

Customs Tariff Regulation: Historical Experience of the Hansa and Modern Problems of Application in the Conditions of Economic Integration

Galina Yuryevna Fedotova

*Faculty of Customs Regulation and Security
Northwest Institute of Management of the
Russian Academy of National Economy and
Public Administration under the President
of the Russian Federation*

St. Petersburg, Russian Federation
fedotova.expert@gmail.com

Abstract—The research paper is devoted to the study of issues of customs tariff regulation in the international trade. The analyses of the historical development of origin and formation of duties are presented. An analysis of the role of The Hanseatic League in the establishment of the fundamentals of customs regulation in the international practice revealed the current problems of customs tariff regulation in the context of economic integration.

Keywords—*international trade, Hanseatic League, customs, customs duties, customs tariff regulation.*

I. INTRODUCTION

As most people think customs affairs today is, first of all, the replenishment of the state budget. And it is true, because the analysis of the historical development shows that it is the fiscal function traditionally performed by customs officers from different countries that is the one of the primary causes of the emergence of such a phenomenon as customs. Ancient Russia is a vivid example but not an exception

According to researchers who studied the formation of duty ceremonies trade relations between Veliky Novgorod and Europe with duty paid began in the XII century with the emergence of trade relations with Gotland.

The urgent need of that time - the development of international trade - can be confirmed by the facts about historically established trade routes, such as the trade route "From the Varangians to the Greeks", "The Great Silk Road" etc. On the one hand, these trade routes helped to stimulate the development of local trade. On the other hand, they satisfied the demands of citizens for some products to the full extent. And this experience today lies in the basis of the development of customs measures and tariff regulation [2]. Customs tariff today is considered mainly as an instrument of the international trade and the basis for the development of domestic production.

Looking back at the historical experience of the Hansa, it is impossible not to mention that this alliance was far ahead of its time. The development of production in the XIII century made it necessary to develop deeper international trade ties. And, as it became evident in the XIII century, the barriers that were created by the customs borders in some

states held back the development of international trade, and even became insurmountable and prevented the development of some territories and states.

The achievements of the Hanseatic League as one of the most important historical experience provided an opportunity for the further progress of economic integration [4].

II. METHODS

The purpose of this research is to conduct a comparative study of customs tariff regulation measures formed during the existence of the Hanseatic League [1,3] and the tools of customs tariff regulation that are used today [5, 6], as well as to establish the similarity of the objectives of regulating foreign trade and the ways of their achievements both in the Hanseatic League and in modern integration associations. As an example a comparative analysis of the tools of customs tariff regulation used in the Eurasian Economic Union (EAEU) and the Commonwealth of Independent States (CIS) was conducted.

III. RESULTS

The actually realized possibility of creating prototypes of economic unions laid the foundation for the emergence of modern integration associations. A good example of the development of the Hansa, whose main purpose was to expand and provide trade links. The roots of Russian-Hanseatic trade relations run deep. One of the first features is the establishment of privileges such as exemption from duties for the Hanseatic merchants outside their homeland but within the Hansa.

Such privileges for the Hanseatic merchants were established not just in some cities, but in the trade union as a whole. The privileges provided reduced entry and exit taxes, the abolition of the coastal law in Denmark, i. e. by such measures the salvation, preservation and the unimpeded return of cargo to their true owners were ensured. Also, the Hansa got some cities and fortresses and obtained the right to get the 2/3 of their revenues.

Moreover, in the middle of the XVI century, Ivan IV ordered to give the right of duty-free trade with Pskov to

Hanseatic merchants. By the standards of that time the scale of the union of cities was huge because it included 73 cities!

A short excursus to the historical experience of the Hansa as the creator of tools for customs regulation has a direct response to the modern understanding of the role and function of customs tariff regulation. And, what is even more important, this experience absolutely did not affect the sovereignty of individual states.

However, the regulatory mechanism proposed by the Hansa in terms of more efficient use of duties in the customs sphere has significantly expanded the role of this tool. And a focused approach to the understanding of the function of customs duties as a fiscal instrument today has changed and became broader.

It is important to note that in the XXI century most countries of the world community use this clear connection between the need to develop and establish special privileges in order to ensure the efficient movement of goods in international trade.

