



Increasing the level of security in the formation of common market

Aumento del nivel de seguridad en la formación del mercado común

Simon Ogannesovich Iskajyan¹, Irina Anatolievna Kiseleva¹, Aziza Muhamadiyaevna Tramova^{1,*}, Natalya Ivanovna Litovka²

¹ Plekhanov Russian University of Economics. Moscow, Russia.

² Kabardino-Balkarian State Agrarian University named after V.M. Kokov. Nalchik, Russia.

*Corresponding author E-mail: g.tramova@yandex.ru

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ABSTRACT

This article discusses current issues of economic security of the EAEU countries and the need to create common market spaces with common rules and principles for all the countries of the union. In the context of continuous globalization, the development of international economic relations, and the integration of national economies, there are many common threats to economic security for all economic unions. The proposed methodology for assessing the level of economic security is based on a comprehensive analysis and assessment of the main strands of the economic policy of the Union countries and the possibilities of creating common markets in areas under consideration. Based on the analysis, the conditions for creating common rules and principles of economic policy of the EAEU countries are proposed to ensure the common economic security of the union.

Keywords: economic security, EAEU, economic threats, common markets, risk management.

RESUMEN

Este artículo aborda temas actuales de seguridad económica de los países de la UEEA y la necesidad de crear espacios de mercado comunes con reglas y principios comunes para todos los países de la unión. En el contexto de la globalización continua, el desarrollo de las relaciones económicas internacionales y la integración de las economías nacionales, existen muchas amenazas comunes a la seguridad económica de todas las uniones económicas. La metodología propuesta para evaluar el nivel de seguridad económica se basa en un análisis y una evaluación exhaustiva de los ejes principales de la política económica de los países de la Unión y las posibilidades de crear mercados comunes en las áreas consideradas. Con base en el análisis, se proponen las condiciones para crear reglas y principios comunes de política económica de los países de la UEEA para garantizar la seguridad económica común de la unión.

Palabras claves: seguridad económica, UEEA, amenazas económicas, mercados comunes, gestión de riesgos.

1. INTRODUCTION

The EAEU countries strive to create the necessary conditions for developing common markets of states in favor of improving the living standards of their population, comprehensive modernization of economies,

cooperation, and increasing the competitiveness of national economies in the context of globalization. From 2015 until now, all five countries of the union have been conducting a common economic policy in certain areas, in particular, customs policy, labor migration, the establishment of trade regimes concerning third countries (in some cases), and intellectual property. According to expert estimates, the EAEU countries have significantly increased the level of economic security due to common efforts. However, many issues related to common markets development remain unclear and pose a threat to economic security. These issues should be considered on a conceptual basis, based on the goals of establishing this union and current strategic priorities.

Economic security is a state of the economy that ensures a sufficiently high and steady growth of economic indicators, as well as the ability to effectively meet the economic needs of the population (Solozhentsev, 2010; Yakovlev; Fridman, 2008; Goncharenko; Akulinin, 2016). The sustainable development of the common markets of the EAEU should be considered in the context of ensuring the economic security of all its participants, which provides the steady growth of different sectors of the economy in each country making it possible to constantly improve socio-economic indicators and the quality of life of the population (Senchagov; Arbatov; Vedev, 2018; Kiseleva; Iskadzhyan, 2020; Yakunina; Krutikov; Posypanova, 2015).

2. METHODS

To ensure the economic security of the Union, we have considered the level of integration of the economies of the states and the development of common markets in the following main areas:

1. Food industry;
2. Energy;
3. Financial sector;
4. Intellectual and human resources;
5. Political and legal sector;
6. Ecology;
7. Informational service.

The functional dependence of economic security on the level of ensuring the security of the listed areas is as follows:

$$ES = F(PS, ENS, FS, ISS, PLS, EcoS) \quad (1)$$

where: PS is the food security, ENS is the energy security, FS is the financial security, ISS is the intellectual and personnel security, PLS is the political and legal security, EcoS is the environmental security.

The presented directions of economic security are interdependent and mutually complementary, therefore we have considered them in totality. We believe that the impact on one component will directly or indirectly lead to some changes in other markets. Graphically, the interdependence of the security system components is shown in Fig.1.

