8\) “The ultimate aim of establishing liberal world trading system was to raise living standard, ensure full employment through a steadily growing effective demand and real income, develop

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fully the resources of the world and expand the production and exchange of goods on global level."

The GATT was a treaty, not an organization. The functions of the GATT were taken over by the World Trade Organization which was established during the final round of negotiations in the early 1990s. The headquarters of the GATT is situated in Geneva.

2.9.2- A Brief History of Rounds of GATT trade negotiations:

The General Agreement on Trade and Tariff was created at the first session of the Preparatory Committee of UN Conference on Trade and Employment in 1946. The GATT's initial purpose was to negotiate tariff concessions among members and to establish a code of conduct and procedures for the resolution of trade disputes by negotiation. Successive negotiations (called rounds) have also focused on the code of conduct for nontariff barriers. The GATT was founded on the principles of nondiscrimination and multilateralism in international trade. Nondiscrimination is expressed via unconditional Most Favored Nation status for all contracting parties.

The GATT completed 8 rounds of multilateral trade negotiations (MTNs). The Uruguay Round (the 8th round) concluded with the signing
of the Final Act on April 15, 1994, in Marrakesh, and produced the World Trade Agreement (WTO) and its annexes.

1. Geneva Round (1947): 23 countries. GATT enters into force (In the US). « The precursor organization to the GATT, called the International Trade Organization (ITO) was first proposed in 1947 during the United Nations Conference on Trade and Employment. The negotiating countries of the ITO began parallel negotiations for the GATT as a way to introduce early tariff cuts. »

2. Annecy Round (1949): 13 countries. «The second round took place in 1949 in Annecy, France. The main focus of the talks was more tariff reductions »


5. Dillon Round (1960-1961): 26 countries. Tariff reductions. Named after C. Douglas Dillon, then U.S. Undersecretary of State. «The fifth round occurred once more in Geneva and lasted from 1960 to 1962. The talks were named after Under Secretary of State General of the US, Douglas Dillon, who first proposed the talks. »
6. Kennedy Round (1962-1967): 62 countries. Tariff reductions. This was an across-the-board reduction rather than a product-by-product specification, for the first time. Anti-dumping agreement (which, in the United States, was rejected by Congress). « The sixth round was the last to take place in Geneva from 1964 until 1967 and was named after the late US President Kennedy in his memory. »


8. Uruguay Round (1986-94): 123 countries. Created the World Trade Organization to replace the GATT treaty. Reduced tariffs and export subsidies, reduced other import limits and quotas over the next 20 years, agreement to enforce patents, trademarks, and copyrights (TRIPS), extending international trade law to the service sector (GATS), agriculture, textiles, and open up foreign investment. It also made major changes in the dispute settlement mechanism of GATT.

10. Doha Round (2001): A new round of trade talks (the Doha Development Agenda) is agreed on in Doha, Qatar. 

2.10- The World Trade Organization (WTO)

In addition to the above-mentioned discussion and due to the importance of the WTO, we like to explain the basic objectives of the WTO, the WTO agreement, the structure of WTO, Ministerial Conference etc. briefly.

"The world trade organization is the legal and institutional foundation of the multilateral trading system".10

It is not only an institution, but also a set of agreements. The WTO regime is known as the rules-based multilateral trading system.

We saw that that the history of the Organization dates back to 1947, when the General Agreement on Tariffs and Trade (GATT), was set up to reduce tariffs, remove trade barriers and facilitate trade in goods. Over the years, GATT evolved through eight rounds of multilateral trade negotiations, the last and most extensive being the Uruguay Round (1986-1994). The WTO came into being at Marrakesh on 1 January 1995,

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^ General Agreement on Tariffs and Trade - Wikipedia, the free encyclopedia.mht

following the conclusion of the Uruguay Round. GATT then ceased to exist, and its legal texts were incorporated into the WTO as GATT 1994.

