

УДК 339.5.01

*V. S. Osypenko,
Student of Department of International Economic Relations,
Odessa National Economic University, Odessa
N. V. Korolenko,
Ph.D. in Economics, Associate Professor of Department of International Economic Relations,
Odessa National Economic University, Odessa*

THE MODERN THEORETICAL FEATURES OF NON-TARIFF BARRIERS IN INTERNATIONAL TRADE

*V. S. Osypenko,
студентка кафедри міжнародних економічних відносин
Одеського національного економічного університету, м. Одеса
Н. В. Короленко,
к. е. н., доцент кафедри міжнародних економічних відносин Одеського національного економічного університету, м. Одеса*

СУЧАСНІ ТЕОРЕТИЧНІ ОСОБЛИВОСТІ НЕТАРИФНИХ БАР'ЄРІВ В МІЖНАРОДНІЙ ТОРГІВЛІ

The modern theoretical features of the using of non-tariff barriers in international trade, their classification and basic methods of economic regulation are reviewed in this article. In the course of the study, the main functions of trade barriers, their overall impact on economies of countries.

У статті розглянуто сучасні теоретичні особливості використання нетарифних бар'єрів у міжнародній торгівлі, їх класифікація та основні методи економічного регулювання. В ході дослідження були проаналізовані основні функції торговельних бар'єрів, їх загальний вплив на економіку країн.

Key words: *international trade, foreign economic activity, non-tariff barriers, non-tariff measures, trade policy, economic security of trade policy.*

Ключові слова: *міжнародна торгівля, зовнішньоекономічна діяльність, нетарифні бар'єри, нетарифні заходи, торгова політика, економічна безпека торговельної політики.*

Introduction

Every country operates in its own legal environment. Its government is actively intervenes and puts under a strict control the international trade relations and monetary and financial relations, which are connected with trading operations. This intervention and control differ significantly from the degree and nature of those applicable to domestic trade.

Regulation of international trade supposes purposeful influence of the state on trade relations with other countries. The main goals of foreign trade policy are: the volume change of exports and imports; changes in the structure of foreign trade; providing the country with the necessary resources; the change in the ratio of export and import prices.

In modern conditions, non-tariff barriers are one of the key tools of foreign trade policy in different countries. At the same time, many experts recognize that non-tariff barriers restrict trade between countries much more than import duties.

In some cases, the use of non-tariff methods, with a relatively liberal customs treatment, can lead to a more restrictive nature of state trade policy as a whole.

The issues of definition of the concept of "non-tariff barriers", their classification, as well as the impact on trade and welfare of different countries (from the theoretical point of view) were considered in the works of B. Bohr, A. Kuvahara, S. Laird (2002), R. Vossenaar (1991), A. Derodof and R. Stern (1998). In these works, the authors use different concepts of non-tariff barriers and their classification, which do not always take into account the nature of the impact of non-tariff measures on trade between countries, as well as the various forms of non-tariff measures that are used in the modern world.

Among national scientists who studied non-tariff barriers and their impact on the economy, it is worth mentioning A.P. Borisenko [5] and N.V. Shcherbatyuk [6]. However, as analysis of the carried out researches shows that today the study of trade barriers is reflected superficially, without taking into account modern theories of transaction costs, eurologistics etc.

Thus, the importance of the problem and its insufficient theoretical thoroughness predetermine the relevance of the research topic.

Statement of the task

The purpose of the article is analyzed modern theoretical features of the using of non-tariff barriers in international trade.

Results

Modern systems of state regulation of foreign economic activity have complex historical, economic, political, social roots and affect virtually all spheres of society. In the arsenal of states there are powerful economic and administrative, tariff and non-tariff instruments for regulating foreign economic activity, which they use to solve the tasks of foreign and domestic policy, for a comprehensive solution, along with economic, social and other tasks, for example, environmental.[4]

Non-tariff restrictions are carried out by administrative, financial, credit and other methods, they accrue more than 800. Non-tariff restrictions are widespread in trade practice. Currently, more than half of world trade is the subject of non-tariff barriers which creates a major threat to the world trading system.