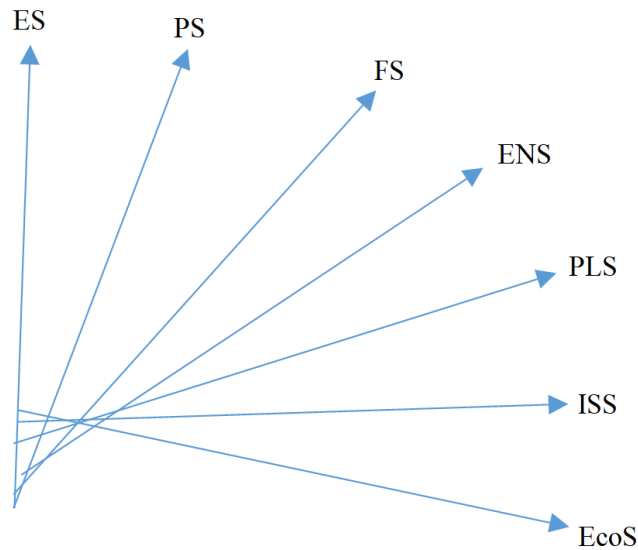


Figure 1. Economic security components

To assess economic security, it is necessary to comprehensively consider each direction of economic security.

3. RESULTS AND DISCUSSION

Food security is considered the main factor of the economic security of any state (Kuklin et al., 2013; Solozhentsev, 2009; Bogoslovsky, 2007). It is necessary, first of all, to ensure the physiological needs of the population, among which the food needs are the priority. Therefore, it is also important for the EAEU that all people at any given time have physical and economic access to a sufficient amount of safe food necessary for leading an active and healthy life (Eurasian Economic Commission, 2021). There are various methods of assessing food security, which are based on the level of the country's self-sufficiency. According to expert estimates, the food security of the Union is within the limits of 75%. The level of food security of the Union member states is shown in table 1.

Table 1. The level of food security of the EAEU countries

Country	Level, %
Russia	84
Armenia	59
Kazakhstan	78
Belarus	85
Kyrgyzstan	58

Based on these indicators, it can be argued that in Russia, Belarus, and partly in Kazakhstan, food security is in the zone of self-satisfaction, while in Armenia and Kyrgyzstan, the indicator is significantly lower, but there is dependence within the union. The level of 80% of food security should be considered as a mandatory level. On the other hand, considering in detail the different food markets of the EAEU, it can be noted that there is a high level of self-sufficiency in the markets of cereals, vegetables, and dairy products, as well as an average level in the markets of fruits and canned food, and a rather low level in the markets of meat products.

Developing common markets in the food sector of the economy implies that the goal of collective food security is to ensure the availability of a sufficient number of high-quality and safe food products in the

internal common market of the Union. To achieve this goal, it is necessary to address the following issues (Iskadzhyan; Minasyan; Manukyan, 2020; Mozhaev, 2007; Igonina, 2013):

1. Creating conditions for the economic accessibility of food products for the population of all states through sustainable production of agricultural products and food;
2. Using the advantages of interstate cooperation in agro-industrial production (as exemplified by the EU),
3. Liberalizing mutual foreign trade between the EAEU countries in agricultural products and food, taking into account the interests of all states;
4. Developing a single platform for food stocks, where the established price, quality, quantitative and other standards will operate.

The food security of the Union countries is a necessity in the current context of international politics, and directly affects the increase in the competitiveness of commodity producers in various international markets. It is necessary to pay special attention to areas where the self-sufficiency of the Union is at a level below 50%, in particular the meat production industry.

In the contemporary world, energy security is considered a key condition for ensuring not only the economic but also the national security of the country. The energy security of the union can be characterized as a state of the economy in which the needs of consumers for fuel and energy supply are fully met (Kiseleva, et al, 2009; Karanina; Zagarskikh, 2015; Kalina; Savelyeva, 2014). Studying the integration processes in the energy markets of the EAEU, it is necessary to note the resource potential of the states, which allows predicting the ability of the Union to fully meet its needs. However, energy security in the countries of the Union is at different levels, which can be considered in Table 2.

Table 2. Energy security of the EAEU

Country	Level, %
Russia	100
Armenia	20
Kazakhstan	100
Belarus	30
Kyrgyzstan	20

As can be seen from Table 2, Armenia, Belarus, and Kyrgyzstan cannot provide themselves with energy resources, and the level of energy security is only 20-30%. However, it should be noted that these states import 95% of energy resources from Russia and Kazakhstan. In the framework of forming the internal markets of the Union, it is also planned to develop an internal energy market. In the case of developing an internal common energy market according to the general functioning rules, the energy security of all countries will be significantly strengthened. The key basis of a strong economic union is the independence of states in the energy sector (Kiseleva, et al, 2019; Kiseleva; Simonovich, 2014). In this context, it should be noted that there are many innovative methods of providing the country with energy (for example, implementing renewable sources), which countries should give special attention to.

The next area of economic security is financial security. The financial system of the EAEU countries is the most independent from each other and at the same time a vulnerable part of economic security. Despite the long-term attempts to develop common financial markets and monetary policy directions, the financial structures of the Union member states are driven by their own national goals, which partially

contradict the interests of other EAEU states. To assess the financial security of the country, one can use the following formula:

$$FS = F(f_1, f_2, f_3, f_4) \quad (2)$$

where f_1 is the gold reserves, f_2 is the debt/GDP, f_3 is the refinancing percentage, f_4 is the currency turnover.