2.10.1- Basic objectives of the WTO

The preamble to the WTO Agreement describes its objectives as including:

✓ raising standards of living
✓ ensuring full employment
✓ large and steadily growing volume of real Income
✓ effective demand
✓ expanding the production of and trade in goods and services
✓ the optimal use of the world’s resources in accordance with the objective of sustainable development

Therefore, the WTO agreements can be divided into three pillars – trade in goods (GATT + supplementary agreements); trade in services (GATS); and intellectual property rights (TRIPS). The WTO also administers a mechanism for the settlement of disputes covering all agreements.

As we mentioned, a fundamental goal of the WTO is to contribute to raising living standards, full employment and the effective use of resources in accordance with the principles of sustainable development. So, increasing trade is not a goal in itself but a means to promote sustainable economic growth. The preamble in the WTO agreement also
put emphasis on both the importance of promoting the trade and economic development of developing countries through positive measures, as well as the principle of reciprocity.

2.10.2- The WTO agreement

The institutional framework for the WTO’s activities is defined in the Agreement on the Establishment of the World Trade Organization (hereinafter referred to as the WTO agreement). The WTO agreement can be described as the WTO’s constitution. It is also often called the Marrakech agreement, after the city in Morocco where the agreement was signed.

2.10.3- Structure of the WTO

In brief, the WTO consists of the following bodies:

- The Ministerial Conference;
- The General Council;
- The Dispute Settlement Body;
- The Trade Policy Review Body;

2.10.4- Ministerial Conference
The highest decision-making body in the WTO is the ministerial conference which, according to the WTO agreement, shall be convened at least once every two years. The Ministerial Conference can make decisions on all matters under any of the multilateral trade agreements.

2.10.5- General Council

The General Council is the highest ruling body of the WTO when the Ministerial Conference is not in session, and the only one which can make binding decisions outside the Ministerial Conference.

The highest decision-making body between the ministerial conferences is the General Council. Every country is represented at the highest civil servant level, i.e. ambassador level. In principle, the General Council is the decision-making body for all matters. In relation to two issues, the General Council is convened under another name and with another chairman – those concerning the settlement of disputes in the trade policy field (Dispute Settlement Body) and the review of member countries’ trade policies (Trade Policy Review Body).

2.10.6- The Dispute Settlement Body

Without a means of settling disputes, the WTO agreements would be worthless because the rules could not be enforced. The Dispute
Settlement Mechanism (DSM) is a quasi-judicial system for resolving trade disputes.\textsuperscript{11}

In any case, the Dispute Settlement Body monitors how adopted rulings are implemented. Any outstanding case remains on its agenda until the issue is resolved.

\textbf{2.10.7- The Trade Policy Review Body}

The WTO agreements stipulate that each Member shall ensure that its laws, regulations and administrative procedures conform to its WTO obligations. The Trade Policy Review Body (TPRB), through regular reviews of individual Members’ trade policies and practices, seeks to improve adherence by Members to the commitments made under the WTO agreements and to facilitate the smooth functioning of the multilateral trading system by enhancing the transparency of Members’ trade policies.\textsuperscript{12}

\textbf{2.10.8- Functions of the WTO}

The WTO agreement defines five functions for the WTO as an organization:


i. to guarantee that the WTO agreements are implemented;

ii. to provide a forum for trade negotiations;

iii. to administer the dispute settlement mechanism;

iv. to administer the trade policy review mechanism;

v. To cooperate with the IMF and the World Bank with the aim of achieving coherence in global economic policy.

2.10.9- Members and observers of WTO

As mentioned above, GATT started on a small scale in 1948, with 23 party countries. In the 1960s, the number of members doubled when many developing countries joined, including some African countries that had recently become independent. The number of members then increased gradually during the next two decades and passed 100 in 1990. Tonga finalized ratification of the admittance in July 2007, and thus became the 151st member state. At the same time (in July 2007), thus the number of members had grown to 151. Almost all of the 123 nations participating in the Uruguay Round signed on at its foundation, and the rest had to get membership. A number of non-members have been observers (32) at the WTO and are currently negotiating their membership: Algeria, Andorra, Azerbaijan, Bahamas, Belarus, Bhutan, Bosnia and Herzegovina, Cape Verde, Comoros, Equatorial Guinea,
Ethiopia, Holy See (Vatican; special exception from the rules allows it to remain observer without starting negotiations), Iran, Iraq, Kazakhstan, Laos, Lebanon, Libya, Montenegro, Russia, Samoa, Sao Tome and Principe, Serbia, Seychelles, Sudan, Tajikistan, Ukraine, Uzbekistan, Vanuatu, and Yemen. With the exception of the Holy See, observers must start accession negotiations within five years of becoming observers. Some international intergovernmental organizations are also granted observer status to WTO bodies.

