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**ASSESSMENT OF RISKS AND THREATS OF INTEGRATION INTERACTION
OF THE COUNTRIES OF THE EURASIAN ECONOMIC UNION*****O. MESHCHERYAKOVA******(Polotsk State University)******doctor of economic sciences, professor E. DORINA******(Minsk)***

The article identifies common global and regional risks for the development of the Eurasian Economic Union (EAEU); the opinions of scientists, political scientists, representatives of the business communities of the EAEU member states on possible risks and economic problems of individual countries and the Union as a whole are given. The risks of macroeconomic stability for Belarus, as a member state of the EAEU, are presented, indicating the likelihood of their implementation. Recommendations are given for realizing the integration potential and overcoming possible risks of the Union Member States.

Keywords: *Eurasian Economic Union, challenges, threats, regional risks, global risks.*

During significant global changes in economic processes that influenced the emergence of new centers of economic development, the redistribution of economic development factors between countries and continents, the EAEU began to function. In the medium term, the centers of economic development are expected to shift to China and India, which will affect the direction of international trade and investment flows. At the same time, volatility in commodity prices will continue, which, among other things, will affect the low growth rates of the world economy and tougher competition between countries and integration associations.

Also, the factors of adverse influence on the member states of the Union remain, the risks of the spread of crisis phenomena in the economy are strong, which threatens the sustainable economic development of the member states of the EAEU, including Belarus.

In the medium term, the risks associated with accumulated macroeconomic imbalances, strong devaluation expectations, and a possible decrease in the level of gold and foreign exchange reserves, despite ongoing external borrowing, may aggravate in Belarus. Limited resources for counter-cyclical policies could lead to an increase in macroeconomic imbalances, which will negatively affect the prospects for economic development in subsequent periods.

In this regard, we consider it necessary to identify common global and regional risks of the development of the EAEU, assess the risks of macroeconomic stability of Belarus as a member state of the EAEU, indicating the likelihood of their implementation, as well as give recommendations on realizing the integration potential and overcoming possible risks and threats of the member states Union.

Common global risks, including for the EAEU member states, are a change in the behavior of the population and business, the main trading partners, "compression of space and time" in terms of doing business and, as a result of technological shifts, the emergence of new centers of economic development.

The main group of economic risks, the implementation of which may have an impact on the economic development of the Member States of the Union as a whole, is reduced to the instability of the world economy and the actions of its main participants:

– shifting centers of economic influence. In particular, Asia secures the status of the main global production site. According to the forecast of the Organization for Economic Cooperation and Development (OECD), by 2030, about 70% of the world's middle class will be concentrated in Asia;

– volatility in world commodity prices. The weakening of global demand due to the slowdown in global economic growth leads to a decrease in the cost of commodities in world markets. The decline in revenues from energy exports leads to a contraction of markets and a reduction in investment in all EAEU member states. Under the current conditions, the need of economic entities for borrowed funds is increasing, which in turn leads to an increase in credit risks.

At the same time, the member states of the Union face and will face in the future such global risks as:

– unfavorable external environment, increased global competition, shrinkage of geographic and product markets;

– mutual strengthening of some negative trends associated with the development of socio-demographic processes, including changes in the age structure and population, labor force balance;

– the important role of technological development as a source of risks and as a factor in the emergence of opportunities for the development of the economies of the Union countries;

– loss of competitive advantages associated with the raw material orientation of the economies of the Member States of the Union and the need to create new advantages. Significant regional risks of the development of an integration association include the exhaustion of the primary effects of integration achieved through the abolition of customs barriers, and the duration of the formation of new drivers of integration processes (joint programs, investment projects, development strategies);

– the use of protectionist measures. The deterioration of macroeconomic conditions may stimulate the interest of member states in the application of non-tariff trade restrictions as measures to support domestic producers. As a result, there is a risk of slowing down integration processes;

– uneven economic development of the member states of the Union. The significant unevenness of economic development in general, rather than in separate areas, creates the risk of a situation in which integration cooperation may lose its mutually beneficial character and will be built on the principle of "donor – recipient", or, on the contrary, will lead to an even greater increase in the intercountry gap due to the fact that the flow of goods, services, labor and capital will become unidirectional.