The spread of non-tariff restrictions is due to the fact that their introduction is a privilege of the government and they are not regulated by international agreements. Governments may freely apply any non-tariff barriers that are not feasible with regard to tariffs regulated by the WTO. In addition, non-tariff barriers usually do not lead to an immediate increase in the price of goods, and therefore the consumer does not feel their influence as an additional tax (when the tariff is introduced, the price of the product increases by the amount of duty). In some cases, the use of non-tariff methods in a relatively liberal customs regime can lead to a more restrictive nature of the state trade policy in general.

There are also different approaches to the interpretation of both criteria and signs that form both the concept of measures of non-tariff character, and this concept. For example, J. Walter defines non-tariff barriers in world trade as "all private and government funds and activities, with the exception of the customs tariff, which serve to restrict the size, strain the structure and directions of global flows of goods and services.

"UNCTAD lists non-tariff restrictions to "all types of regulation, action or other procedures undertaken by Governments that may have a restrictive effect on international trade".

Researchers Alan Deardorf and Robert Stern in their work on non-tariff measures, published by the Economic Department of the OECD, note that "the main difficulty in considering non-tariff barriers is that they are determined from the reverse. That is, non-tariff barriers include all barriers to trade that are not tariffs. In fact, they are even wider in content, since the term is often used in relation to such forms of trade interference as export subsidies, which serve more to stimulate trade rather than hinder it and therefore are not "barriers" for trade. Thus, non-tariff barriers include such well-known restrictive trade measures as quotas and voluntary export restrictions [6].

In foreign literature, the theoretical aspects of the impact of non-tariff measures on trade and the welfare of countries are mainly considered by the example of only several types of non-tariff measures, such as: dumping, technical barriers, import quotas, export duties and export subsidies. However, it should be noted that in addition to the non-tariff measures outlined above, they also include other types of regulatory policy of the state, such as restrictions on after-sales service of goods, measures aimed at the mandatory use of the services of domestic companies in building production processes, etc. In turn, each of the measures has its own peculiarities of influence on trade and well-being between countries. For example, the application of anti-dumping duties leads to a reduction in trade between countries. At the same time, the initiation of anti-dumping investigations may also lead to a reduction in imports of goods into the country initiating an investigation. Thus, in work of Lu, Tao, and Zhang [2013], US authors have shown that American anti-dumping investigations (i.e., the procedure itself) reduced trade volumes between the US and China, and also negatively affected the number of Chinese exporters in the United States.

In work of Bora, Kuvahara, Laird (2002), the authors also agree that non-tariff measures include only export restrictions and subsidies as well as import measures. In this case, the classification of non-tariff measures involves five groups of non-tariff measures: measures aimed at import regulation, measures aimed at regulating imported

goods prices, monitoring measures (eg anti-dumping investigations), measures aimed at increasing production and exports, and technical barriers. In work of Donnelly, Manifold (2005), the classification of non-tariff measures by the authors further includes corruption. However, corruption in itself is not part of the state's economic policy, while non-tariff measures are primarily economic policy measures.

The UNCTAD (UNCTAD, 2013) study uses detailed and current classification of non-tariff measures, including various non-tariff measures, taking into account the specifics of their impact on trade and the welfare of countries. The classification consists of 16 groups of non-tariff measures, which are further subdivided into their subgroups. At the same time, non-tariff measures are defined as measures of economic policy that are different from conventional tariffs that can potentially have an economic effect on international trade in goods, varying trade volumes or prices, or volumes and prices at the same time .

Thus, from the examples above, we can conclude that in part definitions of non-tariff measures overlap, however, the most complete definition and classification of non-tariff measures is given by UNCTAD (see Table 1). In addition, it is expedient to add into this classification the elements from the work of Staiger (2012) : the separation of non-tariff measures into "border" and "intrastate", which will allow to pre-evaluate the impact of non-tariff measures on trade [4].

