

Sayat Abildin

*PhD student, Political Science Department of L.N. Gumilyov
Eurasian National University,
(Nur-Sultan, Kazakhstan)
e-mail: sayatabildin@mail.ru*

INTEGRATION POLICY OF KAZAKHSTAN TO IMPROVE EAEU MANAGEMENT MECHANISMS

Abstract. In the context of the globalization of the modern world, the process of international economic integration remains one of the main trends. The EAEU has become one of the largest multilateral integration unions of states that are developing in the post-Soviet space. One of the main goals of this association is the integration of the economies of states into the common market. The purpose of the study, the results of which are presented in the article, is to study the features of the EAEU management mechanism at the present stage of its existence. The analysis of the existing institutional environment has shown that the existing management and integration tools within the framework of the Eurasian Union sufficiently fulfill their function, however, due to the dynamic socio-economic conditions of the modern world, it is necessary to search for ways to improve this mechanism. The article contains a number of recommendations for improving the existing management and integration tools of the EAEU.

Keywords: *Kazakhstan, the EAEU, Eurasian integration, institutional environment, management mechanism.*

Саят Абильдин

ҚАЗАҚСТАННЫҢ ЕАЭО БАСҚАРУ МЕХАНИЗМІН ЖЕТІЛДІРУГЕ ҚАТЫСТЫ ИНТЕГРАЦИЯЛЫҚ САЯСАТЫ

Аңдатпа. Қазіргі әлемнің жаһандануы жағдайында Халықаралық экономикалық интеграция процесі үрдістердің бірі болып қала береді. ЕАЭО посткеңестік кеңістікте дамып келе жатқан мемлекеттердің ең ірі көпжақты интеграциялық одақтарының біріне айналды. Бұл бірлестіктің басты мақсаттарының бірі – мемлекеттердің экономикаларын ортақ нарыққа интеграциялау. Нәтижелері мақалада ұсынылған. Зерттеудің мақсаты – ЕАЭО-ның қазіргі кезеңдегі басқару тетігінің ерекшеліктерін зерделеу, қазіргі институционалдық органы талдау. Еуразиялық одақ шеңберінде басқару мен интеграцияның қолда бар құралдары өз функцияларын жеткілікті дәрежеде орындайтынын көрсетті, алайда қазіргі әлемнің әлеуметтік-экономикалық жағдайларының серпінділігіне орай осы тетікті жетілдіру жолдарын іздестіру

қажет. Мақалада ЕАЭО-ны басқарудың және интеграциялаудың қолданыстағы құралдарын жетілдіру жөніндегі бірқатар ұсынымдар қамтылған.

Түйін сөздер: Қазақстан, ЕАЭО, еуразиялық интеграция, институционалдық орта, басқару тетігі.

Саят Абильдин
**ИНТЕГРАЦИОННАЯ ПОЛИТИКА КАЗАХСТАНА ПО
СОВЕРШЕНСТВОВАНИЮ МЕХАНИЗМОВ УПРАВЛЕНИЯ ЕАЭС**

Аннотация. В условиях глобализации современного мира одной из тенденций остается процесс международной экономической интеграции. ЕАЭС стал одним из наиболее крупных многосторонних интеграционных союзов государств, которые развиваются на постсоветском пространстве. Одной из главных целей данного объединения является интеграция экономик государств в общий рынок. Цель исследования, результаты которого представлены в статье – изучить особенности механизма управления ЕАЭС на современном этапе его существования. Анализ существующей институциональной среды показал, что имеющиеся инструменты управления и интеграции в рамках Евразийского союза в достаточной мере выполняют свою функцию, однако, в силу динамичности социально-экономических условий современного мира, необходим поиск путей совершенствования данного механизма. В статье содержится ряд рекомендаций по совершенствованию существующих инструментов управления и интеграции ЕАЭС.

Ключевые слова: Казахстан, ЕАЭС, евразийская интеграция, институциональная среда, механизм управления.

Introduction

The XXI century has opened the newest stage of world integration processes, which have acquired a qualitatively new character in an increasingly globalizing world. The main feature is that integration trends today originate not only from state institutions, but integration is also expanding "from below", that is, from the business community and civil society. This is due to the processes of globalization and informatization taking place in the world. States are forced to reckon with the growing interdependence and must measure national interests with the interests of the world community. Trying to rely on their own resources, states are looking for partners, developing regional economic unions, and increasing information potential. Instead of protectionism of the national economy, the ability of the state to ensure its competitiveness in the open world economic space comes to the fore, that is, states strengthen development factors.