A number of scientists, political scientists, representatives of business communities believe that the main risks and economic problems within the Union are associated with the peculiarities of the national economies of the member countries of the Union¹, Table 1.

Table 1. – Challenges, threats and risks for the EAEU

Author	List of risks
1	2
E. M. Kuzmina	<p>1) The need for the development of new industries and specialization of the member countries of the Union. The minimum number of common production projects, the lack of a detailed program for the development of production capacities leads to a slowdown in mutual trade within the EAEU. To increase trade within the Union, it is necessary to develop new industries and thereby increase the range of goods. At the same time, it is necessary to develop the specialization of countries in the manufacturing sector so that there is no or at least a minimum of identical goods on the common market.</p> <p>2) Orientation to the market of third countries.</p> <p>3) Competition, not complementarity. Import substitution of products from third countries is becoming a priority area of cooperation within the Union. But an analysis of the programs of industrial development of the member states of the Union revealed that the countries consider the common economic space only from the standpoint of additional export opportunities for national economies. At the same time, it is supposed to saturate its domestic markets only with its own products with the help of import substitution. The sectoral priorities for the development of industrial complexes of the EAEU countries have a high degree of coincidence, as well as the range of export industrial goods, which leads to their competitiveness rather than complementarity</p> <p>4) Lack of investment in the innovation sector. The elaboration of a coherent industrial policy with effective mechanisms for building up production potential is of paramount importance. The EEC has determined the main directions of industrial policy. These are the aerospace industry, the automotive industry, the production of road construction equipment, machinery and equipment for forestry and agriculture, and handling equipment. Also, the production of industrial products for railway transport, electrical appliances, electronic and optical equipment and component base, machine tool building, power engineering. However, specific joint projects have not yet been developed. Integration in the innovation sphere will be able to increase the stability of the economies of the member countries of the Union, since the pace of their economic development depends not only on resource capabilities, but also on the innovative nature of capital, the ability of businesses to generate and create knowledge in production in the form of innovative products. In addition, integration in the innovation sphere will make it possible to overcome the barriers associated with the lack of a common border and appropriate transport and communication opportunities on the way to the formation of a single market</p> <p>5) Insufficient level of development of logistics, insufficient development of transport, storage infrastructure, etc. Despite the fact that the development of transport infrastructure in all countries is proceeding at a rapid pace, the unification of national transport systems into a single transport and logistics space is a rather distant prospect. The main problem in the road infrastructure is the quality of the roads</p>
A.A. Tavadyan	<p>1) Sanctions that apply to Russia and reduce consumer demand in the country.</p> <p>2) Sharp fluctuations in energy prices.</p> <p>3) Failure to meet the inflation point in accordance with the Treaty on the EAEU.</p> <p>4) High level of corruption compared to countries that have a high level of development.</p> <p>5) Improving discipline in the implementation of the articles of the EAEU agreement. The level of responsibility is not clearly stated</p>
V.V. Ozhigina	<p>1) Growth of competition, economic interdependence</p> <p>2) Asymmetric distribution of benefits and costs and, as a result, deterioration in the quantitative and qualitative characteristics of the economic growth of the EAEU. In addition, the settlement of barriers in some areas may lead to increased protectionism in others, for example, to the introduction of new anti-dumping and countervailing measures, technical barriers on the part of partner countries</p>
A.A. Migranyan	<p>The strengthening of integration interaction between the member countries of the Union is hindered by:</p> <ul style="list-style-type: none"> – differences in the levels of development of the national economies of the Union countries, which causes difficulties in mutual convergence and harmonization on the part of macro indicators; – legislative problems related to the harmonization of the national legislations of the Member States of the Union; – differences in the speed of development of scientific and technological progress, including digital infrastructure. Despite the fact that the digital agenda implies, first of all, the transition to digital format of all registration and control functions, such as the banking system, customs declarations, information transfer, the possibility of mutual use and control of this data

¹ URL: <https://eurasianeconomic.org/pdf/analiz02.pdf>.

