

Global Trade Governance and WTO: Beyond the Model of the Club

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Abstract

Global governance primarily focuses on the management and governance of global affairs that are beyond the ability of the state to solve through formal and informal interactions between local, national, regional, and international actors. The post-cold war era can be called the golden age of the process of global governance. This process has significantly broadened to include more diverse players, networks, institutions, regimes, and mechanisms that apply distributive or regulatory functions that have transnational effects. In parallel with this the global trade governance, which includes the group of bilateral, regional and multilateral international agreements, at times with the institutions that regulate the international rules concerned trade, has widened significantly in the 19th century and onward. The evolution of the WTO is corresponding to these essential changes in the order in global trade governance. Therefore, this article examines the effect of the process of global governance on the WTO and the evolving factors of change in the nature of this organization. According to the author's argument, growing role of the civil society organizations, the redistribution of power, opposition to free trade, the proliferation of preferential trade, differences in the views on goals and functions, have led to the fact that, the nature of the WTO has shifted from the cluster of developed countries to a global organization.

Keywords: the WTO, global governance, global trade governance, non-governmental organizations, and developing countries

1. Introduction

Global governance primarily focuses on the management and governance of global affairs that are beyond the ability of the state to solve through formal and informal interactions between local, national, regional, and international actors. The post-cold war era can be called the golden age of the process of global governance. This process has significantly broadened to include more diverse players, networks, institutions, regimes, and mechanisms that apply distributive or regulatory functions that have transnational effects. The expansion and deepening of this process during this period have affected different areas of the global economy with a different amount. The area of global economic governance is one of the areas that have been explicitly affected by this process, the field of which is the so-called Brent Woods organization.

Among these institutions, maybe the formation of the WTO at the height of the process of globalization has made the organization more affected than other institutions. These effects have changed the nature and function of this institution. In other words, in the new era, this organization cannot be analyzed with the past format. In this regard, the present paper focuses on the analysis the role that WTO plays in global trade governance, also an examination of trends that have revolutionized the nature and function of this institution. The key questions are, what is the role of the WTO in the process of global governance? And what trends have influenced the nature and function of the WTO?

The hypothesis presented in answer to these questions: The role of the WTO is essential and has growth parallel with the development of global governance given that the functions and effects of the WTO expanded to include more diverse players, networks, institutions, regimes, and mechanisms that apply distributive or regulatory functions that have transnational effects.

In addition, the process of redistribution of power within the organization; the process of growing opposition to free trade in the developing countries; the process of different views of members regarding the goals and functions of the organization; the growing role of non-governmental institutions; the trend of the proliferation of preferential trade agreements that transformed the nature of the WTO from a developed country to a international

organization and it created new challenges such as legitimacy and efficiency for this organization.

In this regard, and to test the hypothesis above, the article is divided into several sections. In the first section, global trade and global governance are discussed generally, with a particular focus on the role of WTO in global governance. In the second section, how WTO has established, and its structure is discussed. The third part focuses on the theoretical framework of the study with a particular concentration on the cluster model which described as the most important theoretical attempt to conceptualize the WTO. The fourth part addresses how the above-mentioned trends affect the WTO. Finally, the conclusion is presented.

2. Global Trade Governance

The global trade, which includes the group of bilateral, regional and multilateral international agreements, at times with the institutions that regulate the international rules concerned trade, has widened significantly in the 19th century. From the beginning of its emergence, it focuses mainly on tariff reductions with a limited scope. Gradually, the idea that the state must also protect domestic industries via other measures including border measures such as quotas and tariffs, the broader notion of non-discrimination, and discrimination against foreign goods regulated by domestic laws. More recently, global trade includes several new policy areas to its scope. Trade agreements adopted rules that go far beyond the idea of non-discrimination, including international harmonization of law, environmental protection, and various types of law (for example, intellectual property, property, labor) (Lester, 2011).

Even before the end of WWII, the idea of establishing international organizations that can reduce the probability of a replicate performance was nurtured in the mind of political leaders. With the aim to assist manage exchange rate policies and monetary "IMF," to help in promoting economic development and financing reconstruction "the World Bank," and to manage trade relations "ITO" were established. The expectation was a greater trade to support increase non-discriminatory access to markets and an increase in real incomes, this fact to reduce the scope for trade disputes and political conflicts spreading out into other domains (Hoekman, 2009).