Table 1. Definition and Classification of non-tariff barriers

Work	Classification	Definition
UNCTAD, 2013	The definition of non-tariff measures is given with taking into account the specifics of their influence on trade	The definition reflects not only those measures that are understood to be non-tariff, but also takes into account the specifics of the application of these measures. The classification is detailed and takes into account all possible options for non-tariff measures, but it does not imply definition of the subjects to which the measures are applied (all producers or only foreign producers)
WTO classification (developed by the GATT, 1979)	Extensively defines the term non-tariff measures, dividing them into 5 categories	At the moment, this classification has been updated to a new version (upgraded by UNCTAD). The original version did not take into account some aspects of modern non-tariff measures
Donnelly, Manifold, 2005	The definition of non-tariff measures includes a fairly broad range of measures, including qualitative characteristics of economic policy in general	Corruption refers to non-tariff measures. However, corruption is more a characteristic of the quality of the state apparatus
Staiger, 2012	Non-tariff measures are all measures, except tariffs, that can affect trade flows	Extensive and indistinct definition. Nevertheless, the classification of measures intersects with the classifications of other authors, it is difficult to apply in practice
Deardorff, Stern, 1998	Expand the essence of non-tariff measures, including in their definition export subsidies	The definition is close to reality, the classification is true, but not detailed enough
Bora, Kuwahara and Laird, 2002	Non-tariff measures include both export restrictions and subsidies, and import restrictions	The concept of non-tariff measures is too broad
Laird and Vossenaar, 1991	A fairly broad definition of non-tariff measures in accordance with their direct impact on trade (5 categories of measures)	The classification of measures is obsolete, since it does not take into account new types of non-tariff measures (for example, requirements for a local component)

Source: compiled by the authors.

Among other classifications, it is worth highlighting A.M. Gnizdilov. In his opinion, non-tariff barriers, that are used in the regulation of international trade can be divided into two large groups:

1. Economic non-tariff methods of regulation are:

- paratary instruments;
 - measures to stimulate exports.
2. Administrative non-tariff barriers are:
- embargo;
 - quantitative restrictions;
 - monopolistic means;
 - use with protectionist purpose of standards and technical norms, additional customs documents and procedures;
 - legal regimes;
 - trade agreements;
 - various types of control [2].

However, according to the universality of the use of para-tariff tools, because of their specificity and the large set of tools, it is proposed to consider them as an intermediate link between tariff and non-tariff methods of regulation of foreign economic relations.

According to Dudchak's definition, para-tariff measures are payments and fees from the goods crossing the customs border, with the exception of the customs tax. Paratary barriers are quite common in the financial system of developed countries, and are often used as an alternative to protectionist measures, within the framework of the general liberalization of the international economic system.[5]

According to the Ukrainian scientist Borisenko O.P., the paratary measures, that regulate trade relations between the countries, should include the value-added tax, excise tax, port duty, direct customs valuation, other internal import and equalization taxes and fees, incentive measures export (dumping, subsidies, export lending) [1].

Among the wider classifications of international trade barriers, it is worth highlighting the approach of I. Ivanov, who proposes to break the barriers of international trade as a set of components of certain spheres of the national economy:

- ✓ tariff regulation
- ✓ non-tariff measures
- ✓ FEA infrastructure
- ✓ customs administration;
- ✓ investment climate [3].

Considering the need for a more complete and qualitative classification for trade barriers, on the basis of a modern approach, it is proposed to use an improved classification of trade barriers:

1. Barriers that are deliberately used by the state (direct barriers) are:
 - 1.1. Tariff barriers;
 - 1.2. Para-tariff barriers;
 - 1.3. Non-tariff barriers;
2. Barriers to which the state has indirect influence (hidden barriers) are:
 - 2.1. Transaction barriers
 - 2.2. Logistic barriers
 - 2.3. Monopolistic barriers

According to Brent Radcliffe, the main reasons that cause direct trade barriers are:

1. Protection of the national labor force;
2. Protection of national consumers;
3. Protection of national industry;
4. Use of trade barriers to enhance national security;
5. Take action [7].

Thus, we can state the existence of a multivariate of scientific views in this field. However, it is not denied that the legal uncertainty of definitions, which increases the subjectivism of interpretations, makes it difficult to study non-tariff measures scientifically.

In our view, the term "non-tariff measures" (as basic) and "non-tariff restrictive practice", as a similar and at the same time the term reflecting the dynamics in the modern economy, should reflect the processes of globalization (interconnectedness of the subjects of the world economy while preserving a certain national independence in questions of participation in MRI), the focus on the rationalization of international exchange in the interests of maintaining stability and the development of the world reproductive process. In addition, it is proposed to maintain a combination of the two most common approaches to understanding non-tariff measures. First, their definition is different from customs tariffs. Secondly, their normative regulation is in specific agreements. These are measures that are permissible both in terms of the WTO and measures prohibited by the WTO agreements. In addition, in the concept of non-tariff measures, it is also expedient to include special tools that influence the development of non-tariff regulation, for example, voluntary export restrictions.