End of table 1.

1	2
Representatives of business communities	General risks hindering the integration interaction of the member countries of the Union: - different stages of development of the Member States of the Union, differences in the models of functioning of economies; - differences in the legislation of the Member States; - different ownership structure of the Member States; - unequal conditions due to different volumes of state subsidies to the economy; - Member States do not have a highly developed and diversified manufacturing industry and, accordingly, developed intra-industry cooperative ties, which are the basis of the integration process; - competition of countries within the integration; - non-transparency of business rules in the Union Member States; - external factors (sanctions against Russia and Belarus)

The implementation of economic support measures in 2020 led to a deterioration in fiscal balances and an increase in general government debt in all member states. Since the beginning of 2021, fiscal balances in most EAEU countries (except Armenia) have improved due to a recovery in business activity and an improvement in external conditions. At the same time, general government debt as a percentage of GDP increased in all EAEU countries except Belarus due to the weakening of national currencies and the extension of support by some countries to their economies through budget spending. To mitigate debt risks, from 2022 member states announced a return to the usual parameters of the fiscal rule, which were previously relaxed to support the economy.

Significant risk of maintaining low long-term economic growth rates in the Member States of the Union due to the low level of investment activity, the low efficiency of medium- and long-term programs, as well as the deterioration of the demographic situation, the weak diversification of economies cause exposure to sanctions or external crisis phenomena.

Inflationary risks remain high for all EAEU member states due to the growth in world prices for food products and raw materials, the prolongation of stimulus fiscal measures and the depreciation of national currencies, resulting in an increase in inflation expectations.

Table 2 describes the risks to the macroeconomic stability of Belarus as an EAEU member state, indicating the likelihood of their implementation².

Table 2. – Risks of Macroeconomic Stability of Belarus as a Member State of the EAEU

List of risks	Impact on the economy	Probability of risk realization
1	2	3
Regional		
Escalation of financial sectoral sanctions against Belarus and Russia	The tightening of sanctions pressure may lead to further depreciation of national currencies, higher inflation, reduced access to external financing of the public sector, as well as government organizations, and a reduction in foreign trade	Medium/Low
Low level of investment activity, including investment in R&D	Decrease in long-term rates of economic growth, increase in technological gap from the leading world economies	High
Debt sustainability and external debt structure	An increase in the public sector budget deficit, an increase in public debt service costs, a significant amount of liabilities to be repaid in the next 3 years and a reduction in access to external financing	Medium
Materialization of credit risks	The multi-speed recovery of individual sectors of the economy may lead to an increase in insolvency after the cancellation of the concessions adopted during the pandemic. The low rate of income recovery of the population increases the risks of insolvency among individuals	Medium/Low
Reduced labor supply as a result of unfavorable demographic trends	Decline in long-term economic growth due to declining employment and population (mortality increase, emigration, population aging)	Medium/High
Global		
Commodity price volatility	General government revenues, fiscal reserves and space	Medium
New waves of distribution pandemics and the introduction of restrictive measures related to the prevention the spread of the pandemic to long term	Low rates of economic growth, external and mutual trade, capital flows, population mobility	Medium/Low
Inflation risks	The continued rise in world prices for a number of items may raise inflationary expectations. The implementation of fiscal stimulus and the depreciation of national currencies also put upward pressure on prices	Medium/High

² URL: https://eec.eaeunion.org/upload/medialibrary/284/Analytical_report_-2021.pdf

End of table 2.

