

Assessing the Sustainable Growth Potential of The Eurasian Economic Union Member States' Economies

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ABSTRACT: The current state and specifics of the economic development of the Eurasian Economic Union (EAEU) member states have been considered in the article. Both positive and negative factors for the openness of the economies of the EAEU member states have been provided in the course of the study; the structure and growth dynamics of the member states' economies for the recent years have been analyzed. The study was required to adequately assess the potential of the ongoing integration processes that described the achieved economic development of the EAEU member states and the impact of the dynamics of the ongoing changes on the future.

Keywords: Eurasian Economic Union (EAEU) member states, Eurasian Commission, integration, integration association, economic growth, economic development.

INTRODUCTION

In recent years the states that are members and parties to the EAEU Treaty have taken quite significant steps aimed at ensuring the macroeconomic stability in the context of integration; in particular, there is a significant decrease in the share of the consolidated budget deficit and the general government debt in some countries, relatively low inflation, and more stable inflation expectations of the EAEU member

states. The purpose of this article is to consider the key concept of the "sustainable economic growth of the states in the context of integration", a set of recommendations in the field of assessing the states' potential and dynamics of economic growth in recent years, the influence of the main directions and specifics of integration on the stabilization of the economic situation, and practical recommendations in the field of further cooperation among the EAEU member states.

The methods and techniques of the study, the results of which are presented in the article, are based on a synthesis of the practice and monitoring of macroeconomic indicators that measure the efficiency of the sustainable economic growth of the EAEU member states. The increased competition, the emergence of new products, the introduction of new technologies, and the increased consumer choice are positive factors in the openness of the economy. Unfortunately, negative factors are also noted, such as the capital share outflow from some countries and the deterioration of the industry sector of the economy.

The regular monitoring and consideration of the public opinion of citizens were the most important factors in achieving the sustainable economic growth of the EAEU in the context of integration. The authors' definition of the "sustainable economic growth in the context of integration" category was used as a working definition in the study and meant a relatively stable state of the economy indicators in the states under study, creating a common economic space in the course of integration.

An analysis of the express data from the Eurasian Economic Commission was carried out in order to measure the degree of the economic growth efficiency for the EAEU member states. The following indicators were used in the course of the study:

- quantitative values of macroeconomic indicators;
- gross domestic product per capita;
- foreign trade in the EAEU goods with nonmembers of the EAEU;
- mutual trade in goods among the EAEU member states;
- export and import of goods in the mutual trade of the EAEU;
- foreign trade of the EAEU member states; and
- number of the unemployed and the unemployment rate.

Qualitative and quantitative methodological studies based on the use of a comparative analysis of the results that measured the efficiency of the sustainable economic growth in the context of integration of the EAEU member states became the peculiarity of the analysis. The authors proceed from the fact that the population and specifics of the EAEU member states have a heterogeneous structure, and there are many other factors that influence the internal development and lifestyle of citizens in these states.

RESULTS

The EAEU member states have achieved the most successful values of the annual deficit of the consolidated budget in the general government sector over the past few years, according to the criteria established by the Treaty on the EAEU (signed in Astana on 29.05.2014) (as amended on 10.10.2014, last updated on 01.10.2019) (Treaty on the Eurasian Economic Union, 2014). According to the results of the sociological study, the attitude of citizens of the member states to the creation of the EAEU still remains mostly positive, as in previous years. For example, citizens of the Russian Federation and the Republic of Kyrgyzstan with different economic situations demonstrated relative unity

in approving the membership of their countries in the EAEU in 2018 (for example, at least 64 % of the support was demonstrated in both income groups in Russia, and at least 79 % in Kyrgyzstan). In the Republics of Belarus and Kazakhstan, the Eurasian integration was supported by 74 % and 76 % of the high-income groups of the population, and by 65 % and 57 % of the low-income groups, respectively (Report on the implementation of the main areas of integration within the EAEU, 2018).

At the same time, there is a gradual decrease in support for membership in the EAEU in all the EAEU member states, except for the Republic of Belarus, and the number of indifferent citizens towards the Union is gradually increasing, the highest being in Armenia (33 %), Belarus (28 %), and Russia (21 %) (Report on the implementation of the main areas of integration within the EAEU, 2018). The support for membership in the EAEU decreased from 86 % of the population in 2017 to 81 % in 2018 in Kyrgyzstan and from 80 % to 74 % in Kazakhstan. The most noticeable decrease in support for the Eurasian integration was detected in Russia (from 78 % to 69 %) and in Armenia (from 56 % to 46 %) in the face of a surge in negative attitudes towards the EAEU and support for membership in the EAEU from 10 % to 15 %. The positive trend was only in Belarus: the public support for membership in the Union increased from 60 % to 63 % (Report on the implementation of the main areas of integration within the EAEU, 2018).