The theoretical basis of the study was mainly the work of foreign and Russian scientists. Scientific developments in the field of integration theory, both in the political and economic fields

Modern integration relations originate from trade and economic relations, which subsequently evolved to economic integration.

Methodology of scientific research

The results of the Integration Research Center of the Eurasian Development Bank in partnership with the International Research Agency "Eurasian Monitor" within the framework of the EDB Integration Barometer project were very useful in the work.

The main part

Economic integration remains one of the main trends in achieving a high level of competitiveness of national economic systems. The integration of economies and the creation of a common market ensure the sustainable development of the integration process. An example of a major economic integration is the Eurasian Economic Union (EAEU), which currently includes Kazakhstan, Kyrgyzstan, the Russian Federation, Armenia and Belarus. The EAEU is an international organization with legal personality. Article 4 of the Treaty "On the Eurasian Economic Union" provides for the provision of 4 freedoms: "freedom of movement of goods, services, capital and labor force", as well as "conducting a coordinated, unified policy in economic sectors" [1]. The EAEU operates on the basis of the principle of equality of all participants.

Integration as a process is determined by the interaction of participants in various spheres through the formation of integration entities in a form that corresponds to the strategic goals of all its participants. As E. Kuzmina notes in her research: "the EAEU has united countries with different volumes of economies, economic legislation and the level of openness of economies, which initially puts some internal restrictions on its development." [2]. The global goal of the formation of the EAEU is cooperation, modernization, and increasing the level of competitiveness of national economies in order for the living standards of the population of the participating countries to reach a consistently high level. [3].

The governing bodies of the EAEU are represented by the following institutions: The Supreme Eurasian Economic Council, the Eurasian Intergovernmental Council, the Eurasian Economic Commission, the Court of the Eurasian Economic Union.

The Supreme Eurasian Economic Council is the highest supranational body of the EAEU. The members of the Supreme Eurasian Economic Council are the heads of the participating states. Meetings are held on an annual basis. The decisions developed during the meeting are binding on all members of the union. The range of issues considered at the council includes the issues of determining the composition and powers of other structures of the union.

The issues of uniform application of acts of the law of the EAEU by its member states and bodies are referred to the competence of the Court of the Eurasian Economic Union. This body provides judicial and advisory functions. The mechanism of functioning of the Court is set out in the Statute set out in the annex to the Treaty on the Establishment of the Eurasian Economic Union [4].

The terms of reference of the Intergovernmental Council include the following: implementation of the main provisions of the regulatory legal acts regulating the activities of the EEA, financial regulation of the Union's activities, including the formation and execution of the budget, audit control of the economic activities of the Union's bodies. In addition, the Intergovernmental Council considers issues that have not been resolved during the discussion in the Commission Council, reviews the Commission's decisions regarding cancellation, modification or suspension of execution.

The Eurasian Economic Commission (EEC) is a supranational body of the EAEU that performs a regulatory function and operates on a permanent basis. The EEC has the status of a supranational governing body. The EEC, in turn, is subordinate to the Supreme Eurasian Economic Council. The main function of the EEC is to ensure the sustainable development of the EAEU by maintaining the conditions for the functioning of the union and making recommendations for improving integration mechanisms. It controls about 170 functions of the EAEU. This institute includes a council, which includes a deputy prime minister from each participating state, and a board, including 3 more representatives [5].

The powers of the EEC include consideration of the following issues: regulation in the field of customs tariffs, duties and administration, control issues in the field of sanitation, phytosanitary and veterinary medicine, trade regimes with countries outside the EAEU, statistical reporting, macroeconomic and competition policy issues, subsidies, energy and natural monopolies, logistics and transport, currency regulation, intellectual property protection issues, regulation of financial markets and the labor market.

The EEC includes the Council of the Commission and the Board of the Commission. In turn, the Council includes one Deputy Prime Minister from the Government of each participating state, and two representatives from each country are included in the Board. Structural divisions of the EEC are departments that oversee subordinate industries. Financing of the Commission's activities is carried out on the principles of shared participation of the parties. According to their content, the Commission's decisions can be both mandatory and advisory in nature. The issues of execution and custody of international agreements and acts of the Supreme Eurasian Economic Council also fall within the competence of the Commission.