In general, the evolution of global trade can be divided into three eras. The first era dates back to 1860, the Anglo-French Treaty of Commerce. The main issue was the use of tariffs. At that time, there were limited general rules that countries were required to obey. Around the 1920s the second era with a broader global trade emerged. Countries have begun to recognize that sometimes cutting tariffs did not deliver the promised achievements, as a diversity of other internal and border measures could put obstructions to trade. To address this problem, they drafted new agreements, first in the 1930s and 1940s as bilateral agreements and later on as the General Agreement on Tariffs and Trade (GATT), it established several more general rules. Such as proper administration and regulations of domestic laws and transparency in them, non-discrimination against foreign products, rules for customs valuation, restrictions on the use of countervailing duties and anti-dumping, and restrictions on the use of subsidies. Finally, in the early to mid-1990s, the third era began, with the completion of the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO) Agreement. As a result of those agreements, a school of new obligations more indirectly related to trade were added to the traditional trade obligations. Providing more general benefits to domestic industries selling or operating abroad and improving access to foreign markets were the goals of the new rules. Based on this, in the view of the Lester, this era can be considered as the beginning of the global governance era in the global trade (Lester, 2011).

Furthermore, the development of the GATT/WTO is the byproduct of bargaining on the political level, with the meaning of bargain influenced by actors on both the governmental and non-governmental level. At the outset mainly a tariff agreement fell over time as average tariffs, and non-tariff policies affecting trade focused instated. The position of stakeholders expanded. Therefore, the expansion of the WTO to include agreement on intellectual property rights and services mirrored the benefits of nations, banks, telecom providers, pharmaceutical firms in Organization for Economic Cooperation and Development (OECD) to improve access to foreign markets for their products. This fact followed by the demand from developing and other countries to have a quid pro quo in areas that were significant to them, such as trade in textiles, agricultural products and clothing (Trommer, 2017).

Those changes created the fact that the WTO and other international trade agreements now play a crucial, possibly even a dominant, role in global governance. Bringing the role of those trade agreements under close public scrutiny is one of the effects of those changes. Whereas relatively the GATT was an obscure international organization, other trade agreements including WTO have been the subject of large protests by different groups on various sides of the political field (Lee, Sridhar, & Patel, 2009).

3. Global Governance and the WTO

The definition of global governance primarily focuses on the management and governance of global affairs that are beyond the ability of the state to solve through formal and informal interactions between local, national, regional, and international actors. During the last century, however, the boundaries between private and public, and international and domestic have been blurred as the result of the globalization of rising number of environmental and socio-economic problems and improvements in technology. Global governance has significantly broadened to include more diverse players, networks, institutions, regimes, and mechanisms that apply distributive or regulatory functions that have transnational effects. In line with this, James Rosenau claims that current global governance “encompasses the activities of governments, but it also includes the many other channels through which ‘commands’ flow in the form of goals framed, directives issued, and policies pursued where such exercises of control have transnational consequences” (Rosenau, 1995).

The evolution of the WTO is parallel to these essential changes of the order in global governance even though the nature of WTO as an intergovernmental organization is that its' policies ultimately are responsible to, and regularly influenced in many aspects by its members. It is suitable to examine the role and position of the WTO in light of this more complex understanding of global governance. For example, administration, decision making, enforcement, and management functions within the WTO are undertaken by a group of state and non-state players adopting a diversity of various mechanisms, several of which do not match to more usual understandings of governance, domestic or international (Mitchell & Sheargold, 2009).

Moreover, there is an agreement, however, that the WTO as one of the main components of the system of global governance that now needed to be renovated. It's required that to be clearly defined the functions of the existing multilateral institutions, and policymakers both at the national and international level call for better consistency. Thus, if the WTO takes on more responsibilities, it is believed that the vacuum in global governance could be filled at least partially (Sampson, 2001).

The significance of trade rules adopted by the WTO, both on the domestic and global affairs has increased considerably. So, a number of reasons exist for this. Both the number member countries of WTO and the volume of global trade have increased deeply over the past half-century. The rules of WTO in the current time apply to goods and services that may never enter into a trade. The impact of those rules reached deep into domestic regulatory structures and widened quite beyond border measures. Domestic regulations relating to financial services, patents, support measures for agriculture, subsidies are all subject to WTO disciplines. A number of agreements raise ethical questions about the role of precaution in the absence of scientific evidence, the patenting of life forms, and rewarding of indigenous peoples for pharmaceutical discoveries, and compulsory licensing to provide access to essential medicines (Ababakr & Khaddar, 2021). The structure of the bodies of the WTO pursues dispute settlement automatically, unless, a consensus against them presence. So, in the case of noncompliance by any parties, there is a mechanism that can provide compensation and sanctions, this significantly enlarged the effectiveness of the process and made it incredibly different from the compliance mechanisms of other international agreements. As a result, public interest has heightened, mainly in light of recent high profile disputes extending into sensitive areas of the corporate tax measures, public health, and the environment. This fact leads to the inclusion of other concerned parties to intervene and impact the final outcomes (Sampson, 2001).

