

INTERNATIONAL TRADE ORGANIZATIONS: EFFICIENCY OF ACTIVITY

ОРГАНІЗАЦІЇ МІЖНАРОДНОЇ ТОРГІВЛІ: ЕФЕКТИВНІСТЬ ДІЯЛЬНОСТІ

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The article is devoted to highlighting one of the urgent problems of international trade law – the effectiveness of the work of international trade organizations. International trade organizations occupy a rather significant place among international economic organizations. They directly affect the process of coordination of trade relations on a planetary scale. The important contribution of international trade organizations in the liberalization of international trade relations is emphasized.

The main stages of cooperation in the field of international trade relations are defined: preferential trade zone, free trade zone, customs union, common market, economic and currency union. It was established that international non-governmental organizations also play an important role in the regulation of trade relations, and the main areas of their work are highlighted. Among them, the main ones are: International Chamber of Commerce, Union of International Fairs, International Cooperative Alliance, World Confederation of Labor.

The authors identified the main types of international organizations, analyzed their functions. The need to improve the work of international trade organizations was emphasized. The main challenges and problems of legal regulation of international trade relations are analyzed. The expediency of determining the criteria for the effectiveness of the work of international trade organizations is substantiated. Attention is drawn to the fact that the criteria for the effectiveness of international organizations are not defined and are somewhat blurred. It is proposed to minimally use two criteria for the effectiveness of the work of international trade organizations: compliance of their activities with the statutory goals and objectives, as well as the ability to quickly respond to new challenges and problems of international trade.

The main challenges for international trade activity at the current stage have been identified. It is noted that the main international trade organization that contributes to the liberalization of international trade is the WTO. It is emphasized that the WTO has solved a number of problems in the implementation of international trade, in particular, those related to the pandemic, military actions, etc. And it is the WTO that is the most effective trade organization.

Key words: international organization, international intergovernmental organization, international non-governmental organization, international economic organization, international trade organization, WTO.

Стаття присвячена висвітленню однієї з актуальних проблем міжнародного торгового права – ефективності роботи міжнародних торговельних організацій. Міжнародні торгові організації займають досить вагоме місце серед міжнародних економічних організацій. Саме вони безпосередньо впливають на процес координованої торгівельних відносин у планетарному масштабі. Наголошено на вагомому внеску саме міжнародних торговельних організацій у лібералізацію міжнародних торгових відносин.

Визначено основні шаблони співпраці у сфері міжнародних торговельних відносин: зона преференційної торгівлі, зона вільної торгівлі, митний союз, спільний ринок, економічний і валютний союз. Встановлено, що важливу роль у регулюванні торговельних відносин відіграють також міжнародні неурядові організації, виокремлено основні напрямки їхньої роботи. Серед них основними є: Міжнародна торговельна палата, Спілка міжнародних ярмарків, Міжнародний кооперативний альянс, Світова конфедерація праці.

Авторами визначені основні види міжнародних організацій, проаналізовано їхні функції. Наголошено на необхідності удосконалення роботи міжнародних торговельних організацій. Проаналізовані основні виклики та проблеми правового регулювання міжнародних торговельних відносин. Обґрунтовано доцільність визначення критеріїв ефективності роботи міжнародних торговельних організацій. Акцентовано увагу на тому, що критерії ефективності міжнародних організацій не визначені, є дещо розмитими. Запропоновано мінімально використовувати два критерії ефективності роботи міжнародних торгових організацій: відповідність їхньої діяльності статутним цілям та завданням, а також здатність оперативно реагувати на нові виклики та проблеми здійснення міжнародної торгівлі.

Визначено основні виклики для міжнародної торговельної діяльності на сучасному етапі. Зазначено, що основною міжнародною торговою організацією, яка сприяє лібералізації міжнародної торгівлі є СОТ. Наголошується, що саме СОТ вирішено цілу низку проблем у здійсненні міжнародної торгівлі, зокрема, пов'язаних із пандемією, військовими діями тощо. І саме СОТ є найбільш ефективною торговельною організацією.