As a result, a certain inconsistency of the opinions of respondents and political sentiments can be stated in different periods of growth or decline in the socioeconomic development of the states under study. According to the quantitative values of the macroeconomic indicators (Table 1), which determine the sustainable growth of the economies of the EAEU member states, it can be seen that the Republic of Armenia exceeded the quantitative values of the consolidated budget deficit and the general government debt established by the Treaty on the Union (Report on the results of the implementation of the basic guidelines for macroeconomic policy of the EAEU member states for 2017–2018, n.d.), the Republic of Kazakhstan had a consolidated budget deficit, and Kyrgyzstan had a general government debt deficit from 2015 to 2018. At the same time, only Kyrgyzstan exceeded the criterion of the outstanding government debt in 2018 by 4.7 % with an improvement in this indicator compared to 2015 – 2017, while the inflation rate as a percentage of the consumer price index compared to December of the previous year amounted to 0.5 % in the Republic of Kazakhstan and the Republic of Belarus (Report on the results of the implementation of the basic guidelines for macroeconomic policy of the EAEU member states for 2017–2018, n.d.). The states currently continue their attempts to bring the quantitative values of the macroeconomic indicators to the criteria outlined in the EAEU Treaty, aimed at stabilizing the economic situation within the common integration association.

Table 1. Quantitative values of the macroeconomic indicators that determine the sustainability of the economic growth of the EAEU member states.

	Annual deficit of the general government consolidated budget (% of the GDP)				General government debt (% of the GDP)				Inflation rate (consumer price index), % to December of the previous year			
	2015	2016	2017	2018	2015	2016	2017	September - October 2018	2015	2016	2017	2018
Republic of Armenia	-4.8	-5.5	-4.8	-1.6	43.7	51.5	53.4	49.9	99.9	98.9	102.6	101.8
Republic of Belarus	2.3	1.7	2.9	4.1	32.6	41.5	42.1	38.2	112.0	110.6	104.6	105.6
Republic of Kazakhstan	-2.2	-2.6	-5.2	-1.5	17.5	19.2	19.3	18.6	113.6	108.5	107.1	105.3
Republic of Kyrgyzstan	-1.4	-4.4	-2.9	-0.3	57.3	58.9	59.7	54.7	103.4	99.5	103.7	100.5
Russian Federation	-2.5	-3.0	-0.6	3.5	11.4	11.9	12.0	11.0	112.9	105.4	102.5	104.3

Source: (2018 Annual Report “On the results and prospects of the socioeconomic development of the EAEU member states and measures taken by the EAEU member states in the macroeconomic policy, 2019).

Trade, construction and industry currently remain the key sources of growth for the economies of the EAEU member states. “Positive rates in the industrial sector were observed in all countries, with the exception of the observed negative dynamics in Kyrgyzstan” (2018 Annual Report “On the results and prospects of the socioeconomic development of the EAEU member states and measures taken by the EAEU member states in the macroeconomic policy, 2019: 10). However, the industry demonstrated a gradual slowdown in 2018, which would continue, and the net exports continued to be one of the main factors in 2019. The system work is underway to deploy a “coordinated industrial policy within the Union, which allows to combine the industrial potential of the Union member states into a common space” (Report on the implementation of the main areas of integration within the EAEU, 2018), to increase the degree of cooperation between enterprises, and to form a common innovative infrastructure.

The increase in the GDP in Kazakhstan and Russia was due to an improvement in the situation in the world commodity markets. In other countries, the growth in domestic demand was due to an increase in gross fixed capital formation and expenditures on final consumption of households as a result of an increase in real wages (2018 Annual Report “On the results and prospects of the socioeconomic development of the EAEU member states and measures taken by the EAEU member states in the macroeconomic policy, 2019). As such, all the EAEU member states demonstrated positive dynamics in the context of the economic upsurge phase, with the exception of Kyrgyzstan. The growth rates were above average as soon as in 2018 as compared to the previous six years. At the same time, the economic growth peaked in these years in Belarus and Russia.

The real GDP of the EAEU member states had increased by 2.5 % by the end of 2018, which was explained by a combination of such factors as favorable foreign economic conditions, growing world economy and trade, gradual easing of monetary policy, etc. The following dynamics are distinguished in the current prices and units of the national currency, according to the GDP of the EAEU member states for the period from 2014 to 2018 (Table 2). The GDP grew from AMD 1,602 to AMD 2,023 in Armenia

from 2014 to 2018, from BYR 85,048 to BYN 13 in Belarus, from KZT 2,295 to KZT 3,262 in Kazakhstan, from KGS 72 to KGS 92 in Kyrgyzstan, and from RUB 541 to RUB 707 in the Russian Federation. When the dynamics are expressed in USD, the situation is as follows: the GDP grew from 3,852 to 4,188 in Armenia, decreased from 8,289 to 6,283 in Belarus, decreased from 12,807 to 9,462 in Kazakhstan, grew from 1,331 to 1,332 in Kyrgyzstan (nearly no change), and decreased from 14,252 to 11,312 in the Russian Federation.

