

DOPADY VSTUPU DO WTO NA ROZVOJ RUSKÉHO AGRÁRNÍHO SEKTORU

THE CONSEQUENCES OF THE WTO ACCESSION FOR DEVELOPMENT OF RUSSIAN AGRARIAN SECTOR

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Anotace:

Příspěvek se zabývá dopady vstupu Ruska do Světové obchodní organizace a to z pohledu vlivu tohoto vstupu na ruské zemědělství. Na základě provedených analýz s využitím statistik dokumentuje jaký může být vliv změn cel a obecně mezinárodního liberalizovaného obchodu na ruský zemědělský import a export. V článku jsou také uvedena opatření, která by měla vyústit v optimální vstup Rusko do WTO

Klíčová slova:

WTO, Rusko, zemědělství, mezinárodní obchod, cla

Abstract:

The paper addresses the impacts and consequences of Russian accession into World Trade Organisation as for Russian agriculture. Based on analysis and using various statistics the paper documents possible impacts of changes of the custom tariffs and general international liberalised trade on Russian agricultural import and export. The paper also presents measures which should optimise and should make easier Russian accession into WTO.

Key words:

WTO, Russia, agriculture, international trade, custom tariffs

INTRODUCTION

Process of the Russian accession in the WTO recently became considerably more active. The whole series of official and informal consultations of the Russian representatives with members of the organization has taken place. The result of the given consultations became achievement of the certain progress during negotiating process, rapprochement of positions of the sides, and also promotion of constructive offers on separate spheres of connection.

Despite of the progress achieved in international trade by agricultural production after carrying out within the framework of the World Trade Organization of many negotiations rounds and application of their conditions in practice, international trade by agrarian production is still rather far from full liberalization. Some new rules in the organizations of international trade and the new obligations which were taken up by the participant countries of WTO have opened the new questions to discuss and settle within the framework of the following negotiation rounds. The basic themes of such negotiations at the Russian introduction into WTO should become the questions of the state trade regulation, the further perfection of sanitary control rules, the further decrease of the custom duties and administrative character of tariff quotas establishment on imported agricultural production.

The question of regulation of the state trade on agrarian production practically was not discussed in the frameworks, for example, the Uruguayan round of negotiations. Nowadays on

the global agrarian market the state trading companies continue to play important role. It is a serious problem since sector of the agricultural production exchange and character of activity in the given market of the state trading companies essentially differ on many parameters from other sectors of the global market. Especially important for effective development of global agrarian sector this question becomes in view of the recent Chinese accession into WTO, and in the long term – Russian accession.

METHODOLOGY

It is necessary to note, that in the domestic economic literature of a consequence of the introduction of Russia in WTO practically for all branches of a national economy are treated ambiguously. Agriculture is not exception. A number of authors are allocated with factors which will positively affect development of the Russian agriculture after the introduction of the country into WTO. Effective inclusion enough the capacious Russian market in the international trading system will be consequence of connection. Within the framework of obligations which Russia will undertake on results of negotiations, our partners will get stable and predicted access on the Russian commodity market, services and the capital. Connection of Russia to WTO, in particular to the Agreement on agriculture, should render as a whole favorable influence not only on foreign trade in the foodstuffs, but also on development of food system of the country.

Other authors, on the contrary, consider that at full performance of obligations under the introduction into WTO Russia will practically completely lose the rights of regulation of foreign trade and acceptance of measures on protection of a domestic agriculture, i.e. as a whole influence of connection of the country to WTO on a domestic agriculture will be negative. Mechanical distribution of the Uruguayan round rules to Russia on connection to WTO, the countries - exporters developed under influence and accepted without participation of the Russian side, can have negative consequences, fixing an adverse foreign trade mode and to contain requirements on liquidation of subsidizing of the Russian agriculture.

DISCUSSION

According to the Agreement on agriculture the direct export grants given to agriculture, should be reduced for 6 years to 36% counting upon budgetary assignments from a level of the basic period of 1986-1990 and on 21% - counting upon amount of subsidized export of the agricultural goods. But, as shows the analysis of real application of the Agreement on agriculture, even after full realization of all of its positions there is a basis for preservation is appreciable a high level of agrarian protectionism in the country. This circumstance is necessary for meaning at carrying out of Russian negotiations on participation in WTO. Without effective state regulation and protection of a home market the domestic agriculture will not leave from present position which represents the basic threat of food safety of the state. For example, last years budgetary assignments covered only 6-10% of costs of agriculture against 30-50% in the advanced states.

To number of the major positions of WTO it is necessary to relate rules concerning protection of a home market of the country - participant. In extreme cases states - participants of WTO are authorized to apply protective measures in the form of restriction of import of the separate goods if the sizes of import cause or threaten to cause "serious damage" to national commodity producers. "The serious damage" is understood "as essential general deterioration of position in the certain branch of national manufacture". However such measures can be applied only on the basis of the established procedure, should have temporary character and be distributed on all countries - suppliers of the competing goods.