Therefore, the substance of the WTO, plus their weight and interest within it has thus enlarged significantly. For instance, through adopting legally binding WTO obligations locked in domestic policy reforms. They also look to assured market access to continue their exported growth strategies through bound tariffs and commitments in the services sectors. The developing countries have more expectations from the WTO regarding what the organization can do for them, given that it will provide a forum for all members to express their views. In addition, the role of WTO increased because of an unbelievable revolution in the cost and speed of communications through broad networks and coalitions. Thus, non-governmental organizations are now linked to one another which render them more effective and sophisticated than earlier counterparts. The WTO in public view is widely influenced by the expressed information via these electronic means. Whereas many of these groups do not consider trade per se as bad, but others unabatedly protectionist, taking them on an ideological collision course with supporters of a liberal trading system (Lee, Tellez Gaytan, & Othman, 2016).

4. Theoretical Framework

In discussing the existential nature of the WTO and the reason for its emergence, the scholars have two approaches. Based on an approach that emphasizes abstract logic, the WTO has come about as it helps countries to work together to pursue mutual benefits. In this approach, the world trade system is seen as a particular case

of a more general problem of cooperation between countries, because cooperation is not always easy to get (Adinoyi, 2015). In fact, in the form of two-way interfaces, part of the incentive for non-cooperation is the desire to take advantage of others and partly to the desire to avoid exploitation. In terms of such a rational aspect of the world of trade, countries can gain significant benefits in exchange for cooperation, but since some governments still want to exploit others, and, on the other hand, all avoid exploitation, no country wishes free trade. As a result, societies are deprived of the benefits that trade brings. Nations often solve this problem by creating institutions. Accordingly, trade liberalization may be possible if an international body, such as the WTO, is in a position to ensure that countries are able to enforce agreements to ensure that all countries comply with agreed agreements. Therefore, the creation of the WTO enables communities to cooperate and benefit from trade (Adinoyi, 2015).

However, the other approach emphasizes the historical process that led to the creation of this organization. Accordingly, the United States has economic benefits for the creation of the GATT. On the other hand, doing so would require power. Therefore, after the Second World War, the world trade system was formed on the basis of the combination of power and interests (Blackhurst, 1997). Therefore, today's global institutions reflect the reality of US dominance over the world for more than half a century on world politics has emerged since World War II as the greatest power and established the international system around a wide range of sovereign institutions. Within the framework of the bipolar system, the United States, as the supreme leader and supreme authority of the international system, was able to reach a consensus with the North Atlantic and Japan on the principles, rules, and procedures for maintaining and expanding the liberal capitalist system. The end of the Cold War also consolidated this global institutional system. Because, following the collapse of the Soviet Union, the power and structure of interests moved towards more coherence and uniformity (Keohane, 1984). When the World Trade Organization was formed, the West was at the height of its historical domination. But while the stimulus and hidden stimulus for this period was economic profits (with power), this course also became the basis for the increase of interdependence in economics and other thematic areas. The factor that, in the belief of neoliberalists, even if the relative strength of the United States decreases, will provide the rational and strategic motivation for governments to continue to work together. Such a situation is due to the high degree of economic wealth of governments that heavily interconnected to access markets for each other. The phenomenon of globalization as a dominant topic in international economics also led to the tendency towards multilateralism of the norms and rules governing the international system (Dunne, Milya, & Steve, 2010).

Therefore, one of the most important of these concepts is presented by Joseph Nye and Robert Keohane, two prominent thinkers in the field of political economy. In the articles they have written in recent years, the organization has been conceptualized as a club. A cluster model is defined as a set of two or more members that are grouped together to pursue common interests or goals. The cluster model in the WTO's definition means that a limited number of ministries of trade in developed countries (basically GAT) and then the World Trade Organization (WTO) are in place, control the agenda and determine the outcome of the negotiations. From this perspective, organizations such as the WTO are traditionally considered to be specialized negotiator clubs, negotiators entering into bargaining with each other in specific subject areas in these clubs (Lamp, 2016).

But in the opinion of many, today these conditions are changing, because a group of high-speed countries led by China and India is emerging, and in the next few decades their economies will compete with the United States and Europe. In fact, for the first time in the modern era, the economic growth of non-Western countries is rising to the ranks the top of the world system. These countries have now become economically powerful in the international arena. They will have a high level of demand for energy and raw materials, with many of the world's financial reserves. Their impact on trade, finance, energy, and the environment has made these countries important actors. They will increasingly stand up to the waiver or exit from the door. Hence, while economic development provided the basis for the emergence of these regional powers, the views quickly turned to the political implications of their emergence. From the point of view of the great powers and the founding governments of international institutions, emerging markets have become emerging powers (Fonseca, Oliveira Paes & Cunha, 2016).

