

RUSSIA AND EURASIANISM CONCEPT IN THE CHANGING INTERNATIONAL ECONOMIC RELATIONS SYSTEM AND POLICY

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ABSTRACT

The article covers the modern international economic relations system being at the stage of sweeping changes that result in redistribution of centres of the global development. Because of deep transformations, the prospects of the integration processes in the Eurasian space also change. The authors give much attention to the development of the trade and economic cooperation of Russia with the Eurasian states. Due to the conducted analysis of mutual trade of Russia and other countries of the region, the authors emphasized the problems hindering the future extension of the integration processes.

Keywords: Export, Import, Mutual Trade, Economic Integration, Eurasianism, Russia, International Economic Relations.

INTRODUCTION

Currently, the international economic relations system is at the stage of sweeping changes. The basis of this process consists in the following:

- 1- Formation of new centres of economic growth of the global economy;
- 2- Strengthening of disagreements among economic interests of the developed countries, catching-up countries and a group of the global economy periphery countries;
- 3- International competition growth.

Due to currently occurring tectonic changes in the structure of the global economic relations, there appeared extremely contradictory trends being at odds with the seemingly traditional global development trends. They include, first of all, the decomposition of the traditional hierarchy structure of countries in the global economy; rising of centrifugal trends that are manifested in disintegration of the global economic space; deliberalization of the international trade regime and beginning of a new era in the international economic relations - the era of trade warfare. New trends in placement of forces on the global stage require for new approaches in deciding of issues of the international economic cooperation of Russia and determining the priorities of its foreign economic policy. From this point of view, the creation of a strong framework of the Eurasian economic space is of critical importance.

LITERATURE REVIEW & METHODOLOGY

The issues of the economic integration were considered by many foreign specialists (Albornoz et al., 2014; Aw, 2013; Gauselmann & Marek 2012; Gilmartin et al., 2013; Tiwari, 2014). Among the Russian researches, the problem of formation of the Eurasian economic space

was expressed in the works of Aganbegyan (2017); Vardomsky (2019); Vartanova (2018); Kefeli & Shevchenko (2018); Osadchaya (2019); Gibadullin et al., (2014); Nurieva et al. (2018). The fundamentals for the Eurasianism Concept were laid in the 1920-1930s by the outstanding thinkers, the representatives of the White Russian emigrants. Although the term of Eurasia was introduced into scientific use courtesy of Austrian geologist Eduard Suess who used it in the frameworks of his scientific studies as the geographic notion and rendered neither the philosophical, nor social-political context. But due to certain reasons, the creation of the integrated and completed paradigm failed. The renewed interest in the ideas of the first “*Eurasianists*” has been inspired in these days. The currently occurring processes in the international relations system have led the modern scientists to the new look at the Eurasianism concept. The most productive in this area are Gazizullin et al. (2017); Maksimtsev et al. (2016).

RESULTS & DISCUSSION

For Russian, the Eurasian economic space has a historically exclusive value from the point of view both of the capital investment opportunities, and ensuring the geopolitical security of the state. Today, in the conditions of the strained relations of Russia with its traditional Western partners, the Eurasian states become especially important for the Russian economic and foreign political interests. But unfortunately, we have to accept the fact that the economic impact of Russia in the Eurasian region does not adequately reflect the political importance it has from the point of view of the Russian state security. Let's discuss the details of the changing commodity trade of Russia with the states of the Eurasian economic space for recent years. The commodity trade has the main role in launching the integration mechanism; through the commodity trade, the countries make their first steps to establish the long-term partnership. First of all, it is necessary to admit the general foreign trade slump of Russia in the global market. According to the Customs Service of the Russian Federation, in 2018, its foreign trade duty decreased by 12 % as compared to 2014. As the table below shows, the configuration of the traditional links with the foreign partners has been changing recently in the foreign trade structure of the Russian Federation. For reasons best known, the level of the Russian foreign economic contacts with the European states is weakening. Heavy decline in trade with Italy, the Netherlands, and UK has been noticeable both in absolute and relative values. Among the Asian states, the decline in the foreign trade activity has affected the relations with Turkey and Japan. Also, the trade interaction has been increasing between Russia and China. The PRC's share in the Russian foreign trade turnover drastically increases both for absolute and relative indicators. For the period of four years, the volume of the mutual trade with the PRC has raised by 22%, and the PRC's share in the Russian foreign trade has increased from 11 to 15%. The positive dynamics of the foreign trade interaction is also observed in relations with India. The Russian-Indian trade volume has increased by 14% for the period of four years. No changes have been observed in the trade economic relations with the former Soviet states. Only a slight increase in commodity turnover (by 5%) has been noted with the Republic of Belarus. The mutual trade with Ukraine has dropped drastically, and this is not surprising. The interaction with Kazakhstan is also low. The volume of the foreign trade turnover with this state has decreased by 15%. The trade economic interaction with the other countries of the Central Asia remains immaterial. Thus, the main partners of Russia in the Eurasian integration remain “*unattractive*” participators of cooperation.