Ключові слова: міжнародна організація, міжнародна міжурядова організація, міжнародна неурядова організація, міжнародна економічна організація, міжнародна торгова організація, СОТ.

Modern realities prove the need for active participation of any state in international trade relations. At the same time, of course, it is important to develop general “rules of the game” in each of the existing and potentially possible trade markets. International economic organizations act as mediators and at the same time as “legislators”. Their activities are aimed at the development of trade both on an international scale and on a bilateral level. And the more effective this activity is, the more it benefits humanity as a whole.

It is worth noting that the presence of international economic organizations is not only important today. The work of these organizations should be carried out at such a high level that there is no doubt about their effectiveness. In this research paper, we will analyze what international trade organizations are and how they can be compared to international economic organizations. We will also pay attention to the issue

of determining the criteria for the effectiveness of the activities of these international organizations.

In the system of international organizations, a large share belongs to economic organizations. The development of international relations, the deepening of the international division of labor, and international economic integration lead to the fact that the influence of economic relations becomes more and more significant on other spheres of international cooperation. Among the goals of most regional organizations, cooperation in the economy is one way or another declared. In the UN, a large block of organizations dealing with purely economic problems is subordinate to the Economic and Social Council (functional commissions, regional commissions and specialized institutions, for example, the International Monetary Fund).

It is well known that the role of the UN in coordinating global economic processes is quite significant. All interstate

economic organizations that exist in the world are either directly part of the UN structure (specialized institutions) or maintain permanent working relations with it (regional organizations). The UN also coordinates with non-governmental economic organizations (through ECOSOC). Therefore, the UN is a global system of international economic relations organized in an extensive network of international organizations.

In itself, the concept of “international economic organization” is general in relation to the concept of “international trade organization”.

International economic organizations are divided into general economic and specialized ones. General economics covers a wide range of economic problems. These include the OECD, as well as regional organizations of the integration type – the EU, NAFTA, ASEAN, etc.

Specialized economic organizations focus attention on a narrower range of problems, but many of them have a significant role in the international economy. Economic organizations formed as a result of regional integration processes are also divided by the degree of integration. The main levels, or stages, of regional economic integration are as follows: preferential trade zone, free trade zone, customs union, common market, economic and currency union.

The preferential trade zone is the initial stage of integration. At this stage, the states included in the zone liberalize trade among themselves only with a limited number of goods, and grant each other some privileges. This type of organization includes the CIS, as well as a number of organizations in Africa, Asia, and Latin America.

The free trade zone is distinguished by the fact that the member states eliminate trade barriers among themselves, customs duties are abolished on most goods. But with regard to third countries that are not part of the zone, each member conducts an independent customs policy. This level includes, in particular, the European Free Trade Association (EFTA), the North American Free Trade Association (NAFTA), the Association of Southeast Asian Nations (ASEAN) and some others. However, not all specialists in international integration separate the zone of preferential trade into an independent level; according to some of them, the first stage of integration is the free trade zone. However, a close analysis reveals the differences between the two types.

The customs union provides for the elimination of customs tariffs in trade between participants, as well as the formation of a common customs policy for countries; this means that all members of the union set the same level of tariffs in trade with other states. At the stage of the customs union are the countries of the European Economic Cooperation in the first decade of the formation of the organization (1958–1968). Some Latin American integration associations LAIA, MERCOSUR are close to the concept of a customs union.

The common market is already a high level of integration. Not only do goods move unhindered across borders; barriers to the movement of labor, services, and capital have been removed. Integration ties are rapidly developing and deepening, and a joint, coordinated economic policy is being implemented. This type of integration was characteristic of the European Economic Cooperation (EEC) in 1969–1992. It was this organization that gained the unofficial name “Common Market”.

The economic union completes the structural construction of the economy of the organization as a single integration association. At this stage, a single currency policy is implemented, a common currency, a single issuing central bank is introduced. The European Union has been at this stage since 1992 (after the conclusion of the Maastricht Agreement). The logical conclusion of full economic integration should be a political union, on the threshold of which the EU stands and which is already partially realized.