5. The World Trade Organization

At the peak of the Second World War, and especially in the years to come, there was a great deal of effort to regulate relations between countries in the political and economic arenas. In political terms, the result of these efforts was the establishment of the United Nations as an organization for the management of international political relations (VanGrasstek, 2013). The result of these efforts in the field of trade and commerce in 1947 led to the establishment (GATT) which stands to the General Agreement on Tariffs and Trade. Many countries have been pursuing multilateral trade issues for about half a century under the GATT framework. After fifty years, due

to international economic and political changes in the 1970s and 1980s, such as the entry of new countries into the industrial products market, the adoption of new supportive policies by advanced countries, changing traditional relative advantages of advanced countries, moving towards a service-oriented and knowledge-based economy, information and communication revolution, the collapse of political and economic systems reliant on centralized planning and changing patterns of development of developing countries, structural transformation in the multilateral trading system and the entry of new countries and the expansion subject area of GATT, Nevertheless, due to the lack of a legal basis for the GATT as an international organization, on the one hand, and because of the widespread and complex issues of trade and international trade of goods, the need for the establishment of a responsible institution in this area in the last decade of the twentieth century become apparent. Accordingly, the members of the GATT in the Uruguay Round, the last round of the GATT negotiations, by endorsing the Moroccan agreement, they established the cornerstone of a new body called the World Trade Organization (WTO) (VanGrasstek, 2013).

An essential reason behind the support of the big and small countries to the WTO is that they see that compliance with multilateral rules, instead of political power and national interests provides for predictions and stability rules for the world's trading system. And, although trade-based regulation is not likely to guarantee peace, it undoubtedly eliminates much of the potential sources of conflict. This organization offers a substitute for the brutal force in trade relations between countries, and although membership of the World Trade Organization (such as membership in any important international agreement) finds erosion, what is attainable, the possibility of participation through Collaboration in the global economy (Crowley, 2003).

The GATT was, in fact, a set of rules and regulations that never had a legal basis as an international body and was temporarily formed, while the WTO is an international organization with a permanent organizational structure. The organization, which replaced GATT since 1995, is an international organization that, in addition to the General Agreement on Tariffs and Trade, monitors, in the framework of numerous other agreements, the rights and obligations of its members.

Another difference between GATT and WTO is that the GATT's regulations only cover commodity trading, while the WTO agreement also includes trade in goods, business services and commercial aspects of intellectual property. Moreover, there is the settlement of disputes body in the WTO, and there are more detailed and practical rules for examining and implementing the decisions of the dispute settlement system. The dispute resolution system of this organization has set a time limit for review and is, in this regard, faster than the settlement system of the GATT disputes. In a system that is auto-friendly, it's less likely to be tedious and delayed (Kantchevski, 2007).

Furthermore, there is also a body for appealing and reviewing the views of the Dispute Settlement Board in the trade organization. The objectives mentioned in the introduction of the GATT are to improve the living standards of the people of the member states, to provide full employment opportunities, increase real incomes and increase the level of demand, and the effective use of global resources and the expansion of international trade. The goals of the WTO are the goals mentioned in GATT, and in addition, expansion of production and trade in services has been considered as well as the expansion of production and trade in goods, and the use of global resources has been conditional on environmental protection and sustainable growth (Reinhardt & Busch, 2007).

So, if we want to summarize the objectives of the World Trade Organization, we will say: First; Management and supervision of the implementation of 28 agreements. Second; it is a forum for multilateral trade negotiations. Third; the mechanism for resolving trade disputes. Fourth; Review and evaluate the business policies of the members. Fifth; collaboration with other international organizations on global economic governance. Last but not least; Aid to developing countries and transition economies to benefit from the multilateral trading system.

The WTO is an international organization that regulates global trade rules and resolves disputes between its members. The members of the organization are the countries that signed the agreements (about 30 agreements), and so far, there have been 164 member states (Narlikar, 2005).

5.1 The Structure of WTO

In order to achieve the approval agreements between members and monitoring the implementation of those agreements, the WTO uses the various decision-making, regulatory, executive, and legal components. The structure compounded of the Ministerial Conference, the General Council, and the body of Dispute Resolution, the body of Business Policy Review, and the Councils (Narlikar, 2005).

5.2 Ministerial Conference

The Ministerial Conference is the most important and highest organ of the WTO and includes representatives of

all members. The ministerial conference is usually composed of trade ministers or ministers responsible for foreign trade in the countries of the WTO and gathered at least once every two years (Pongpiachan, Pothisarn & Jaturongkachoke, 2021). At the ministerial meeting, the agenda prepared by the general council will be considered and will be decided on all issues related to the organization's affairs in the framework of multilateral trade agreements. The powers of the Ministerial Conference are: First, realizing the functions of the organization. Second, take the necessary measures in this regard. Third, decisions on multilateral trade agreements at the request of each member (Narlikar, 2005).