It should be noted that at this stage of economic development, connected with the processes of globalization and internationalization, there is no country with an economy of pure protectionism or a pure liberal trade policy. In

order to maintain the balance of the trading apparatus, developed countries use a mixed foreign trade policy. This mechanism is most effective in current period of world economic development.

Conclusions

Thus, analyzing the foregoing, we can say that at the moment, international trade barriers are constituents of national economies. In recent years, the use of non-tariff and hidden regulatory methods has become increasingly popular, allowing the national producer to be protected without violating international agreements. Non-tariff measures represent a large group of various measures and measures of trade, financial, administrative, environmental, health and other policies. These measures are aimed at regulation of foreign trade, as well as creating obstacles in the field of international trade.

Solution of problem of trade barriers needs a comprehensive approach, and their use can have an impact on both economic growth and the economic downturn. Therefore, the implementation of one or another national trade policy should be balanced and confirmed by deep economic research.

Literature.

1. Борисенко О. П. Нетарифні заходи державного регулювання зовнішньоекономічної діяльності в Україні: проблеми та шляхи вирішення / О. П. Борисенко. // Аналітика і влада: Журнал експертно-аналітичних матеріалів і наукових праць Інституту проблем державного управління та місцевого самоврядування. – 2011. – №4. – С. 188–194.

2. Гніздилов А. М. Нетарифне регулювання у сфері зовнішньоекономічної діяльності: методи та інструменти / А. М. Гніздилов. // Вісник Академії митної служби України. Серія: "Державне управління". – 2010. – С. 35–42.

3. Іванов Є. І. Теоретичні засади комплексної системи зовнішньоторговельної політики держави / Є. І. Іванов. // Міжнародні економічні відносини. – 2014. – №3. – С. 59–66.

4. Судаков С.С. Оценка влияния нетарифных мер на торговлю: обзор эмпирических работ / С.С. Судаков // Экономика и предпринимательство. – 2015. – № 6 (ч.1) (59-1). – С.169 – 175.

5. Щербатюк Н. В., Чичирко С. В. Методи кількісного обмеження в Україні / Н. В. Щербатюк, С. В. Чичирко // Юридичний вісник. Повітряне і космічне право. – 2013. – № 3. – С. 79-83.

6. Deardorff A.V., Stern R.M. Measurement of Non-Tariff Barriers // Economic Department Working Papers. - 2006. -№ 179.

7. Radcliffe Brent. The Basics Of Tariffs And Trade Barriers [Електронний ресурс] / Brent Radcliffe. – Режим доступу до ресурсу: <http://www.investopedia.com/articles/economics/08/tariff-trade-barrier-basics.asp>.

References.

1. Borisenko, O.P. (2011), "Non-tariff measures of state regulation of foreign economic activity in Ukraine: problems and solutions", *Analytics and Power: Journal of Expert-Analytical Materials and Scientific Papers of the Institute of Problems of Public Administration and Local Self-Government*, vol. 4, pp.188-194.

2. Gnizdilov, A.M. (2010), "Nontariff regulation in the sphere of foreign economic activity: methods and tools", *Bulletin of the Academy of Customs Service of Ukraine*, pp. 35-42.

3. Ivanov, E.I. (2014), "Theoretical Foundations of a Comprehensive System of Foreign Trade Policy of the State", *International Economic Relations*, no. 3, pp. 59-66.

4. Sudakov, S.S. (2015), "An assessment of the impact of non-tariff measures on trade: an overview of empirical work", *Economy and entrepreneurship*, no. 6 (part 1), pp.169 - 175.

5. Shcherbatyuk, N.V. and Chichirko, S.V. (2013), "Methods of quantitative restriction in Ukraine", *Juridical Visnyk*, vol. 3, pp. 79-83.

6. Deardorff, A. and Stern, R. (2006), "Measurement of Non-Tariff Barriers", *Economic Department Working Papers*, no. 179.

7. Radcliffe, B. (2008), "The Basics Of Tariffs And Trade Barriers", *Investopedia*, [online], available at: <http://www.investopedia.com/articles/economics/08/tariff-trade-barrier-basics.asp> (Accessed 22 Jan.2015).

Стаття надійшла до редакції 07.04.2018 р.