The activity of international non-governmental economic organizations is also gaining importance. The most

famous of them are the International Chamber of Commerce, the Union of International Fairs, the International Cooperative Alliance, and the World Confederation of Labor.

The International Chamber of Commerce (ICC) is an influential global organization (headquarters in Paris) that enjoys undisputed authority in the development of modern rules and standards that determine the conduct of cross-border business. The structure of the ICC includes: an international court of arbitration, commissions and working groups that help in the creation of a global trading system. The Chamber cooperates with such influential international organizations as: UN, WTO, World Bank, IMF, OECD. The International Chamber of Commerce is represented in 127 countries of the world and has 93 National Committees. The Ukrainian National Committee of the International Chamber of Commerce (ICC Ukraine) – the first national committee on the territory of the CIS countries in 1998 received official powers and today unites national enterprises and non-resident companies representing large and medium-sized businesses. ICC Ukraine – non-profit, non-commercial organization and, in accordance with the Charter, registered as the Association of Enterprises “Ukrainian National Committee of the International Chamber of Commerce”.

ICC Ukraine is the first Association of enterprises in Ukraine, which in 2008 gained world recognition and the status of “Investor in People” organization, which means the implementation of best practices of organizational development and management [1].

The Union of International Fairs was founded in 1925 and unites permanent fair committees and institutions that form and organize international fairs. The main tasks of the union of international fairs are to consolidate the rights and benefits of members and strengthen the influence of international fairs on global trade, protect the interests of fair participants, develop the schedule of fairs, create arbitration commissions, and organize advertising [2].

The International Cooperative Alliance is an international non-governmental organization that unites national and regional unions and federations of consumer, agricultural, credit and other cooperatives. Founded in 1895 in London. The main goal of the International Cooperative Alliance is to promote the development of cooperation between cooperatives of different countries [2].

In 1920, the World Confederation of Labor was founded; at first it was known as the International Confederation of Christian Trade Unions, it received its current name in 1968. It has more than 15 million members. The main goal of the organization is to raise wages and improve the working conditions of employees [2].

The official goal of the activities of international non-governmental organizations is to promote the development of international trade and economic relations, to eliminate competition restrictions on the world market. For example, international unions of entrepreneurs sometimes provide for the following goals in their charters: exchange of production experience, development of methods for improving the quality of goods, ensuring the common interests of participants by conducting research, organizing consultations, cooperation and concerted actions of firms on the international market.

Unlike international cartels, syndicates, trusts, the participants of which are individual large companies, the members of international business associations are «associated entrepreneurs» or associations of entrepreneurs of the same industry from different countries, which represent a new form of interweaving of various national groups of monopoly capital [3]. The main tasks of the activities of non-governmental organizations in the system of regulation of international economic relations are as follows [4]:

- using the benefits of economies of scale due to the expansion of market volumes, reduction of transaction costs and the use of other advantages based on the theory of economies of scale;

- solving trade policy problems: regional groupings make it possible to create a more stable and predictable environment for mutual trade, to strengthen the negotiating positions of countries within the framework of multilateral trade negotiations in the WTO;

- promoting the structural restructuring of the economy thanks to the use of the experience of the leading economically developed countries that are members of the association;

- support of young branches of production due to the entry of local producers to a wider regional market;

- creation of a favorable foreign policy environment: ensuring economic and political consolidation and international military security;

- the possibility of regulating socio-economic processes at the regional level: removing obstacles to mutual exchange and interaction of national economies, ensuring favorable economic conditions at the micro level, stimulating competition [5].

An analysis of the goals and objectives of the functioning of various international economic organizations (both governmental and non-governmental) gives every reason to assert that they contribute to international trade in one way or another. However, it is quite difficult to determine how effective their work is. Because there are no clear criteria for the work of international economic organizations.

In our opinion, one of the main criteria that allows us to say whether another organization is working effectively is the criterion of compliance of its activities with the statutory tasks. The more the activity of the organization contributes to the fulfillment of statutory tasks, the more effective it is.