1	2	3
Strengthening protectionism in the global economy	A decrease in cross-border trade and investment (more pessimistic investor expectations and lower investment in manufacturing development) could lead to a deterioration in the current account balance and a slowdown in growth. Also, the intensification of trade conflicts increases the volatility of the financial market	Medium
Global economic slowdown	Weaker growth in key trading partners and lower commodity prices could weigh on exports and capital flows. This, in turn, will lead to a slowdown in the growth of domestic demand and pressure on the exchange rate	Medium

To overcome possible risks, the Long-Term Forecast of the Economic Development of the EAEU until 2030³ developed recommendations for realizing the integration potential in the main areas of economic development of the Union Member States:

- the achievement of macroeconomic stability will ensure the stability of the main economic indicators of development, will give an idea of the availability of sufficient resources and tools for the Member States of the Union to respond in a timely manner to emerging imbalances. Integration cooperation in this direction will contribute to the development and improvement of the technological level and diversification of national production and exports, to reduce and maintain at a consistently low level the external debt of the Member States of the Union, to maintain a stable state of balance of payments and a sufficient level of savings in the economy of the Member States of the Union;

- the formation of a common financial market of the Union and ensuring the availability of financial resources will contribute to an increase in the share of settlements in national currencies in mutual trade, an increase in the volume of lending by credit institutions to business entities, and a reduction in the share of transaction costs when making settlements on the territory of the Union as part of cross-border deliveries;

- growth of business activity and investment attractiveness, which will allow creating new and loading existing production capacities of enterprises, reducing the cost of production and improving its quality [1];

- innovative development and modernization of the economy. This will speed up the implementation of national plans for the modernization and innovative development of the economies of the Union Member States, increase the share of innovation-active enterprises, increase the susceptibility of economic entities of the integration association to innovative products, including those manufactured in the Union Member States, increase the export of innovative products and technologies, increase labor productivity, increase investment in high-tech sectors of the economy;

- infrastructure development and implementation of the transit potential contributes to the strengthening of the strategic transit positions of the Member States on the Eurasian continent, the availability and development of a network of transport infrastructure facilities, including the length of the railway transport network, the throughput and carrying capacity of road and rail transport, the growth of internal and external cargo turnover, reduction of the transport component in the cost of production, increasing the role of the transport component in revenues to the budgets of the Union Member States;

- the development of human resources contributes to the provision of the necessary labor resources for areas with integration potential, the compliance of the competencies of graduates of educational institutions with the requirements of the common labor market, the development of human potential in the Member States of the Union, the growth of exports of educational services, the growth of employment [2];

- resource saving and energy efficiency increase contributes to reducing the resource and energy intensity of the economy, increasing the competitiveness of industries, including their environmental component, reducing harmful emissions into the atmosphere, recycling waste, reducing electricity consumption by generating facilities, developing a market for works and services in the field of energy and resource saving;

- the realization of the foreign trade potential contributes to the expansion of the market for the products of the member countries of the Union and the increase in its share in the world market, the growth of confidence in the integration association on the part of foreign trade partners and potential investors, and the increase in the competitiveness of the products of the Union Member States;

- interregional and cross-border cooperation (regional development) contributes to the creation of new jobs, the growth of mutual regional trade, mutual investment in the economy of regions (involving investments in large integration projects, for example, institutional, infrastructure and others), the growth of gross regional product.

Other recommendations for realizing the integration potential and overcoming possible risks of the Member States and the Union as a whole:

Administrative decisions⁴:

- create common rules and keep records of labor migrants who come to the territory of the EAEU (with fingerprinting and a common database);

- for citizens of the EAEU member states who come to another country of the Union, the “90/180 rule” should be abolished, that without work, stay is possible only for 90 days and then you can enter only after 180 days. This rule serves

³ URL: <https://ecc.eacunion.org/upload/medialibrary/bdf/Dolgosrochnyy-prognoz-full-version.pdf>.

