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FEATURES OF TRADE POLICY INSTRUMENTS' APPLICATION FOR ENSURING FOOD SECURITY IN RUSSIA

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ABSTRACT

The problem of providing the population with varied food supplies in a fair number and quality does not lose its topicality during several decades. In Russia there are contradictions between liability solution of a problem of food supply security and insufficiently effective application of trade policy tools, on the one hand, and also dynamic application of policy import substitution as basic mechanism for providing an internal market with the food supplies and existence of banning on application of limiting and discriminating measures as part of WTO, on the other hand. These contradictions have caused a problem of investigation: how the tools of trade policy used by Russia in aid of implementation food security are much effective? In the article the indispensability and possibility of creation effective system of trade policy tools in aid of providing food security of the Russian Federation by integration global, national and regional measures of regulation the food supplies market is proved.

KEY WORDS

Economic security, trade policy, tariff, regulation, WTO.

The level of providing with food stuffs is in direct dependence on condition of food security of the state which, in turn, is an integral part of national security. Improvement a condition of food security is a high-priority social and economic problem on which decision depends not only progress of the specific state, but also economic, social stability and a security of regions and all world as a whole. As of today providing food security becomes complicated owing to instability of the economic strained of political conditions in some regions, ecological and natural cataclysm, reductions of natural resources.

With a view of providing food security of the country, Russia long time imported production of agriculture. Until recently the fraction of the import food supplies exceeded 40 %, that almost twice above norm for providing a food security. By doing so Russia significantly has undermined the industrial potential of agrarian and industrial complex and has weakened the food independence.

Objective of the given research is the assessment of influence of tools of trade policy on providing food security of Russia.

Theoretical base of research works of scientists-economists on studying a problem of providing food security (Howse R., Josling T. have made, A.I.Altukhov, E.L.Aron, D.F.Vermel, etc.) [1-4].

At the same time not all aspects of the problem are studied full-scale, some questions do not find the unequivocal solution and require the profound research. Now there is no uniform definition of the term «a food security». Some authors reveal an indispensability of participation of Russia in the foreign trade colleges, (for example, in WTO) [5]. Others prove, that participation in WTO is rendered with negative influence on a condition of a food security of the country, as worldwide trading organization does not carry out of the obligations taken on that calls into question its efficiency [6]. As the interoperability between organizational structures of food system (managing subjects, controls) is realized by means of the economic mechanism which is carried out through price control, tariffs, customs rates the further development of a problem of efficiency of the commercial policy tools used by Russia with a view of providing food security is necessary.

The concept «food security» for the first time has appeared after grain crisis of 1970th years in connection with the food inequality which has arisen between industrialized countries and the countries of «the third world» owing to absolute overproduction of the food supplies in industrialized countries and thus of mass famine in the countries of «the third world». The term «food security» has been stated by the Food and agricultural organization of the United Nations Organization (UNO) at Worldwide conference on problems of the food supplies in 1974 in Rome as « supply at all times and all over the world appropriate basic food stuffs in volumes, sufficient for providing steady growth of consumption of the food supplies and regulation of fluctuations of manufacture and the prices » [7-9].

State regulation of foreign trade activities plays a major part in providing food security of each country. The policy of the state within the limits of commerce in the food supplies can or strengthen competitiveness of national agricultural branch, render necessary support to internal agricultural manufacturers and provide economic and physical availability of the qualitative food supplies, or turn the country into dependence on import food stuffs.

With objective of protection of the national market of agricultural production, the state applies tariff restrictions. Application of tariff restrictions is the lever of state regulation of the foreign trade activities, directed on protection of home market of the country by use of export and import duties [10].

The main element of tariff regulation is the customs tariff. Since joining the World Trade Organization in 2012, the Russian Federation had to reduce import duty rates for more than 700 items of goods, including agricultural products. Despite the agricultural potential of the Russian Federation, such constraining factors as low efficiency of agricultural technologies, high cost of national food, low competitiveness of domestic food products, weak state support, make agricultural imports profitable. That is why low tariff rates and high quotas on agricultural products, on the one hand, reduce food security due to the displacement of national producers and the destruction of the agricultural sector, and, on the other hand, increase the volume of economically accessible food on the Russian market.

From all of the above, it can be concluded that tariff regulation is an effective instrument of trade policy of each country. Nevertheless, the role of tariff regulation in developed countries has recently declined markedly due to international agreements to reduce tariffs in trade within the World Trade Organization. Moreover, on the one hand, the tariff regulation of the Russian agricultural market is limited by strict fulfillment of obligations under the World Trade Organization, and on the other hand, low tariff rates for food imports and high quotas on the domestic market of Russia are justified due to the insufficient level of development of agricultural branch of the country and weak state support. That is why it is necessary to use additional instruments of trade policy, such as non-tariff regulation.

So, according to the United Nations Conference on Trade and Development, the share of non-tariff measures in agricultural trade among countries with a high level of economic development is 20%, while the share of tariff restrictions is 9% [11, 12].

In accordance with the classification of the United Nations Economic Commission for Europe, there are three main groups of non-tariff measures of state regulation of foreign trade: measures of direct restriction (quoting, licensing, special measures); customs and administrative formalities (certification, sanitary and epidemiological control, veterinary supervision, and quarantine phytosanitary control); other non-tariff methods (currency control).

One of the most common measures of non-tariff regulation is subsidizing. To date, subsidies for soft loans, land reclamation projects, current infrastructure repairs, etc. are being applied in Russia. So, according to the Ministry of Agriculture of the Russian Federation, in 2017, 15.43 billion rubles were allocated for subsidizing short-term soft loans and 5.86 billion rubles for investment in soft loans [13]. Moreover, the agricultural sector is being supported in the regions of Russia. In our opinion, of all non-tariff instruments for regulating food trade, it is advisable to increase subsidies as the main measure of protection of the domestic food market.

To gradually solve the problem and ensure the food independence of the Russian Federation, the Government of Russia has taken a policy of import substitution.

In 2015, the Presidential Decree was adopted to amend the National Security Strategy of the Russian Federation until 2020, which describes the main directions and measures to ensure national food security [14,15]. The updated version of the National Security Strategy identifies the priority economic, environmental and agricultural measures necessary to strengthen the country's food security and ensure food independence.

Conclusion. Tariff regulation is an effective instrument of trade policy, but its actions are limited by Russia's obligations under the World Trade Organization. As the main measure of non-tariff regulation of trade it is advisable to increase subsidies to protect the domestic food market and attract new personnel and improve the infrastructure of the agro-industrial complex.

Summing up, we can say that in the Russian Federation since 2009, the policy of ensuring food security and independence of the country is actively pursued through the achievement of import substitution in the agricultural sector. To this end, the Government of the Russian Federation constantly develops programs and strategies and applies state regulation measures to develop the country's agro-industrial complex, increase its food potential and increase the competitiveness of the domestic industry.

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