From the point of import of agricultural production the development of the state trade can result that the volumes of production in the market will decrease in comparison with what

could be if on the global market there was a free competition at the equivalent custom duties. Therefore the state trading companies should operate by the precise rules which are not admitting discrimination of other participants of the global agrarian market. Basically, it should result in such situation at which the state trading companies cannot establish the internal price above, than the bottom level of the world price plus the custom duties. Then discrimination of consumers will be removed at a choice of sources of import production. The dealer, offering the bottom world price, will determine a price level on similar production at the domestic market. However, in practice there is no transparency in the state trading companies' activity, therefore frequently it is impossible to track, whether the given rules are carried out by them. Therefore it is necessary to provide more precise monitoring of the state trading companies' activity which should be based on two substantive provisions. First, the internal prices in the importing country cannot be higher, than the world prices with the included custom duties. Second, volumes of imported production should be sufficient for full satisfaction of internal demand for given production under the given price. The given positions are not new; their applications in relation to the state trading companies' activity will be enough for creation of the free competitive environment in the world market of agricultural production.

Among the positions concerning to the export state trading companies' activity, it is necessary to allocate the probable game on a difference of the internal prices and the global prices as the basic potential problem. In general, it is the normal trading practice naturally based on a difference of transport costs, qualitative characteristics and other similar factors. But such situation can be used by the state trading companies for the establishment of the artificial overestimated price level. The given activity already supposing not game on a price level, but price discrimination, is forbidden by the WTO Agreement on agriculture, but in GATT-1994 there is the clause, which allows in some cases to the national governments to adjust the foreign trade activity of individual importers and exporters of agricultural production.

In practice it is difficult to limit this price discrimination. It is especially difficult on the foreign markets where the state trading agencies operate. It is also difficult when the government gives export grants to private trading agencies in the selective order, depending on a direction of their activity. Thus it is much easier to limit the game on various price levels, since export subsidizing is under the positions of the WTO Agreement on agriculture. The state trading agency realizes agricultural production on a foreign market under the higher prices than the internal prices for similar production while internal manufacturers receive the average price of a home market. Thus export of agricultural production is subsidized. In some cases the given kind of indirect subsidizing is more effective for the government, than direct subsidizing of export deliveries. Therefore the following rounds of trading negotiations should take into account such phenomenon, as game on a difference of the internal and external prices.

On results of the Uruguayan round of negotiations there was accepted the decision on reduction of all custom duties on trade in agricultural production on 36% (in the developed countries) with the minimal rate of reduction in 15% for each tariff line. The given position has opened an opportunity for application of non-uniform reduction of the custom duties in relation to various kinds of agricultural production. For example, it became possible for the country to reduce tariffs on the several goods with an initial level of taxation more than 100% to 15% not having reached a level in 36% of average reduction of all import customs rates to have an opportunity of reduction of other tariffs for 2-4% from an initial level. The countries continued to carry out a protectionist policy to the most important agricultural products. The countries used the given flexible system of customs tariffing level reduction differently, but in most cases high tariffs were reduced in much smaller degree, than low tariffs.

Thereof after transitional period on reduction of customs taxation level it appeared that a number of tariffs have remained practically at a former level, and so-called «tariff dispersion», i.e. a difference between levels of separate tariffs, became even more obvious, than prior to the beginning of transition period.

The divergence in tariffing levels of separate agricultural products has a negative effect on the general condition of the state economic system. Such unequal protective rates can deform the character of industrial resources using in agriculture much more essentially, than higher, but the ordered level of customs taxation of import production. In this sense the question on growth of the custom duties inside any certain industrial-marketing circuit is also important.

Depending on a level of again created surplus value by manufacture of agricultural products even insignificant growth of the custom duties in separately taken industrial-marketing circuit can result in much more essential growth of a level of protection. Thereof the exporting countries can meet with difficulties on promotion on the state home market of the advanced product and will be compelled to export not advanced raw material, even in the event that their national process industry is competitive enough on the global agrarian market. The given phenomenon represents a significant problem; in particular, for the less developed countries trying to optimize traditional structure of the export due to growth the shares of advanced agricultural production with a high level of again created surplus value. However, recent researches show that on results of the Uruguayan round of negotiations such escalation of tariffs inside separate industrial-marketing circuits now less often meets in international trade by agricultural production.

Procedure on introduction of such measures should be completely a vowel. The given procedure should consist in informing all interested countries on intention to enter protective measures, in granting really objective proofs of necessity of introduction of such protective measures, in carrying out of public investigation of circumstances of the given affair that would allow the interested sides to state and whenever possible to protect the positions.

Russia for the first time faces with a similar problem at carrying out of a national foreign trade policy. It is natural, that our country needs some time for development of corresponding methodology by definition of damage on the basis of objective parameters. To such parameters concern: rates of growth of volume of import of the corresponding goods; its share in a home market; changes in a level of national manufacture; loading of capacities; dynamics of employment; incomes and losses. Thus it is emphasized, that when quantitative restrictions of import they should not reduce its volume below an average annual level for last three representative years if not it will be proved are entered, that more rigid restrictions are necessary.