As S. A. Glazyev notes in the research, the process of economic integration in the Eurasian space is irreversible, which implies that the period of instability is replaced by the functioning of supranational structures in a stable state [6]. The analysis of the Commission's work showed that this body reached an agreement on 2000 issues, the solution of which was not provided within the framework of the content of the Treaty "On the Establishment of the Eurasian Economic Union". The content of the regulatory powers at the supranational level is disclosed in Article 103 of the Treaty. By 2025, it is planned to complete the harmonization of the legislative framework in this area. The final stage of this process will be the creation of an institution regulating the issues of common financial markets.

Since 2018, the Customs Code has been in effect on the territory of the EAEU member states, providing a unified approach to regulating the customs sphere, reducing the volume of formal procedures and requirements and creating a favorable environment for foreign economic relations [7].

To provide a favorable investment environment, the Eurasian Development Bank (EDB) was established in 2006 under an agreement between Kazakhstan and Russia. Subsequently, Belarus, Armenia, Kyrgyzstan and Tajikistan joined this project. The authorized capital of the bank is formed as follows: Russia-65.97%, Kazakhstan-32.99%, Belarus-0.99%, Tajikistan-0.03%, Kyrgyzstan-0.01%, Armenia-0.01%. Currently, the bank is systematically working to increase the volume of its investment portfolio to \$3.6 billion, while the total cost of investment projects should reach \$4.6 billion [8].

One of the activities of the bank is the Center for Integration Studies (CII), which began its activity in 2011. The Center prepares analytical reports in such areas as: macroeconomic integration processes, currency regulation, development of logistics infrastructure, the state and trends in the labor market, migration processes, financial markets and credit policy, tariff and non-tariff regulation, investment climate and investment activity, the integration barometer of the EDB and other issues of foreign economic cooperation in the Eurasian space. The Research Institute is a kind of "think centre" that organizes research work and presents the results of research to the governments of the EAEU member states. At the moment, the EDB reports are a reliable and competent source of applied analytics on the issues of integration processes of the Eurasian Economic Union.

The "Eurasian Business Council", which unites the business groups of the EAEU member states, operates in the institutional field of the EAEU. The Council is working to identify problematic issues in the field of foreign economic cooperation and develop recommendations for their settlement. The Council considered such issues as mutual recognition of documents on conformity assessment of communication means, including mobile phones and tablets, access to public procurement in certain areas, a ban on entry into the EAEU countries in the presence of administrative offenses, the urgent need to harmonize requirements for driver training, as well as other issues of the internal market of the EAEU [9].

Today, the integration process in the Eurasian space is gaining a new impetus due to a number of trends in international relations. The key to the successful achievement of global goals should be the expansion of opportunities provided by the integration process. For Kazakhstan, the priority areas of activity are:

1) interaction at the level of domestic companies interested in involving investment and promoting their products for export, with a special focus on small and medium-sized businesses;

2) cooperation in the field of digitalization of the economy and transfer of new technologies;

3) promotion of transit and transport opportunity;

4) implementation of projects based on the principles of public-private partnership;

5) cooperation in the field of improving the quality of human capital.

The world economy is in a state of constant dynamics and transformation processes. First of all, this is due to the unprecedented pace of technology development. The reality is that only with the development of technologies it is possible to achieve serious economic success. There are two ways — the search for their own innovations and technology transfer, which accompanies large investment projects with the involvement of foreign capital. The first way involves significant material and time costs. Attracting direct investment is a short and effective way of development. The synergistic effect of attracting direct investment leads to complex changes in all spheres of the economy. First of all, this is the introduction of innovations, technology transfer, professional development of domestic personnel, improving the quality of human capital, increasing the number of employed citizens, which together leads to an increase in tax revenues to the state budget and opens up new opportunities for development in all other areas.

The leading trends in the world today are the trends of world informatization, with the development of the concept of electronic management [10]. This makes it extremely important for the effectiveness of the functioning of the EAEU to develop a common platform for electronic interaction for the participating countries. The cooperation of the member states of the Union in this area will solve the problem of minimizing time resources in the process of their integration within the framework of the single economic zone. In particular, L. A. Vidyasova notes that "joint and coordinated efforts of the EAEU member states in the field of changing institutional and other factors can create the basis for the formation of a unified information and communication environment in the EAEU space" [11]. The development of an electronic identification system for citizens of the EAEU member states is promising, which will simplify the integration of these state entities in the field of population movement management as much as possible.

