

## INTERNATIONAL ORGANIZATIONS THAT REGULATE SOCIAL RELATIONS IN INTERNATIONAL LAW

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**Abstract:** This article analyzes the economic essence and legal status of transnational corporations, and puts forward assumptions regarding the optimal legal regulation of the activities of transnational corporations (TNC) by the transnational corporations themselves and member states of international organizations.

**Keywords:** transnational corporations, international legal personality, international organizations.

### INTRODUCTION

In the modern world, the course of development of the world economy is largely determined by the processes of globalization. Globalization of the economy is one of the laws of world development. The relevance of this problem is associated with the growing influence of integration and interdependence of national economies and the formation of a global economic field, the need for instant exchange of information and accelerating the introduction of technologies, the geography of the location of production forces, determined taking into account the global market situation.

The main leaders of industrial, marketing and financial economic areas, and their associations over time, transformed into transnational corporations (TNCs), which have a significant impact on the formation and development of the world economy.

### MATERIALS AND METHODS

At the beginning of the 21st century, there are more than 70 thousand transnational corporations and 850 thousand of their branches in the world [2]. Head offices are located mainly in developed countries, and branches in developing countries.

Among the largest corporations in the world according to Forbes magazine for 2016 are: Walmart (retail sector, USA), State Grid Corporation of China (electricity industry, China), China National Petroleum (oil and gas sector, China) and Sinopec Groupe (petrochemical industry).

The activities of TNCs are aimed at constant expansion. In this regard, they organize international production with a single market and information space, create an international market for capital, labor, scientific, technical, consulting and other services [3]. TNCs are constantly increasing the level of competition, fighting for markets on a global scale, which contributes to the development of new technologies, the introduction of innovations, and the acceleration of scientific and technological progress. By facilitating the circulation of capital, people and equipment, TNCs significantly contribute to economic growth and development.

### RESULTS AND DISCUSSION

The main threats to the growth of TNCs are: a threat to the sovereignty of small states, monopolization of local markets, and a threat to the environment.

TNCs control approximately fifty percent of world industrial production and more than 2/3 of foreign trade. They control approximately 80% of patents and licenses for inventions, new

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technologies and know-how. TNCs control certain commodity markets: 90% of the world market for wheat, coffee, 85% of the market for copper and bauxite, 80%— the tea and tin market, 75% — the crude oil market [4].

Such financial influence allows corporations to influence the domestic and foreign policies of the state, while avoiding control on their part. TNCs, based in different countries, operate outside national borders, which makes it impossible for them to be controlled by national law. Multinational corporations manage to obtain foreign investment incentives in host countries. They are provided with government guarantees, exemption or reduction of taxes and duties, and other support [5].

In connection with the growing economic and political influence of TNCs, the scientific literature discusses the need to recognize international legal personality for TNCs.

In the public interest, the state carries out a number of functions aimed at social protection, environmental protection, protection of workers' rights and anti-monopoly activities. TNCs focus their activities mainly on making a profit. For this reason, unlike the state, they will not conduct business in such a way that it benefits the entire society. The reasons for the contradictions between TNCs and host countries are the suppression of statehood of countries, restrictions on monopolistic activities, violations of labor, tax laws and environmental standards.

International standards are most widely used in civil and private international law. This, in turn, gives rise to a number of conflicts that need appropriate resolution. Typically, such regulation is carried out through the conclusion of agreements between states whose legal systems contain conflict of laws rules. In addition to negotiations and conciliation procedures provided for in treaties, special conciliation, arbitration and conflict structures, in particular within the framework of the World Trade Organization (WTO), also make it possible to successfully resolve problems.

In the current situation, private international law is becoming more and more independent, acquiring the features of a new legal system. The WTO indicates a stable focus on creating a single economic space and, in this regard, replaces the provisions of the General Agreement on Tariffs and Trade (GATT), which no longer meet the requirements of the time. The common rules that states were able to agree on within the World Trade Organization speaks of the creation of a new world legal order that strengthens the international legal regime and provides priority to international legal norms.

## **CONCLUSION**

Thus, it appears inappropriate and impossible to apply radical measures to limit the activities of TNCs and force them to adhere to the norms of social responsibility. It is also impossible to grant TNCs the legal status of a state. Each country has its own legislation regulating the activities of TNCs, but the legislation of most states does not properly control the activities of transnational corporations (for example, environmental, social aspects), therefore it is necessary to develop a code of relations between TNCs and home states, based on cooperation between TNCs and states, which can be applied throughout the world without infringing on the interests of recipient countries.

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