As to the Russian positions in the markets of the EEU partner countries, they also show the trends suggesting certain concerns regarding the prospects of the integration processes strengthening. Thus, in the commodity turnover with Kazakhstan, the main trade partner of Russia in this region, the latter takes only the second position (24%), while the People's Republic of China shows strong presence in the first position (33%) (as of 2017). In the commodity turnover with Kyrgyz Republic, also the Customs Union partner of the Russian Federation, the Russia's share makes 22.5%, and the PRC's - 25.6%. It is reasonable to ask a question, In what a way can the activation of the integration processes be achieved in the area of vital interests of Russia? First of

all, this should be the establishment of close regional cooperation between the states in the framework of implementation of the global transcontinental integration projects. One of these projects, although hardly the only, is the Silk Road Economic Belt (SREB). This project, initiated by the Chinese party, has both far-going economic and political objectives. From the economic aspect, first of all, it should be noted that the SREB is aimed at ensuring the PRC's sustainability and stability in the trade economic interaction with the EU, the major trade partner of China. In addition, the project implementation will make it possible for the People's Republic of China to involve the SREB's neighbouring states into the circle of its impact. None of them cannot compete with China by the level of economic power as of today. The Russia's interest in the SREB derives both from the economic and geostrategic interests. On the one hand, Russia becomes one of the beneficiaries in provision of transport and logistics services for commodity turnover between the EU and PRC. Along with this, it is critical for Russia to maintain its influence in the Central Asia. In view of this, Russia offered an alignment model of the SREB and EEU. The events in the Middle East demonstrate that the Russian branch of the SREB is most promising from the point view of political reliability and security (Zayed, 2015; Zayed & Zahan, 2017; Zayed et al., 2018; Zayed et al., 2020; Zayed et al., 2021) (Table 1).

	2014	2018	In 2018 to the level of 2014
	Share in the RF foreign trade turnover		
Belgium	1.6	1.6	91.3
Germany	8.9	8.6	85.1
Italy	6.2	3.9	55.5
Netherlands	9.3	6.8	64.2
Poland	2.9	3.1	91.3
United Kingdom	2.4	2.0	71.4
Finland	2.0	2.1	92.5
France	2.3	2.5	94.0
Czechia	1.3	1.3	86.0
Belarus	4.1	4.9	105.3
Kazakhstan	2.7	2.6	84.6
Ukraine	3.5	2.2	53.2
India	1.2	1.6	114.7
Turkey	4.0	3.7	80.7
China	11.2	15.7	122.5
Republic of Korea	3.5	3.6	91.2
Japan	3.9	3.1	69.1
total	70.3	68.5	87.7

Source: Federal Customs Service of Russia

CONCLUSION

The participation of President of the Russian Federation in the International Forum “*The Belt and Road*”, and the agenda of negotiations in the frameworks of the St. Petersburg Economic Forum with China are indicative of the Russia's interest in this project implementation. At the same time, the changing configuration of the international economic relations system poses some threats for Russia. First of all, attention should be paid to that modern Russia is not the only integrator in the Eurasian space as it was in the XIX or XX centuries. In this regard, the Eurasianism Concept, with the domination of Russia and Russian ethnos as the founders of this idea had seen it, could hardly be implemented in real today's life. China is not only the largest foreign trade partner of Russia but its main competitor in terms of economic attraction for the most states of the Central, South and West-East Asia. The economic potential of modern China considerably surpass the economic potential of Russia. It involves more and more states into the circle of its influence and its role in the global economy will grow in the nearest future. Secondly, the Russia' pivot from the

Western vector to the Eastern vector weakens its competitive positions in the global market, in general. The thing is that the historically, the West European countries are oriented towards consumption of the Russian energy resources that is evidenced by the accented positive position of Germany in implementation of the “Nord Stream-2” gas project. Irrespective of severe pressure on Germany and threat of sanctions by the USA, Federal Chancellor Angela Merkel stood her ground and showed consistency, thus ensuring the political support of the project implementation. The East countries (China, the Republic of Korea, Japan, India) are more tightened with the raw resources of the Middle East and have no pressing need in the Russian energy resources, although they wouldn't mind to replenish their energy balance with supplies from our country. At the very least, the priority of Russia as the hydrocarbon supplier to the dynamically developing Asian countries is not so obvious. The third thing to be taken into account is that the technology innovations, including those Russia has a pressing need in, are primarily coming from the West. Thus, the Russia's opportunity to implement the oil and gas production projects in the Arctic areas is in many aspects related to the cooperation with the western companies. Therefore, a dramatic tendency of the foreign economic course of Russia towards the expansion of partnership with the Eurasian countries, like the one-way orientation to partnership with the West countries, could hardly be considered as the best alternative for Russia. However, taking into account the current state of the national economy and its place in the global economy, it can be stated that the tactics to adopt to the environment is the fact of life that provides for implementation of the foreign economic initiatives of the Russian government. In the conditions of the changing configuration of the international economic relations, the status of Russia as the integrating state of the Eurasian space should be determined by the balanced establishment of economic relations with the eastern partners.

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