5.3 The General Council

This council which after the Ministerial Conference, is considered to be the supreme decision-making body of the WTO, is responsible for the current affairs and routines and the functions of the organization. According to the WTO, the Council, which consists of all members of the WTO, has its duties in three forms: 1. The General Council. 2. The Dispute Resolution Board 3. The Delegation for the Examination of the Commercial Policy. Ordinary meetings of the General Council are usually convened every two months with the ambassadors of the member states (Narlikar, 2005).

5.4 The Dispute Settlement Body

An organization or a state may claim that another member has violated a treaty or an obligation contrary to its interests. In such a situation, the General Council meets as the body of dispute resolution. And since only states are member of this organization, the right to take dispute to this body is granted only to member states, other non-state actors, such as companies, non-governmental organization, local organizations, institutions and etc... have no right to take their cases to this organ with the aim of resolution (Narlikar, 2005).

5.5 The Business Policy Review Body

The General Council as the body of business policy review can form a meeting. This body has its own rules and procedures and revises its members' business policies to prepare them for a review of trade policy. At the beginning of each year, the chairman and the two vice-chairmen of the chair are elected from among the members for one year (World Trade Organization, Understanding the WTO, 2015).

6. The Factors Led to Change in the Nature of the WTO

Large scale and highly dynamic structural changes are presently changing and reshaping the nature of the WTO. While the comparison between past and present is considered, remarkable not stretched out merely in the speed of global transformations, their wide extent, impacting almost the entire world with different factors and actors. The shift in the nature of WTO is afoot, the change from a club model to a global organization lies at the core of the following factors.

6.1 The Growing Role of Non-Governmental Organizations in the Decision Making Process

One of the developments that have occurred in recent years and affected the future of the organization is the entry of civil society, or better-known non-state actors in this field, especially since the early 1990s. The engagement of civil society organizations in handling international affairs expanded increasingly. Their roles are undeniable in agenda setting, global governance and making international law, transnational diplomacy, and participation in monitoring and implementing several major global problems related to trade such as development and reduction of poverty, from good governance to human rights, from security to society, and from peace to the environment. Thus, civil society organizations have been important international players as supporters for service providers, policy solutions, knowledge brokers, or put it more simply monitors and watchdogs of state's actions. This increasing role of civil society organizations after the end Cold War is the byproduct of a combination of factors, such as removal of communist ideology and the dominance of liberal principles, socio-economic processes, institutional backing, and technological innovation (Marchetti, 2010). Most of the international organizations including the WTO have allowed the civil society organization to participate in their decision-making process. In fact, the entry of civil society into this arena can be considered as one of the distinctive features of the existing international order in comparison with previous orders (Hannah, Scott & Wilkinson, 2017).

What is related to the WTO is that the past decades have seen a shift in the way the WTO has been in connection with civil society. This not only relates to the interaction between the bureaucrats of WTO and its members, on the one hand, and NGOs on the other hand, but also on the views of NGOs in the multilateral multi-faceted business system. The engagement of the WTO with non-governmental organizations has evolved from a one-dimensional, substantially process-oriented emotional relationship that was first formed around access to information, to an evolving entity-based relationship. In addition, this is an increasing indicator of interest in

working relationships between stakeholder groups. Although the WTO is an intergovernmental organization, some non-governmental organizations are pursuing a particular pro-active role and persuading them to influence the agenda of the organization (Ewart, 2009).

The entry of these institutions, on the one hand, has created a wide range of challenges for government policy-making, and, in other, legitimizes policy-making in this area and ultimately makes policy-making work. Business-oriented policy-making, the growing presence of civil society in the field of commerce, has become a very complicated issue and is in some way a result of the dialogue between government and civil society. This issue is clearly seen in the politics of democratic countries, especially the United States and India, in the Doha Round negotiations. In simple terms, the business policy has been removed from the hand of a few traditional experts of the country's ministries of economics, and various components are getting involved in. This is one of the processes that have revolutionized the changing nature of the WTO (Esty, 1997).

Today, policy-making in the field of business policy in a democratic and pluralist society has exceeded the government's sphere and has led to a complex decision-making process with the participation of the government, political parties, influential groups, trade unions, consumer protection organizations and members of civil society. In a changing world, changes to the rules of trade and trade policy have also come about. The emergence of new technologies and needs have changed the incentives for lobbying in the field of business policy and has revealed the need for relevant regulatory rules and procedures; therefore, the rules and regulations of the commercial policy area are now under constant pressure to change. Although this problem may be more pronounced at the national level, it has also become apparent at the level of the WTO. Currently, the country's delegations to the organization and its secretariat are lobbying influential groups, as well as the research that these groups have carried out and their street protests affect decision makers (Hoeckman & Kosteeki, 2009).