Also, the effectiveness of international trade organizations can be determined by how quickly international organizations respond to the problems of conducting international trade and new challenges and obstacles in conducting trade.

Today, the entire world community faces quite a few challenges: the problem of hunger, the problem of carrying out trade activities in the conditions of a pandemic, the problem of fulfilling obligations under foreign economic contracts in the conditions of both a full-scale war and the so-called “special military operations”.

Of course, most of the measures were developed and implemented by the World Trade Organization. It should be emphasized that this international organization is constantly evolving, including new topical issues in its activities. The latest example is the WTO’s response to the spread of the Covid-19 pandemic in early 2020, as a result of which the governments of most countries actively implemented protectionist measures, which limited the volume of international trade transactions. In the conditions of such unpredictable and sharp changes in the foreign trade policy of countries, timely, transparent and effective exchange of information between them has become important, which the World Trade Organization is able to provide [6, p. 57–58].

Currently, almost all WTO activities are aimed at strengthening coordination and cooperation at the international level to address the challenges associated with the spread of the COVID-19 pandemic. This trend was reflected in the Joint Ministerial Statement of WTO members on COVID-19 and the multilateral trading system, which was made with the participation of 42 countries, including Ukraine, on May 5, 2020 [7]. In the Statement, WTO members emphasized the need to intensify efforts to strengthen coordination and cooperation at the international level by ensuring:

- compliance with WTO rules of trade restrictions introduced by members in response to the global crisis. Such restrictions must be targeted, proportionate, transparent and temporary;

- full functioning of global supply chains and free circulation of necessary products (including medical and food products);

- preventing the introduction of unjustified measures to limit the export of agricultural products, which may have a negative impact on food security and the health of the population.

For example, only in the first half of the “pandemic” period, WTO member countries introduced 363 new trade measures, of which 198 promoted the development of international trade and 165 restricted it. Most of the measures (about 71%) became temporary due to the pandemic, with 147 expanding international trade operations and 109 restricting them. On April 22, 2020, 23 WTO members, including Ukraine, signed a Joint Statement on Ensuring Open and Predictable Trade in Agricultural and Food Products in Response to the COVID-19 Pandemic [8].

WTO members resort to unprecedented forms of support for their economies, most of which are of a temporary nature: grants, monetary measures, fiscal measures, special support measures for medium, small and micro enterprises, loans, guarantees, etc. The support concerns, first of all, the financing of health care systems, diagnosis and treatment of the disease; various compensation schemes for lost profits and additional costs associated with downtime due to quarantine; financial support of citizens, etc. WTO member countries still continue to actively apply trade protection measures (anti-dumping, compensatory and protective) of national producers against the import of foreign goods, which causes an increase in the number of initiated investigations in this direction.

Since the spread of the COVID-19 pandemic, protectionist measures by national governments have become the easiest and most effective tool to protect domestic markets, using both legal and dubious means, which increases the role of the WTO as the last resort in dispute resolution.

At the same time, it should be noted that although the level of efficiency of international trade organizations is quite high, there are a number of shortcomings that require improvement. In particular, insufficient use of forecasts and various studies in one’s work.

Conclusions. The growing turnover of economic exchange, with the active participation of most states of the world in international relations, provokes the strengthening of the influence of international organizations on the internal politics of countries. The existing development of international cooperation includes the consequences of international economic and political integration. The modern vector of international cooperation development is aimed at obtaining the maximum effect from international economic integration. Therefore, the main attention is paid to the processes of harmonization of various types of national economic policy of each subject of international relations. The key focus, in this process, is focused on the development of unified policy implementation measures in various spheres of the economy. It should be noted that the vector of deepening integration processes in the world, on the one hand, creates conditions for the accelerated integration of developing countries into certain sectors of the world economy, and on the other hand, places such countries in a rigid financial dependence, since in order to receive benefits from participation in international cooperation, most countries need attract additional funding.

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