Each of the factors is evaluated by experts on a scale from zero to one point. Each parameter evaluates the state of financial dependence in certain areas, and all parameters in combination can give a general status of financial security.

The financial security of the EAEU countries is shown in Table 3.

Table 3. Financial security of the EAEU countries

Country	Level, %
Russia	75
Armenia	51
Kazakhstan	86
Belarus	62
Kyrgyzstan	50

As can be seen, the highest level of financial security is in Kazakhstan, and the lowest – in Kyrgyzstan. In general, the financial security of the EAEU is at a level below 70%. To increase the level of financial security, it is necessary to form common financial markets of the Union.

Personnel or intellectual security is considered to be an important aspect of economic security (Loginov, 2015; Tapman, 2002). Depending on the quality of personnel, the state can increase the level of economic security. Therefore, it is necessary to pay special attention to education, increasing qualifications, and assigning personnel to the necessary economic sectors, based on the strategic goals of the economy and the Union development. The country's personnel security should be considered in the following aspects: personnel migration, the labor code, and employee remuneration. The level of personnel security of the EAEU countries is presented in Table 4.

Table 4. Personnel security of the EAEU countries

Country	Level, %
Russia	80
Armenia	41
Kazakhstan	71
Belarus	45
Kyrgyzstan	45

As one can note, the highest level of personnel security is in Russia and the lowest one – in Armenia. The main problem of personnel security of the EAEU countries is the brain drain, which in turn is caused by the non-competitive remuneration of highly qualified employees. To solve the problems of personnel policy within the EAEU countries, it is necessary to eliminate internal barriers to the movement of personnel within the Union, which are often artificial, and to form a single personnel base for the development of the EAEU (Senchagov; Arbatov; Vedev, 2018).

Political and legal security has an indirect but rather significant impact on the economic security of any economic union. Political priorities and legal regulation of economic relations are the basis for the union's

functioning. In this context, the political priorities of the EAEU states in many areas are not coordinated, and sometimes do not correspond to the common goals of the Union, creating serious risks to the economic security of the member states. By the expert method, assessing the political and legal security of the EAEU states, we can note quite serious threats. Thus, according to expert estimates, the political and legal security of Russia is assessed by indicator, equal to 0.56 or 56%, The similar figure for Armenia is 51%, Kazakhstan – 59%, Belarus – 42%, and Kyrgyzstan – 48%. The main threat to the political and legal security of all member states is an ineffective international economic policy and development priorities. It is necessary to develop several measures to increase the level of political and legal security, namely:

- Conducting coordinated international economic policy;
- Developing unified legal norms for regulating economic policy;
- Protecting common economic interests;
- Providing a unified legal framework for international investments.

The next area of the Union's economic security is considered to be environmental safety. The growing international problems related to air and ocean pollution, the reduction of water resources, etc., pose a threat to the sustainable development of the Union. Environmental safety was assessed on a scale from zero to one by an expert method. According to our estimates, the environmental safety of the EAEU states is characterized by the following indicators: Russia – 0.83 or 83%, Armenia – 73%, Kazakhstan – 75%, Belarus – 90%, and Kyrgyzstan – 71%. The environmental safety of the union is at a fairly high level, but there are no general environmental safety standards, which can create certain threats to the markets.

Information or digital security can be considered another area of the economic security of the EAEU. The information space creates new opportunities for the state funds of the union, however, several threats need to be assessed and controlled. Information security is also assessed on a scale from zero to one. The average indicator for all the states of the union is 0.6 points, which is a rather low score. The main problem of EAEU information security is cybercrime and control over it (Uskova; Kondakov, 2011; Freedman; Rechko; Pisarov, 2015). To provide the information security of the EAEU, it is necessary:

- Ensuring staffing for information security;
- Implementing internal Internet network;
- Developing a unified legal framework for regulating the digital space.

4. CONCLUSION

Global markets are constantly changing the principles of international economic relations, and each country should create a flexible economic structure. An effective tool for developing the economy and increasing export potential is forming common markets in the economic unions, which is the EAEU. The interdependence and mutual influence of national economies is both a possible platform for threats and the basis for forming unified approaches to countering various threats, both of an economic and geopolitical nature. A joint balanced and purposeful strategy for developing common market principles will allow all countries of economic unions to increase the level of economic and, consequently, national security.

The EAEU has fairly stable indicators in some areas of ensuring economic security. At that, in certain areas, especially financial and digital, the EAEU member states need to conduct a more coordinated policy and efforts towards developing internal markets.

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