The participation of these institutions in the WTO is twofold: one focuses on the transparency and monitoring of the transparency process in the decision-making body of the institution, and the other is focused on the participation of NGOs in this process. Although, the organization has taken a number of steps: for example, almost all of the documents of this institution are found in accordance with the rules of publicity. However, the claimants claim that the WTO has rules that their effects on the lives of citizens are not less than those of national governments (Steffek & Ehling, 2005).

In such a space, citizens are not able to influence the decision-making of this institution. This mismatch should be eliminated in this process by entering civil society organizations. In other words, they believe that because the structure of the organization is similar to the structure of traditional international organizations, it is not aligned with the requirements of the globalized space and with a lack of democracy and consequently, leads the organization to a legitimacy crisis (Bossche, 2006).

Civil society participation in the decision-making process of the WTO is done in two ways: first, direct involvement and, in fact, the role of these institutions as part of the decision-making process. For example However in terms of legal participation, the NGOs have limited ability to directly involved in the decision-making process within the WTO, but there are many other direct and indirect ways that NGOs can generate equally effective influences in the WTO. They can inform and heighten the awareness of the people by highlighting the application and effectiveness of implementation of the trade rules adopted in WTO on the domestic regulations and the ability of the state to compel with them (Gray, 2006). Second: indirect participation, the formation of a group of these institutions in order to provide advice to the organization. For example, the data and expertise from civil society are used by many States to inform their negotiating positions; nonetheless, NGOs have made the first choice superior, and they try to organizations such as WTO involves them in the decision-making process (Bossche, 2006).

6.2 Duplication of Preferential Trade Agreements

The second factor relates to the proliferation of regional trade agreements and the challenges that these agreements have created for the principles of non-discrimination and transparency as the fundamental principles of the multilateral trading system. Most countries in the world are currently members of one or more regional trade organization, such as free trade areas, customs unions or other preferential trade agreements. The network of regional trade organizations in the world is now very complicated due to this plurality. Many countries are partners in many of these organizations, which sometimes their regulations are even different from each other. Meanwhile, countries may, for various economic and political reasons, or a combination of both, decide to join or create a regional organization. According to the 2011 statistics from (The Warwick Commission), there are four hundred preferential trade agreements (PTA) in the world, of which 360 agreements have been registered at the WTO. In fact, Mongolia is the only WTO member who has not signed a preferential trade agreement with

other countries (The Warwick Commission, 2011). Although historically, PTAs have been one of the most important ways of developing free trade, but in the current situation, they are somewhat opposed to the multilateral trading process for the reasons: global trade at the end of the day cannot shrink regionalism and regional barriers; free trade in its nature, because of deviant effects is inconsistent with preferential trade agreements. PTAs are detrimental to the multilateral universal order of the world and serves as an obstacle to a globalized trade, since PTA itself involves commercial preferences and not only strengthens tariff barriers, but also introduces non-tariff barriers such as source laws, regional content requirements, and so on; Such regionalism will ensue trade diversion. Thus, its effect will be the inefficient allocation of production in the world trade (Sullivan, Shroff, Mark Du & Bloomsbury).

Developed countries including the United States, which has played the most important role in establishing and sustaining the multilateral trading system, is now actively pursuing preferential trade agreements; The European Union, as one of the world's largest trading powers, has also entered into this trend and is actively seeking to conclude PTAs with various countries; Asian powers, especially China, Japan and South Korea, have actively participated in this process and have made extensive efforts to increase trade agreements with different countries; Many PTAs go well beyond the commercialization mechanisms. For example, the United States uses a model document in its dealings with its partners, a document that affects the commercial law of these countries, and in a way that creates a parallel legal system of multilateral trade that manages international trade in relation to the conditions that all of this area is in the subcommittee of the WTO (Brown, Shaheen, Rafi Khan, & Yusuf, M, 2005).

This is one of the challenges faced by the organization. In short, the damage caused by the spread of fungus types of PTAs to a multilateral trading system can be damaging to the stability of the business system, its fairness and the loss of its opportunities, especially for weak countries, and ultimately, from the integration of this system is known. In addition, because of the fact that more volume of global trade will be coming through regional agreements in the future, the importance of the dispute resolution pillar is likely to decline further (Stoler, 2004).

In addition, some scholars among them Rodrik believe that the rapid increase in bilateral and multilateral trade agreements in the different regions will be the most important risk of failing to achieve the outcome of the Doha Round. In this way, distrust between the members has become widespread, and developing countries are of the opinion that developed countries are not willing to give any concessions. The more important point this distrust will spread to the organization's current functions (Rodrik, 2008).