The widespread use of the most-favoured-nation treatment, the general system of preferences, the creation of free trade zones in international trade is the direct reflection of the development of this tool.

It is also important to note the experience of the Hansa in the application of a differentiated approach in inter-country cooperation in terms of establishing certain prohibitions and restrictions on certain types of goods, as an effective mechanism to ensure the protectionist function of the customs tariff.

Another important experience of the Hansa is the possibility of forming alliances of countries in accordance with economic interests of the allied countries [7]. Today it is hard to find a country that would not be a member of any integration association. Nowadays there are over 300 regional integration associations all around the world.

In the process of economic integration and economic ties between the countries, the customs legislation, which regulates the forms of economic sovereignty, has begun to act as a regulator of economic relations and as a tool of economic security of the state [5, 8].

A good example of the application of the historical experience of the Hansa is the CIS. Being a way of supporting the economies of the countries of the former USSR, this union helped to restore trade links while preserving the sovereignty of independent states. And today the issues of privileged movement of goods in the CIS are important in the economic as well as political aspects.

Of course, it would be an exaggeration to say that the development of the tariff has stopped at the point which can be characterized by the application of the tools and experience of the Hansa. The historical development has stimulated the need to develop new tools for more efficient customs tariff regulation. The experience of the Hansa in the creation of unions of cities was reflected in the creation of not only free trade zones, but also customs unions.

Today the formation of regional economic integration unions gives members of these unions significant privileges in mutual international trade [9]. It led to the need to

develop a new set of tools to control the legality of the granting customs tariff privileges [10]. Such a tool has now become the origin of the goods.

Having emerged as some kind of a sanction on developed countries for the deeds in their former colonies, today this mechanism helps to support a huge number of free trade zone agreements. [11] The CIS is not an exception. Today this issue is regulated by the agreement [12].

It is important to highlight that the historical development has contributed to the unification of application of basic mechanisms of customs tariff regulation. If we talk about the origin of goods as an integral element of customs tariff regulation in modern times, there is no single universal approach to its definition in the world practice.

Even in the territory of the EAEU countries there are a lot of agreements and rules of origin to apply. A huge work concerning systematization and unification of the rules for determining of the origins of goods has been done within the EAEU. This allowed the common non-preferential and preferential rules of origin to come into force in the territory of the EAEU on 1 January 2019 [13].

Although they have differences on some criterion, the basis for the determination of goods wholly produced in any country and the criterion for determination of the insufficient transformation is created. The EAEU countries are also parties of the agreement on the CIS free trade zone, and the rules applicable in accordance with this agreement significantly differ from the rules in the EAEU agreements.

And therefore the basis of the institute of privileges in international trade faces with the problems of uniformity in the application and interpretation. Thus, today the basic mechanism of customs tariff regulation created back in the era of the Hanseatic League need to overcome one more obstacle.

Creation of integration associations is today's reality and the target is further deepening of economic integration. The customs tariff regulation is the basis for the establishment and development of such unions.

IV. CONCLUSION

In this study the author found that it is the experience of the Hansa that was necessary for the formation and development of the functionality of the modern customs tariff. The development of international trade in the XVI century laid the foundations and practically implemented the use of a number of customs tariff regulation measures.

A good example is the differentiation of customs duties, the application of privileges in customs tariff regulation, etc. Such tools have become the basis for the formation of the concept of the origin of goods. The most relevant is the experience of the Hanseatic League in the application of these measures as a basis for the formation and development of international trade unions. However, today the further development of the customs tariffs regulation mechanisms, their unification and uniform application all over the world are necessary [14, 15].

The foundations for the formation of the international economic integration unions laid down by the Hansa were

reflected in the creation of the CIS. However, a comparative analysis of the use of tools of customs tariff regulation in the CIS and the EAEU revealed the absence of a uniform approach to the application of customs tariff regulation.

One of the key problems is the determination of the origin of goods as the basis for the calculation of customs charges. Institute of origin of goods in its current state fails to achieve a uniform and unified approach to the determination of the country of origin. Therefore, the established measures of customs tariff regulation within these integration associations do not achieve the goals of their application. Thus, the further work to improve the application of measures of customs tariff regulation in the context of economic integration is needed.

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