2.10.10- The WTO Secretariat

The WTO is located in Geneva, Switzerland. Its official languages are English, French and Spanish. The Secretariat, with over 500 staff headed by the WTO Director-General, services the daily activities of different WTO bodies. The Director-General is chosen by Members through consensus.

2.10.11- The Agreement on Agriculture

Agriculture is important for the developing countries. It is said that more than two billion people derive their food and income, directly and indirectly, from the agricultural sector. It is estimated that Over 70 per cent of all the poor people in the world live in rural areas. Historically, there are very few countries that have been able to develop their
economies without having first developed their agricultural sector. The WTO’s Agreement on Agriculture entered into force on January 1, 1995. This was the first time that a multilateral agreement had been concluded in this sector within GATT/WTO. WTO members agreed to initiate negotiations for continuing the agricultural trade reform process one year before the end of the implementation period, i.e. by the end of 1999. These talks began in early 2000 under the original mandate of Article 20 of the Agriculture Agreement. At the November 2001 Doha Ministerial Conference, the agriculture negotiations became part of the single undertaking in which virtually all the linked negotiations are to end by 1 January 2005.

2.10.11.1- Description of the Agreement on Agriculture

The objective of the Agriculture Agreement is to reform trade in the sector and to make policies more market-oriented. This would improve predictability and security for importing and exporting countries alike.

The Agreement on Agriculture principally relates to four areas:

- **Market access**: The section on market access covers different types of import restrictions (tariffs, tariff quotas and other non–tariff barriers).
✓ **Domestic support:** it includes direct payments to producers in the form of income support, structural adjustment assistance, and direct payments under environmental programs and under regional assistance programs.

✓ **Domestic Subsidies:** Domestic Subsidies is divided into two part: (a) non-product specific subsidies (water, electricity, seeds and etc) and (b) product specific subsidies given for specific crops, as in Iran in the form of minimum support price for some agricultural crops.

✓ **Export subsidies:** Export subsidies would be lowered both in terms of value and quantity. In the case of developing countries, the reductions are $\frac{2}{3}$ of those of developed countries over a ten-year period. But no reductions apply to the least developed countries.

### 2.11- Iran & WTO Membership

Iran officially submitted an application to join the World Trade Organization (WTO) in 1996, but the United States vetoed its application 22 times. The U.S. said in March it would drop its veto on a start to Iran's accession negotiations. The U.S. has chosen not to veto Iran's latest application for membership as part of a nuclear related compromise. Iran has had an observer status at the World Trade Organization (WTO) since
2005. With regard to legal and structural realities, Iran is in need of a major restructuring before it can effectively join WTO. The key shortcomings are in areas such as copyright (lack of a copyright law); labor law (need for a more liberal labor code); foreign investment law (removal of obstacles to a more liberal foreign investment regime) and subsidies (elimination of blanket state subsidies).

Analysts agree that increased international interaction will help Iran's economy realize its true potential. Clearly a constructive dialogue between Iran and the WTO would be an important element in this regard. It is therefore hoped that the WTO Council would formulate a set of expectations from the Iranian government as a prerequisite for further consideration of Iran's application. Consequently, the organization could test the resolve of the Iranian government in achieving internationally oriented structures for the Iranian economy.
References:

3- Ghanekar V. V., Globalisation and Farmers, Industries, cooperatives, banks In India, Pune, Institute of Rural Development & Education, 2003 pp. 1-6.
10- ^http://www.kommers.se/Consequences of the WTO-agreements for Developing Countries.

11- ^http://en.wikipedia.org/General Agreement on Tariffs and Trade - Wikipedia, the free encyclopedia.mht