Современные реалии мировой экономики

RUSSIA AND VENEZUELA AS MEMBERS OF THE WORLD TRADE ORGANIZATION

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There are a number of ways of looking at the World Trade Organization (WTO). It is an organization for trade opening. It is a forum for governments to negotiate trade agreements. It is a place for them to settle trade disputes. It operates a system of trade rules.

Essentially, the World Trade Organization is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the world's trading nations and ratified in their parliaments. The official goal of the organization is to help producers of goods and services, exporters and importers conduct their business.

Over three quarters of the WTO members are developing or least-developed countries. They play an increasingly significant and active role in the WTO because of their numbers and growing importance in the global economy.

Developing countries are a highly diverse group often with very different views and concerns. Although there are some countries which have more similarities than we can imagine at first sight. This is the case with Russia and Venezuela.

To begin with, both countries are rich in natural resources: Venezuela has the largest oil reserves in Latin America and the Caribbean and second world's largest - 211.2 billions of barrels. Russia's proved reserves are also one of the world's largest and totaled 60.0 billions of barrels in 2012. As for natural gas, Russia held the world's largest reserves, with 47,8 trillion cubic metres, as of January 1, 2013. Venezuela at the same time ranked 8th in the list, with 5,524 trillion cubic metres.

Thus, Venezuela and Russia have immense potential which they have not fully realized yet.

On the economic front, these two countries have benefited from the historically high international oil prices of the past decade, which have enabled increased government spending on ambitious programs. In addition, they have faced serious challenges connected with the lowest for four years oil prices.

What is more, both Russia and Venezuela have difficulties with strategically important for every country agricultural sector. They tend to be net importers of agricultural production while being self-sufficient in this field is a matter of a national security.

It is needed to say that Venezuela, being a member of the WTO since its establishment, has a significant experience in negotiations within the framework of the WTO, especially in agricultural negotiations. This question may be of a great interest for Russia which is a newcomer to the organization.

The significant changes experienced by Venezuela in recent years have had an important impact on the structure and the position it has adopted in trade negotiations, especially in agricultural negotiations. These changes can be classified in three major areas:

-Political: Hugo Chávez was a president of Venezuela during the period 1999 -2013;

-Constitutional: these changes were aimed at achieving national self-sufficiency in agricultural sector and promoted the development of national farming production;

-Institutional: this part implies the merger of the ministries of Agriculture and Commerce into a single institution in order to improve its efficiency.

Venezuela's position since becoming part of the WTO in 1995 until the beginning of a new round of agricultural negotiations in the first quarter of 2000 could be classified as evolving from ‘moderate offensive' to ‘moderate defensive'. In general terms, before 2000 Venezuela requested the opening of developed countries' markets, in exchange for a moderate opening of Venezuela's domestic market.

After the beginning of the new round of negotiations, Venezuela's position became considerably more, even totally, defensive. Some of the elements of Venezuela's current position are the following:

- favouring the interests of primary agricultural producers over those of the agro-food industry (the private sector);
- making no compromises further than a limited tariff reduction for some specific products;
- making more effective use of the mechanisms of special treatment;
- having longer transition periods;
- maintaining agricultural safeguards;
- emphasizing resolving the problems of rural poverty, unemployment, food supply and the environment;
- applying a tariff reduction formula with low impact on the primary agricultural producers;
- eliminating export subsidies and reducing trade distorting measures of domestic support in developed countries.

It results from the emphasis on the political and the ideological issues in negotiations, especially the first and the last points.

It is clear that there are many lessons that could be learned from Venezuela's WTO negotiations' experience in order to improve Russian future WTO negotiation process.

Several key points should be highlighted:

- Public officials need to consult frequently with the private sector with regard to aspects of negotiating that affect their performance, and also to have a better understanding of the different strategies and alternatives that can be carried out.
- The construction of communication channels between them is a common responsibility of both public and private sectors. The negotiations will be organized in the national interest if the representatives of the public and private sectors agree on a minimum consensus base.
- The organization of teams with relevant experience in the different areas of trade negotiations is a priority, as frequent changes of institutions and removal of public officers place the country at a disadvantage.
- A consensus in agriculture-related issues should be reached between the public and private sectors; this is needed in order to strengthen negotiations and their results.

Major points for public-sector participants' actions include:

- High-level officials involved in negotiations need to review carefully the positive and negative implications for the economy as a whole, as well as reviewing in detail WTO agreements in order to have a better understanding of the legal scheme of negotiations.

- The politization of technical negotiating teams should be avoided.
- Co-ordination between ministries should be improved, and officers need to know clearly who is in charge of the final decision-making process.
- The key points for the private-sector actors could be the following:
- Improvements in communication should be made inside and between private-sector associations, in order to balance the interests of the primary producers and the representatives of the private agro-food sector.
- Some associations need more trained staff in order to follow properly the negotiating process.
- Associations need to improve collaboration with their members in order to represent their interests in a more effective manner, keep members informed of what is being negotiated and obtain their support when dealing with the government.

In conclusion, the lessons for Russia are clear. There should be concentration on communication flows, the development of human resources for negotiations, the need to establish positions supported by domestic consensus and on the avoidance of politization by both the public and the private sectors.

Thus, position of the state should be developed separately from a governmental one, and private-sector associations should carefully navigate the waters of domestic politics in order to have the right to participate in shaping country's position in commercial negotiations at the WTO, particularly agricultural issues.

The problem is to apply the learned practices correctly.

Источники и литература

1) Rita Giacalone and Eduardo Porcarelli. Public and Private Participation in Agricultural Negotiations: The Experience of Venezuela
2) World Trade Organization Trade Profiles 2014
3) The CIA. The World Factbook. URL:https://www.cia.gov/library/publications/the-world-factbook/rankorder/rankorderguide.html
4) The WTO. URL: http://www.wto.org/english/thewto_e/whatis_e/who_we_are_e.htm

Иллюстрации

	2013		2013
Share in world total exports	2.78	**Share in world total imports**	1.82
Breakdown in economy's total exports		**Breakdown in economy's total imports**	
By main commodity group (ITS)		By main commodity group (ITS)	
Agricultural products	5.7	Agricultural products	13.0
Fuels and mining products	71.4	Fuels and mining products	3.0
Manufactures	19.3	Manufactures	75.3

Рис. 1. Structure of total exports and total imports in Russian Federation

	2013 b		2013 b
Share in world total exports	0.47	**Share in world total imports**	0.28
Breakdown in economy's total exports		**Breakdown in economy's total imports**	
By main commodity group (ITS)		By main commodity group (ITS)	
Agricultural products	0.1	Agricultural products	18.7
Fuels and mining products	98.1	Fuels and mining products	1.7
Manufactures	1.8	Manufactures	62.9

Рис. 2. Structure of total exports and total imports in Venezuela