⁴ URL: <https://eurasia.expert/upload/Tochki-rosta-EAJeS.pdf>.

as a source of corruption and complicates the situation for citizens: they are forced to travel abroad before the expiration of 90 days and immediately return;

- in the development of EAEU decisions, the interests of not only the member states and national business communities should be taken into account. The practice of taking into account the interests of the population of the EAEU countries should be consolidated. Each significant decision of the EEC and the EAEU should be analyzed from the point of view of how it will change the situation of the citizens of the Union countries for the better;

- to expand the statistics of the Union's activities, for planning the activities of the EEC and monitoring the state of the Union member countries. This includes the collection of data on joint ventures, on transit traffic, on the state of transport, customs, and sanitary infrastructure, as well as on the use of currencies in internal settlements.

Economic Solutions:

- develop a common road construction policy;

- cancel the points of phytosanitary, veterinary and sanitary control between Kazakhstan and Russia.

Applied Research Solutions:

- create and publish a register of think tanks, research institutes and experts that interact with the EEC; - publish in the public domain analytical reports generated by order of the EEC.

Educational Solutions:

- develop semi-annual educational programs on the functioning of the EAEU (customs, accounting, finance, migration) for specialists [3];

- to develop in the leading universities of the EAEU countries areas of training (master's degree) on the functioning of the EAEU;

- create a program of academic mobility in the Eurasian space.

Thus, in the course of the study, we came to the conclusion that the main risks for the economy of Belarus, both in the short and long term, are the decline in the competitiveness of national producers and inefficient macroeconomic policy (monetary and budgetary).

In general, the national economies of the Union Member States are characterized by:

- geopolitical tension, extension of mutual sanctions against Russia;

- recession in the real sector of developed countries;

- falling oil prices for oil-producing economies (Russia, Kazakhstan);

- turbulence in the system of world finance [4];

- falling competitiveness of national producers;

- “flight” of capital;

- inefficient monetary policy within the country;

- inefficient budgetary policy within the country;

- degradation of institutions, especially for Russia and Belarus;

- political instability within the country.

In our opinion, the future of organizations and corporations depends on the ability of regulatory bodies to create favorable conditions for innovative development in the EAEU. Research suggests that a well-thought-out new innovation strategy should use a broader set of mechanisms than those traditionally included in the scope of innovation policy. It is necessary to improve some of the existing mechanisms, including: financial instruments that are used to support small and medium-sized enterprises; public-private partnerships used to develop infrastructure, as well as to create breakthrough goods and services; cooperation between university science and industry in the field of technology transfer for the commercialization and marketing of R&D results; a unified strategy for training qualified specialists for new areas of activity.

Therefore, the primary task for the member states of the Union should be to strengthen economic growth and make it more sustainable not only through the efforts of monetary and fiscal policies, but also through structural transformations of the economies. As well as increasing the mutual openness and importance of the economies of the Union Member States through the formation of a single market for capital, goods, services and labor resources, in order to create conditions for the stable development of the economies of the Union Member States in order to improve the living standards of their population.

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ОЦЕНКА РИСКОВ И УГРОЗ ИНТЕГРАЦИОННОГО ВЗАИМОДЕЙСТВИЯ СТРАН ЕВРАЗИЙСКОГО ЭКОНОМИЧЕСКОГО СОЮЗА

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В статье выявлены общие глобальные и региональные риски развития Евразийского экономического союза (ЕАЭС); приведены мнения ученых, политологов, представителей бизнес-сообществ государств-членов ЕАЭС по возможным рискам и экономическим проблемам отдельных стран и Союза в целом. Представлены риски макроэкономической стабильности для Беларуси, как государства-члена ЕАЭС с указанием вероятности их реализации. Даны рекомендации по усилению интеграционного потенциала и преодолению возможных рисков государств-членов Союза.

Ключевые слова: Евразийский экономический союз, вызовы, угрозы, региональные риски, глобальные риски.