In connection with the extremely difficult character of procedure on an establishment of damage from import, and also danger of application of reciprocal measures on the part of the exporter in case of no acceptance of the submitted proofs as the alternative tool of protection antidumping duties can be applied. They also were never used in the Russian foreign trade practice earlier.

It is necessary to note, that down to the present moment a number of the western states continue to apply concerning a lot of the Russian export goods antidumping duties on the basis of positions of the internal national legislation which still considers Russia as the country with a planned economy and market prices. It is natural, that during bilateral negotiations Russia should insist on a cancellation of such positions as our economy has already been recognized market from the side the USA and the European Union.

ESTIMATION RESULTS

By means of statistical model of partial balance of foreign trade for agroindustrial sector of Russia calculations of influence of reduction of import duties (on 36%) on the basic kinds of agricultural production (have been lead within the framework of application of requirements of WTO to agrarian sector of Russia) on volume of import, export, demand, and also for other parameters. According to calculations, reduction of tariffs for all kinds of agricultural production (wheat) up to 15% will result in increase in volumes of import of food stuffs from the countries of far abroad in an interval from 2,7% (sugar). On the average import the countries of far abroad will increase for 6,7%. Simultaneously with it reduction of import the countries CIS in an interval from 0,4% (potato) up to 4,5% (fowl) will be observed.

Alongside with such growth of import of agricultural production there will be an insignificant falling the offer of a similar domestic production in a home market. The greatest recession will be observed in poultry farming (the offer of a bird will be reduced to 1,34%). Practically without changes there will be an offer of wheat, potato, mutton and sugar (the former volume of manufacture of sugar, probably, it will be kept due to increase in import of sugar at a background of falling of processing of sugar beet). Recession in deliveries of the domestic goods on a home market will be to a certain extent compensated by increase in export in an interval from 0,6% (wheat) up to 2,3% (fowl). To the greatest degree growth of export will take place in the countries of far abroad - from 0,5% (dairy products) up to 3,5% (fowl).

The lead calculations for an estimation of effect of influence of a tariff policy on a parameter of "well-being" of economic agents at a various level of market protection show surplus of manufacturers, surplus of consumers, incomes of the state of tariff taxation of import, that at decrease of a level of tariff protection in a prize there are only consumers. Incomes of the state and domestic manufacturers are reduced, hence, their financial condition worsens. Losses of the budget from reduction of import duties on the average in one and a half time are higher than losses of agricultural commodity producers. For economy of Russia it means, that reduction of import duties is undesirable, first of all, proceeding from fiscal, instead of from protectionist reasons.

Thus, realization of the following complex of measures is necessary with the purpose of optimization of character of development of agroindustrial sector of Russia at the introduction into WTO:

the Government of the Russian Federation should have the necessary legislative base harmonized with modern norms and rules of WTO, and the effective machinery of government of regulation of foreign trade activities based on the given legislative base.

growth of the external economic openness of the country should represent the gradual process having the stages and structural features. Such process should develop in close coordination with the general course of transformations of the Russian economy. Foreign experience shows, that protectionist, protective measures to apply as a part of a structural investment policy which should be a part of long-term strategy of economic development more effectively.

it is necessary to form strategy of development of domestic agriculture on the basis of balance of economic interests as the states, and separate groups of businessmen, manufacturers and consumers.

it is necessary to lead complex researches about character and degrees of protection of separate sectors of domestic economy from the point of view of strategy of economic development, to establish limits of possible tariff concessions on which there can be rather without serious consequences our country at the introduction into WTO.

it is necessary to put forward conditions on guarantees of normal development of a national agriculture, thus especially meaning presence of some adverse conditions of manufacture and the general crisis condition of branch. To number of such conditions should concern refusal of obligations on freezing the low customs, and also freedom in an establishment компенсационных gathering and excises.

it is necessary to provide freedom on subsidizing manufacture in view of features of a present condition of agriculture of Russia.

at the introduction of Russia into WTO it is obviously necessary not only the account of specificity of development of our country, but also presence enough long transitional which would allow to lead necessary measures on reduction of the Russian legislation and economic practice to conformity with substantive provisions of WTO.

CONCLUSIONS

Thus, it is obvious, that Russia can enter WTO only on those conditions which suit our country from the point of view of economic safety, do not interfere with carrying out of those structural transformations which will provide to it a worthy place in the world community.

In other words, even at the insufficient degree of reduction process regulation of the custom duties the further trading negotiations under the Russian accession into WTO should concentrate on the decision of two basic problems: on liquidation of a tariff dispersion and restriction of tariff escalation. It is natural, that the agreement on priority decrease of high custom duties that will help to solve a problem of a divergence in tariffing levels various agricultural products should be accepted. It will limit the countries in an opportunity of an establishment of higher protective measures on the priority goods for itself. The similar agreement on industrial products trade has been achieved during the Tokyo round of negotiations so it is obviously possible to make use the given experience to regulation international trade by agricultural production.

For maintenance of really liberal and equal character of international trade with agricultural production it is still required the carrying out of many trading negotiations rounds. But all the same the significant part of work on creation of the free global agrarian market is already made. Further it is necessary only to improve the main principles of WTO and adopt them to constantly varying conditions of modern economic.

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