6.3 The Growing Opposition to More Free Trade

Increasing opposition to more trade liberalization in industrialized countries is one of the major trends that will affect the future of the WTO. This opposition can naturally challenge the negotiators of these countries in agreeing to wider liberalization with serious restrictions, because the political life of the politicians of these countries depends on the people's votes, and when public opinion opposes the issue, politicians do not have the ability to pursue them (Meléndez-Ortiz, Bellmann, & Mendoza, 2012).

There is an interesting controversy about commercial liberalization: on the one hand, in the developing world, the trend is growing in unilateral, multilateral and bilateral forms, while in the member countries of the (OSCE) which stands for the Organization for Economic Co-operation and Development, they strongly oppose the process that they have initiated and have been expanding for decades. These countries are seriously concerned about unemployment, job instability, wage cuts, and overall welfare and environmental degradation, and all these concerns are seen from the point of view of the expansion of free trade. In other words, in these countries, free trade has increasingly become a part of the problem from a part of the solution to economic problems. In these circumstances, their political leaders are in a bottleneck to take the initiative to advance the multilateral trading system and prefer preferential trade agreements. The multilateral trading system faces the obvious contradiction in the current state of affairs, with the fact that free trade is on the rise in the world, and on the other hand, political support for this trend is declining (Meléndez-Ortiz, Bellmann & Mendoza).

This contradiction can deepen in the coming year as the ever-increasing economic crisis spread across the Atlantic. According to the Pew Institute's 2008 survey of people's attitudes towards the globalization process, only 20% of the people in the countries in question consider globalization to be a positive phenomenon, while around 30% of them consider this phenomenon as negative (Kohut, 2008, p. 19).

This shift in the approach of industrialized countries, especially the United States, to this institution shows that hegemony or hegemonic powers, who, unlike in the past, have little intention to maintain the status of the WTO within the multilateral trading system as a public good. Also, the lack of political will of these countries to

develop a multilateral trading system has led to a deadlock in Doha Round talks and led the future of this institution to be ambiguous (Drache & Froese, 2007).

6.4 The Transformation of Power Domination Within the WTO

An important process that has had major effects on the identity and function of the WTO can be seen as the transformation of the traditional balance of power within this institution. In other words, the evolution of the bipolar business regime with the domination of the United States and the European Union (which has continued from the formation of the GATT to recent times) has been consolidated into a multipolar trading system. Hence, the main challenge is to ensure that this transformation does not lead to a standstill or, worse, the failure of the multilateral and regular trading system in its entirety (Elsig, 2006).

This transformation can also be reinforced by the growing role and position of developing countries in this institution. For example, these countries came together to create 77 Group which was based on the dilemma of consumerism, which was poverty, but now this situation has changed. These countries have come together on the basis of their common ground in the current situation, and this has transformed the ruling situation of the organization. Therefore, we can say that new geography has emerged in the WTO's coalitions. The formation and survival of groups such as Group 20 is a symbol of this new geography. Following on from the implications of this transformation, in the Doha Round negotiations, the interests of developing countries are at the heart of discussions and negotiations (Stewart & Sanchez Badin, 2011).

In this process, the agenda and goals of the competition are formed in the organization, and the developing countries are trying to place their interests in the agenda of the organization. For example, one of the areas underlined by these countries is to examine barriers to trade in the agricultural sector, while such a situation not in a long past was not in place, the United States and Europe were shaping the agendas of the organization in an almost absolute manner (Shi, 2009). These countries have partnered with each other in the WTO, such as Group 20, and they have gained enormous power in influencing the organization's agendas, particularly in countries such as India and Brazil, which have shown themselves to be leading the negotiating process. One of these signs is the transformation of the Quad group, which includes the traditional powers of world trade (Canada, the European Union, Japan, and the United States) into a group of four, the European Union, India, and Brazil. Such changes have changed the organization's identity from the club of riches to the global organization (Hopewell, 2012).

6.5 Agreement on the Goals and Functions of the World Trade Organization

Last but not least consequence of the change in the nature of the WTO from the cluster of developed countries to a global organization is the increasing difficulty of reaching a comprehensive agreement among the members of the WTO on the goals and functions of this institution; an agreement that, if any, would effectively redefine the borders of the organization. For example, some countries insist that there should be a correlation between commercial policy and environmental impacts. In other words, commercialization attempts to not cause serious harm to the environment, while some countries do not agree with such a change in business policy. For example, to achieve the goals of global trade, development and climate change at the same time, there must first come to a consensus on multilateralism on climate change. Based on this consensus, in the next step, the multilateral trading system can be modified and adjusted (Brack, 2005). The point here is that the distinction between what the organization can do legally on climate change should be distinguished from what the business journalist hopes to do and is currently beyond the capacity of the organization. In this view, if climate change is not to be done, developing countries, especially the poorest countries, will suffer the most. Also, without providing accurate solutions, the economic growth of these countries will fall and hit the most. In addition, some among them Marković believe that the changes that have taken place in the global production process in recent years will highlight the need for policy coherence with policymaking in this area. For the time being, particularly with the beginning of the phenomenon of "making the world," the coordination of trade policy with labor policy and the financial policy of the countries has become a necessity (Marković, 2009).

