

NATIONAL AND INTERNATIONAL ORGANIZATIONS –COORDINATORS OF ECONOMIC ACTIVITY

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ABSTRACT

The article provides an overview of the legal status of organizations established to facilitate trade and organization business in general. A comparative analysis of the functions of organizations established at the national and international levels is done. The reasons for creating such organizations were identified. The tendency to increase the number of coordinators of economic activity in the Russian Federation was indicated.

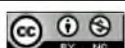
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INTRODUCTION

The right to associate is one of the basic political human rights and is recognized in the majority of countries [1]. At the same time, the consolidation of this right in the constitutions of various states contributed to its development in relation to various spheres of public life. Does not act as an exception and the association of entrepreneurs which are established to help and facilitate economic activities. These organizations are not a novel of modern times, but have their own history. Even in ancient Roman law, professional associations of artisans and traders were mentioned. They served as a prototype of modern trade facilitation associations [2]. In the Middle Ages associations of urban craftsmen helped to protect their interests, including in the conditions of competition from their colleagues from neighboring villages and cities.

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In the context of growing complexity of economic interrelations and intensification of economic competition, the need for such associations is only growing. The processes of globalization of the last decades have sharply increased the need for coordination of business entities activities. This process takes place both nationally and internationally. As a result, the role of antimonopoly authorities is growing. Legal regulation of the economic sphere in Russia is at the stage of systemic formation. Consequently, the organic incorporation of such organizations into the Russian legal and economic systems is particularly actual.

MATERIALS AND METHODS

Various general scientific methods and the methods of logical cognition are used in the work: analysis and synthesis, systemic, functional and formal-logical approaches. The development of conclusions was facilitated by the application of formal-legal and comparative-legal methods.

RESULTS AND DISCUSSION

The first European coordinator of economic activity can be considered the Paris candle guild, created in 1061. In 1774, the Continental Association was established in America. In order to support American goods, it organized a boycott of British goods and directed it. Members of the association were obliged to monitor the customs documentation, publicize the names of merchants who violate the boycott agreement, confiscate the goods imported by them and encourage savings, thrift and diligence [3]. The fast development of organizations that promote entrepreneurship, have been, since the second half of the twentieth century. The reason for this is a significant acceleration of the globalization of trade.

At present, two significant levels of this kind of coordination can be distinguished: international (implemented by international organizations) and national (implemented by the organizations of the respective state).

Traditionally, international organizations - coordinators of economic activities exist in the form of non-commercial legal entities. However, in modern conditions there is a development of specific mechanisms of this coordination, in particular, in the form of commercial organizations. These include the format of the European company (SE) [4], which is organized in the form of a legal entity with share capital as the most adapted, from the point of view of financing and management. At the same time, the purpose of introducing such a format into European law is to help form large enterprises with a broad economic potential. This is neces-

sary for them to successfully compete in world markets with their American and Japanese competitors.

In the legal science there is a general tendency to unify the legal regulation of entrepreneurial activity [5]. International coordinators of economic activity base their legal personality on supranational law and order. As a consequence, they are spared the problems which associated with differences in domestic legislation. Consequently, these organizations are more suited to the tasks of promoting foreign economic relations. They are directly focused on coordinating specifically foreign economic activity, which corresponds to the economic situation in the world.

The most influential and significant supranational organizers of foreign economic activity are Grain and Feed Trade Association (GAFTA) [6], International Federation of Consulting Engineers (FIDIC) [7], ORGALIME (derived originally from the French *Organisme de Liaison des Industries Métalliques Européennes*) [8], European Economic Interest Grouping (EEIG) [9], the International Cotton Association (ICA) [10].

Gafta can trace its origins back to 1878, when the London Corn Trade Association (LCTA) was established by members of the corn trade to protect their interests. The LCTA sought to achieve this through the adoption of standard forms of contract, drawn up by the association, with any disputes arising out of these contracts being settled by arbitration rather than legislation. Disputes were referred to London and conducted under English Law.

In 1906, a group of traders broke away from the LCTA and formed a new more specialized association, the London Cattle Food Trade Association (LCFTA), for those trading in vegetable proteins used as animal feeding stuffs. In 1965, the LCFTA dropped 'London' from its title, reflecting growing internationalization. In 1969, merger talks commenced between the LCTA and CFTA. The outcome of these talks was the formation of a new joint association, the Grain and Feed Trade Association in 1971.

The modern Association has significantly expanded its activities. GAFTA develops and successfully applies the standard forms of contracts for grain and feed trade (80% of all trade is carried out using these standard contracts). In addition, the organization collects and disseminates information on trends affecting the international grain trade; monitors civil and international law, health regulation in the agricultural sector of the economy, and also reviews agricultural policies and customs regulations. Finally, it lobbies the interests of its members in the World Trade Organization (WTO), as well as the Food and Agriculture Organization of the United Nations (FAO), and the World Health Organization (WHO).

International Federation of Consulting Engineers was founded in 1913. FIDIC is charged with promoting and implementing the consulting engineering industry's strategic goals on behalf of its Member Associations and to disseminate information and resources of interest to its members. Today, FIDIC membership covers 104 countries of the world.

FIDIC, in the furtherance of its goals, publishes international standard forms of contracts for works and for clients, consultants, sub-consultants, joint ventures and representatives, together with related materials such as standard pre-qualification forms.