In terms of integration, the issue of introducing a single currency within the EAEU remains unresolved. A number of experts believe that this step would increase the functionality of economic interaction of the participating countries while reducing the dependence of members on traditional currencies, such as the euro and the dollar [12]. However, so far there is no single point of view among the participants on this issue. The creation of a Commission for the introduction of a settlement currency could help to solve this problem. No less important is the "green light" for TNCs within the participating countries [13], which can be helped by the creation of a Commission on interstate joint ventures and financial and industrial groups.

The effectiveness of the Eurasian integration at this point in time is one of the important factors of economic development not only of Kazakhstan and other EAEU member countries, but also of the Eurasian space as a whole [14]. However, the implementation of new forms of interaction is difficult without a legal basis. Ensuring effective political and legal regulation of integration can become the key to the successful achievement of global goals.

The existing management and integration tools within the framework of the

Eurasian Union are proving their efficiency, however, due to changes in the world, both socio-economic and technological, it is necessary to note a number of possible transformations and improvements in this regard that can increase the efficiency of the functioning of the EAEU. The following areas can be identified for improving the institutional mechanism of integration of the EAEU member states:

1. Formation of an integrated approach to the regulation of integration relations at three levels of government-supranational, national, and subnational. At each level, appropriate management tasks should be solved. To date, the national and primary levels of governance prevail in the creation of the EAEU today. A significant disadvantage of these realities is the preferential implementation of national projects without taking into account regional specifics. It is necessary to search for and then implement an integrated approach to the development of the integration environment, taking into account the priorities of the integration policy, the emerging international specialization of the regions and the conditions for the implementation of regional competitive advantages.

2. Reducing the scope of differences in the powers of local authorities of the member states of the Union by applying intermediate options. Among the possible options, the following proposals can be considered:

establishment of associations of local government bodies at the regional and city levels;

creation of a structure of national authorities in a separate region or on a border territory with the delegation of part of the powers;

allocation of the scope of authority at the regional level for the period of implementation of the joint project.

3. Creation of an electronic platform for cooperation in various areas, using modern information methods of communication and the use of the latest digital technologies. One of the main goals of such interaction should be to ensure access to up-to-date information for all subjects of economic integration. In addition, it is necessary to make the site available for public monitoring. The creation of such information platforms will be relevant in the field of migration, education, the labor market, the cultural sphere and many others. Such interaction will be especially relevant at the regional level, providing an opportunity for the implementation of many projects taking into account the peculiarities of a particular region.

4. Comprehensive modernization of the institutional factors of integration within the framework of new approaches to socio-economic development and new directions of economic integration. This is:

the focus of attention on the development of human capital as a key factor in the modernization of the integration space of the EAEU;

the development of innovative cooperation between regions based on the identification of points of integration growth and support for their development, for example, in the form of the creation of technoparks, industrial parks, technology platforms on their basis and on a joint basis;

formation of a network of cities of the EAEU member states, which is aimed at creating an institutional environment that contributes to solving regional problems

and establishing closer contacts between all subjects of the regional process not only in the economic, but also in the social and cultural spheres.

Conclusion

Further development of integration in the Eurasian space contains a great opportunities for economic benefits for the member states of the Eurasian Economic Union. Nevertheless, the approach to expanding and deepening this process should be based on an assessment of the potential risks and associated costs that inevitably arise during the transition to a new level of coordination of macroeconomic policy. A step-by-step, comprehensive analytical work is needed, aimed at finding optimal solutions to key issues of the integration process in the EAEU. The institutional environment is the foundation on which all further work in the integration field is built, and improving the mechanism of management and interaction between the members of the union is one of the keys to the successful implementation of all subsequent projects.