7. Conclusion

The governance of global issues and affairs which are beyond the capability of the state to deal with them is considered the focused areas of global governance, this process of management includes the interaction between the formal and informal role and effects of differences between local, national, regional, and international actors. This process has been widened in the last century and especially after the Cold War era. In the relationship between world trade and global governance, the role of WTO is essentially undeniable. Alongside the development of the governance of global affairs, the role of the WTO is increasing in the order in global governance. The decision making, administration, management and enforcement functions within the WTO are

undertaken by a group of state and non-state players adopting a diversity of various mechanisms. Therefore, the examination of the role of WTO is suitable to understand the process of management of global affairs partially.

What is more, with careful examination of the mentioned key trends and challenges, it can be said that the organization, in its transformation from a concept which first of all has the nature of club, and secondly, the main concern is the reduction of commercial tariffs, has become an institution that is the guardian of the macroeconomic norm of the market economy in the international arena and it faces the challenge of various and complex measures adopted by the government in the opposing to this fact. In other words, with the change in the nature of the institution, the challenges facing it, are also global in nature and more than anything else affected by developments in the globalization process.

In such a situation, the widespread dissatisfactions of developing countries as a core part of the member of this organization from the cost of benefits between the developing world and the developed world in responding to the commitments made by the organization has also put the institution under widespread pressure. This dissatisfaction with the growing number of developing countries in this organization has become a new dimension. The symbol of this issue is the lock-out of trade negotiations in Doha Round. If their dissatisfaction increases, from one hand, the forces that propose controversial arguments in those countries will find more supports. On the other hand, these countries are increasingly embracing bilateral and multilateral trade agreements and trying to ignore the rules of the organization in some way. This could face the organization's importance and ability to play the role of protecting the free trade of the world with new challenges.

Another issue that has faced the organization is the deep divisions between developed countries and many developing countries over breaking the rules of the organization to address new issues such as environmental issues, international investment, the conditions of the workforce, and competition policies. Indeed, some developed countries are keen to expand these rules, while many developing countries are strongly opposed to it. Developing countries believe that the efforts of developed countries to extend the rules of the organization are rooted in the fact that these countries have lost many of their markets in competition with the developing world and they try to reduce the developing world's competitive power in the organization's regulatory framework. In addition to the challenges that the organization faces at the level of government engagement, the pressure of international NGOs on the WTO to clarify the decision-making process of this institution and the entry of these organizations into the organization's decision-making process is like that the identity of organization has changed from a purely commercial to institutional entity that covers issues such as human rights, the protection of environment and reduces poverty. The first and most important critique of these organizations from the WTO is that the decision-making process of this institution is not transparent and does not respond to the concerns of civil society.

These institutions believe that the decision-making process within the organization lies with international bourgeoisie; the bureaucrats who do not feel the least responsible for civil society, that is, those communities whose decisions make a decisive impact on their social life. Since the meeting of the ministers of the organization in Seattle in 1999, these organizations have worked very well in public opinion, expressing the shortcomings in the rules and the decision-making process of the organization.

By taking on new anti-capitalist movements in the West, civil organizations have become increasingly opposed to the global capitalist economy. It is natural that the existing atmosphere has strengthened the role of these organizations in addressing global economic trends, and therefore the organization must face the strengthened and opposed organizations of the global civil society. In other words, one of the fundamental features of the WTO is its central government. This feature has led the fact that only governments are considered in the laws and regulations of this organization, the transnational commonalities and the transposition of these laws in the transnational areas should not be taken into consideration. Hence, in a world in which transnational issues are increasingly being addressed, the organization also needs to adapt to these conditions.

In the end, the Bretton Woods organizations which are based on the cluster model and subject areas, are now faced with serious challenges. The most important reason for this challenge is the multiplication of rules and interpretations of rules in global governance. Put it in another way, the process of law-making has been removed from the monopoly of governments, and NGOs, companies, corporations and transnational networks are all involved in global governance and have partnered with governments in this regard. Accordingly, the sustainability of the rule of law requires institutional links between international organizations and institutions within civil society. To put it another way, international regimes must take on a more formal political policy, eliminate technocracy, and join political institutions that have legitimacy on the domestic level. In short, the design of effective international institutions that have a proper structure and democratic norms is one of the

fundamental issues of the twenty-first century.

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