Machinery is the largest industrial sector in the EU, with a trade turnover of about € 2,000 billion in 2016. This industry accounts for more than a quarter of industrial production and a third of industrial exports from the European Union. Therefore, the Organization for the Coordination of the European Metalworking Industry (ORGALIME) is especially significant. Orgalime is the European federation representing the interests at the level of the EU institutions of the European mechanical, electrical, electronic and metal articles industries as a whole. A Secretariat currently numbering 30 deals with the numerous policy issues that are of direct interest to industry.

This coordination structure provides its members with information on the activities of the European Union and international organizations. It provides a wide range of specialized services in various industries, in particular for monitoring, analyzing and disseminating relevant information and for organizing congresses and other events. In addition, ORGALIME develops universal conditions and model documents that assist in concluding business contracts, as well as practical recommendations on legal issues, including in the context of European directives and regulations.

European Economic Interest Grouping (EEIG) - the first supranational coordinating organization in Europe. This organization is built on the general principles of the so-called "groups of economic interests", known in France since 1967 [11]. Its goal is to implement activities that facilitate development of economic activities of its participants, as well as improve and increase the results of these activities. The goal of the European Union is not to derive profit for itself. The activities of the European association should be related to the activities of its participants and is nothing more than a concomitant of this activity.

The International Cotton Association (ICA) was established in 2004 on the basis of the Liverpool Cotton Association, which has a 177-year history.

The objectives of the ICA are: promoting fair trade between buyers and sellers of raw cotton; reduction of risks present in the international cotton trade, support of the philosophy of non-

inviolability of contracts for all parties; securing trade rules supported by a simple standard form of the ICA international cotton contract; the provision of arbitration services and the publication of decisions that can be enforced in many countries of the world; providing protection for all parties and members of the Association.

Today, the majority of the world's cotton is still traded internationally under ICA Bylaws & Rules. The rules have changed with time, but their aim remains the same – to create a safe trading environment. The ICA now has more than 550 members and its membership spans all corners of the globe and represents all sectors of the supply chain. The ICA operates on a not-for-profit basis and, in addition to its Bylaws & Rules, it offers a range of services – arbitration, training, trade and networking events, plus cotton testing and research via ICA Bremen. The second level of coordination of economic activity – national. Despite the evolution of international coordinators, it remains, certainly, significant in the context of intra-state economic relations.

Among such coordinators are the American National Futures Association, the American Marketing Association, the Confederation of British Industry, the EMarket Services Association, the London Association of Rubber Trade, the London Cocoa Association, the Lumber Trade Union of the United Kingdom, the British Wool Confederation and others.

The National Futures Association was established in 1982. It is an industry self-regulatory organization in the US futures market. The essence of its activities is to identify best practices in protecting the rights of investors in the futures market and the dissemination of this practice throughout the industry. Membership in this organization for individuals working on American futures exchanges is mandatory.

Established in 1937, the American Marketing Association is a voluntary association of marketers, designed to promote business growth and enhance the role of marketing.

The Confederation of British Industry, established in 1965, is designed to ensure the interests of firms at the regional, national and international levels. As the organization proclaims, it works with business and the state to create favorable conditions for enterprises of all sizes and industries in order to succeed and create a prosperous society.

Association EMarketServices unites participants of the market of electronic trade in the countries of the European Union. This project was created by trade promotion organizations from Australia, Holland, Iceland, Italy, New Zealand, Norway, Spain and Sweden. The task of EMarketServices is to facilitate the use of electronic markets for international business, especially small and medium-sized ones.

In Russia, the following associations are currently operating - business coordinators: the Association of Russian Banks, the Association of Advertising Distributors, the Association of Russian Forwarders, the Union of Transport Workers of Russia, the Russian Union of Industrialists and Entrepreneurs, the Russian Union of Juice Producers, the Russian Union of Exhibitions and Yards and other.

Coordination of economic activities can occur for good purposes. When coordination is carried out in good faith, this is beneficial to both subjects of economic activity and consumers. There is a balance between counterparties. The well-being of the state benefits from this. However, the coordination of economic activity as a phenomenon is in the field of view of the Russian federal law act "On Protection of Competition". In accordance with Art. 4 of this act, the coordination of economic activities is the coordination of the activities of economic entities by a third person who is not part of the same group of persons with either of these economic entities and who does not carry out activities in the commodity market where the activities of economic entities are coordinated. This indicates the existence of a rather thin line between the conscientious coordination of economic activity and illegal unfair competition. The problem lies in the fact that the definition of the concept of "coordination of economic activity" is introduced in competition legislation solely for the purpose of establishing anti-monopoly prohibitions on the activities of economic entities [12]. There is no legal regulation of the permitted coordination of economic activity.

CONCLUSIONS

Complication of economic interrelations leads to the need to implement interrelated actions by business entities. The globalization of the economy only strengthens the process of coordination of economic activity. Coordination is carried out by organizations that are separated into two groups: national and supranational (regional, international).

The economy and legislative framework of Russia are at the stage of initial development. Consequently, in Russia, coordination of economic activities is carried out on a national scale by Russian organizations. These organizations are engaged in self-regulation in certain sectors of the economy.

Coordination of economic activities should be carried out in good faith. There is a boundary beyond which coordination will constitute a violation of competitive conditions for doing business. In the Russian Federation, the border for fair and unfair coordination is established by the Law "On Protection of Competition".

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