

The Ways of Adhering Iran to WTO _ the Country's Economic Transitions and Developments

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Abstract

In paper, "The ways of adhering Iran to WTO _ the country's economic transitions and developments", is done by descriptive and library methods. In this paper, the procedure of Iran incorporation with WTO, world trade organization, is designated and ascertained. The connection of Iran to WTO not only doesn't cause the transition in company with improvement, but even this work is faced with some backwashes such as unemployment increase due to deleting the support of internal industry, removing the ways of government's incomes via tariff reduction, the loss is occurred by huge costs reduction, and tearing the new industries down. To hinder from these negative results, should be applied the necessary approaches like reforming and determining the rules and regulations toward the facility of generator's investment, reforming the office systems, step by step decreasing the custom tariff, and reinforcing the private parts for production of the competitively items. The findings ascertained through going the efficiency of total economic up, going the production costs down, growing the public welfare, and the transition and development of economic-social are the advantages of adhering the country to open trading. The world trade must be fair and takes

into account the mutual desires. Until the countries like Iran get an experience about long-term improvement and growth.

Key terms: transition, WTO, supervisor, custom tariff, reduction of costs, approaches and development.

Introduction

The day to day extension of the peoples' communications and movements for associating together, therefore, the governments think of creating the organizations which these organizations cause to come closer the cultures, the business deals, the reduction of social level distances (between poor and rich), financial discipline, the deletion of the governmental supervision, the trading freedom, the transmission technology information, the extension of transferring the interior and exterior investment, and the standardization of the public health. The joint of the small powers to big ones and their cooperation's in economic cases make the pinnacle point in next generations' life that one of those peak points in the globe is called General Agreement on Tariff and Trade (GATT). After finishing the world war second, the winner countries signed an agreement is called GATT. This agreement is regulated due to improve the economic circumstances in tariff and foreign trade. It is necessary to say, GATT was a place where most countries are enrolled in it for verifying their problems. Except GATT,

International Monetary Fund (IMF) and World Bank-International Bank for Reconstruction and Development (IBRD-WB) were essential international organizations in field of economic relations. Totally these organizations make the Bretton Woods system. Of course, the GATT is not made in Bretton Woods conference. But the participated countries insisted to make International Trade Organization (ITO). However ITO was not approved at the first. In 1947, in Jeno conference formed a three-item discussion the following: Firstly, providing the ITO statute. Secondly, regulating a multi-purpose agreement for reducing tariffs. Thirdly, providing a commitment draft about tariffs (the sum of second and third aims show the public conditions of the GATT). These circumstances give some responsibilities to the governments that they are originated from U.S' agreement. So we can say that the GATT purposes hadn't any symmetry with international purposes and didn't arouse any motivations for economic associations in the developing countries.

The countries that signed this agreement, after several continuous periods arguments found out the significant of the creation a system like GATT. Finally, in 1993, the agreement is happened for establishing an organization that is called World Trade Organization (WTO). The WTO filled out the empty place of the GATT as one of Bretton Woods associations in 15 April, 1995. This agreement is signed in Morocco. In accordance with it, various countries and custom lands, independence of parliament etiquettes and constitutions, follow the agreement.

Since established WTO till 23 July, almost 153 countries are registered based on the statistics of the World Trade Organization and 29 countries are being clung to that. For instance, China, Armenia, Georgia, Pakistan, Saudi Arabia, and Turkey are members of the WTO. Most neighbors of Iran are active but Iran isn't. One of

reasons is to postpone the acceptance of Iran by WTO because of the political and economic conditions. What are the advantages of registering in WTO? What is the response if it asks from Iran? It is necessary to analyze the position of Iran in the WTO from the past to present. Then we will mention to necessities and advantages the connection of Iran to this organization. Finally, we will suggest the ways toward the transitions and developments.

The Situations of Adhering Iran to WTO from Beginning to Now

Tir 1375, (Jul 1996), the first request of Iran for connecting sent to WTO secretariat. This request is designated 23 times again. At last, in Khordad 1384, (May 2005), after 9 years, Iran is got member as a supervisor. But the process of adhering got started in Mehr 1388, (October 2009), with approval ministers executives. The joint of Iran to WTO means the creation of the complex communicative rings between Iran's economic and the world's. So Iran linked to 153 others members (probably this number will arrive to 180 count).

The Connection Necessities

The gap of time between sending the request and the connection to WTO is difference. This gap of time, which is based on executive's discussion with experts, is recognized the actions as the necessary fields and then are fulfilled. The pivots-develop politics, develop plans, approaches and even budgets should be defined. To enter into the world market should keep the prices. Iran needs pre-conditions and necessities for entering the system which most of those are:

- Doing the support politics in industry, agriculture and others sections of economy.
- Gradual reduction of custom tariffs.
- Reforming and regulating rules and regulations for the generator's investment facility.

- Spreading the cultures in different levels, from artisans to people.
- Removing the obstacles in field of legal and foreign investment political.
- Reinforcing the private parts for producing competitive items.
- Trying to improve the conditions in line with investing in private parts in others countries.
- Paying much attention to the WTO agreement texts in planning system.
- Reinforcing the trade free zones.

In here, we mention to the disadvantages of making trade freely without focusing on pre-conditions:

- Unemployment increase with deleting the internal industry support.
- Closing some local effective and new industries.
- Increasing unbalanced income among people.
- Becoming low the sources of government's income, which are obtained by tariffs.
- Increasing the costs. Because of moving a section to another.

The Advantages of the Connection

Today, the trade is one of the most effective keys in making wealth. Therefore, growing the tourism industry is determined as an export system. The export, which exporters sell the items in inner the own country with deleting the custom affairs and transportation insurance instead of sending them abroad. Even the tourism is a type of export. The economy necessitates that Benz is manufactured in Asia and is sold in an American country. But the place of company is in Europe. The cheap work force and walkaway markets are the traits of production and sell in today's world economy. According to above issues, some of the advantages of connecting Iran to WTO are following:

- Competing the production industries.
- Deleting the inefficiency industries.
- Increasing the total economic efficiency.
- Accessing to others markets and the world markets.
- Increasing trading interactions.
- Reducing the costs as a result of managers' creative.

Conclusion

In the one side, the process of reforms and combination Iran to WTO should be done gradually. Due to the fact that making it freely and not pay attention to pre-conditions cause to make the troubles such as unemployment increase, deepest gap between poor and rich, public welfare reduction, the decrease of income ways by going the tariffs down, the loss that originated from huge costs, and the destroy of the new industries. In another side, the base of WTO agreement should not bias toward developed countries. But it should be notice to non-member countries' worries. At the first, a correct system should run the rules and regulations which put open the hands of the developing countries like Iran in applying the industry policy for having an economic improvement.

Iran must try to reform inefficiency markets via the continuous politics. The economic policy makers must represent some ways to triumph the government's faults. They must think of reforming the trade system. The methods and policies that policy makers run in suitable time for reducing the tariffs and obstacles cause to make more facilities in the mutual deal and to grow the public welfare. At last, the open trade can cause improvement and growth a country, if it is fair and legal.

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