REFERENCES:

1. Dogovor o Yevraziyskom ekonomicheskom soyuze // Treaty on the Eurasian Economic Union (g. Astana, 29 maya 2014 goda); (s izmeneniyem ot 15.03.2018); // URL: / https://online.zakon.kz/document/?doc_id=31565247 (Accessed: 12.04.2021).
2. Kuzmina Ye. M., Ilna M. YU. Mery preodoleniya baryerov realizatsii promyshlennoy politiki v gosudarstvakh-chlenakh YeaEs [Measures to overcome barriers to the implementation of industrial policy in the EEC member States] // International Economics // Mezhdunarodnaya ekonomika. 2015. № 7. S. 22.
3. Otsenka vliyaniya integratsii na uroven konkurentosposobnosti gosudarstv-chlenov YEAES. [Assessment of the impact of integration on the level of competitiveness of Member States] [http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_makroec_pol/developDocs/Documents/B4_12.12%20\(r\).pdf](http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_makroec_pol/developDocs/Documents/B4_12.12%20(r).pdf) (Accessed: 12.04.2021).
4. Statut Suda Yevraziyskogo ekonomicheskogo soyuza. Prilozheniye № 2 k Dogovoru o Yevraziyskom ekonomicheskom soyuze [Statute of the Court of the Eurasian Economic Union. Appendix No. 2 to the Treaty on the Eurasian Economic Union] // URL: https://online.zakon.kz/document/?doc_id=31565247 (Accessed: 12.04.2021).
5. Yevraziyskaya ekonomicheskaya komissiya [Eurasian Economic Commission] ofitsialnyy veb-sayt: URL: http://www.eurasiancommission.org/en/Documents/broshura26_ENGL_2014.pdf (Accessed: 12.04.2021).
6. Glazyev S.YU. Aktualnyye problemy i osnovopolagayushchiye printsipy yevraziyskoy (postsovetskoy) ekonomicheskoy integratsii [Current problems and fundamental principles of Eurasian (post-Soviet) economic integration] / pod red. YU.M. Osipova, A.YU. Arkhipova, Ye.S. Zotovoy. M., 2014.
7. Synkova Ye. M. Formirovaniye normativno-pravovoy bazy predprinimatel'skoy deyatel'nosti v Yevraziyskom ekonomicheskom soyuze [Formation of the regulatory framework of entrepreneurial activity in the Eurasian Economic Union] // Vestnik DNU. 2017. № 2.
8. Ofitsialnyy sayt Yevraziyskogo banka razvitiya [Official website of the Eurasian Development Bank] // URL: <https://eabr.Org> (Accessed: 12.04.2021).
9. Gosudarstva-chleny opredelili ocherednyye naiboleye chuvstvitel'nyye prepyatstviya na rynke YEAES; [Member States have identified the next most sensitive obstacles in the nuclear power plant market] // URL: <http://www.eurasiancommission.org/ru/nae/news/Pages/13-08-2018-1.aspx> Ofitsial'nyy sayt YEAK; (Accessed: 12.04.2021).
10. Filatova O. G., Chugunov A. V. Elektronnoye upravleniye v protsessakh yevraziyskoy integratsii; Sotsiokul'turnyye sredi i kommunikativnyye strategii informatsionnogo obshchestva [Electronic management in the processes of Eurasian integration; Socio-cultural means of communication strategies of the information society] Sankt-Peterburgskiy politekhnicheskii universitet Petra Velikogo // URL: <https://cyberleninka.ru/article/n/evraziyskiy-soyuz-instrumenty-upravleniya-i-integratsii> (Accessed: 12.04.2021).
11. Vidyasova L. A., Chugunov A.V., Vidyasov V.YU. Razvitiye elektronnoy upravleniya

v stranakh yevraziyskogo ekonomicheskogo soyuza: progress, vyzovy i perspektivy [Development of e-governance in the countries of the Eurasian Economic Union: progress, challenges and prospects] // Vestnik mezhdunarodnykh organizatsiy: obrazovaniye, nauka, novaya ekonomika [Bulletin of International Organizations: education, Science, new Economy]. –№ 1. 2017.

12. Vladytskiy A.S. Yevraziyskiy soyuz: novaya model' integratsii [The Eurasian Union: a new model of integration] // Vestnik MGLU. Obshchestvennyye nauki.

13. Tenetko A. A. Regulyativnyy mekhanizm integrativnogo obrazovaniya «Yevraziyskiy ekonomicheskii soyuz»: problemy i perspektivy; [Regulatory mechanism of integrative education "Eurasian Economic Union": problems and prospects] // Ekonomika i biznes. Vzgl'yad molodykh.

14. Yevraziyskiy ekonomicheskii soyuz (YEAES) [Eurasian Economic Union (EAEU)] URL:www.eaeunion.org. (Accessed: 12.04.2021).