Table 2. Gross domestic product per capita.

Years	2014	2015	2016	2017	2018
In the current prices; national currency units					
Armenia	1,602	1,679	1,693	1,868	2,023
Belarus	85,048	94,745	10	11	13
Kazakhstan	2,295	2,330	2,640	2,944	3,262
Kyrgyzstan	72	76	82	89	92
Russia	541	568	586	627	707
In USD					
Armenia	3,852	3,512	3,524	3,869	4,188
Belarus	8,289	5,829	4,997	5,729	6,283
Kazakhstan	12,807	10,510	7,715	9,030	9,462
Kyrgyzstan	1,331	1,163	1,179	1,296	1,332
Russia	14,252	9,356	8,765	10,753	11,312
EAEU	13,215	8,919	8,127	9,892	10,080

Source: Compiled using the data from the official websites of the EEC (Official website of the Eurasian Economic Commission, n.d.), the CIS Statistical Committee.

The data in Table 2 are provided in the prices effective from July 1, 2016 (taking the denomination of 10,000 times into account), and the indicator is estimated at the exchange rates of the national (central) banks for a year: at the average weighted rate of the Belarusian ruble against the USD in Belarus and at the average rates of the national currencies against the USD in Armenia, Kazakhstan, Kyrgyzstan, and Russia.

Table 3. Foreign trade in goods of the EAEU member states with nonmembers as of 2018 (USD mln).

	Turnover	Export	Import	Balance	In % to January - December 2017		
					Turnover	Export	Import
EAEU	753,417.4	490,637.5	262,779.9	227,857.6	118.8	126.8	106.3
of which:							
Armenia	5,248.0	1,723.0	3,525.0	-1,802.0	117.9	103.4	126.7
Belarus	35,499.7	19,838.9	15,660.8	4,178.1	117.9	127.2	107.8
Kazakhstan	74,375.3	55,064.3	19,311.0	35,753.3	123.3	127.3	113.1
Kyrgyzstan	4,326.9	1,196.2	3,130.7	-1,934.5	112.3	97.8	119.0
Russia	633,967.5	412,815.1	221,152.4	191,662.7	118.4	126.9	105.2

Source: On the results of foreign and mutual trade in goods of the Eurasian Economic Union (2018).

The total volume of foreign trade in goods of the EAEU member states with nonmembers amounted to USD 753.4 bln in January - December 2018, of which the export of goods was USD 490.6 bln and import was USD 262.8 bln. The volume of foreign trade turnover increased by 18.8 % (USD 119.2 bln) compared with 2017, where export increased by 26.8 % (USD 103.7 bln) and import increased by 6.3 % (USD 15.5 bln). The foreign trade surplus amounted to USD 227.8 bln against USD 139.6 bln in 2017. The

volume of foreign trade in goods of the EAEU member states with nonmembers in January – December 2018 is presented in Table 3. It would be incorrect to rely only on external data in determining the state of foreign trade in the EAEU member states. “The foreign trade turnover is an indicator describing the volume of foreign trade of the member states” (Table 4 and Table 5). Let us estimate the “foreign trade turnover of the EAEU member states: $FTT = E + I$, where FTT is the foreign trade turnover, E is the export volume for a certain period of time, and I is the import volume for a certain period of time” (Vartanova, Osadchaya, Yudina, 2018: 196).

It can be seen from Table 3 that the volume of foreign trade of the EAEC member states had increased for the period under study. The leaders in it are the Republic of Kazakhstan and the Russian Federation, followed by the Republic of Belarus and Armenia. “The foreign trade balance indicates the difference between the export and import of countries, i.e., this indicator determines the country's position in the world economy – whether the country is a world exporter or, on the contrary, is import-dependent: $FTB = E - I$, where FTB is the foreign trade balance, E is the export volume for a certain period of time, and I is the import volume for a certain period of time” (Vartanova, Osadchaya, Yudina, 2018: 197). According to the foreign trade data for the EAEU member states, the Russian Federation, the Republic of Kazakhstan, and the Republic of Belarus achieve a positive value in the FTB – usually, due to the excess of a significant number of the exported goods over the imported ones (Table 4 and Table 5).

Table 4. Export and import of goods in mutual trade in the EAEU.

	Turnover	Export	Import	Balance	In % to January – December 2017		
					Turnover	Export	Import
Armenia	2,127.2	689.0	1,438.2	-749.2	112.8	120.7	109.4
Belarus	36,648.4	13,891.8	22,756.6	-8,864.8	109.8	101.8	115.4
Kazakhstan	19,114.5	5,892.0	13,222.5	-7,330.5	107.5	112.0	105.6
Kyrgyzstan	2,345.1	568.4	1,776.7	-1,208.3	97.5	105.0	95.3
Russia	57,757.6	38,679.9	19,077.7	19,602.2	108.8	111.5	103.7

Source: On the results of foreign and mutual trade in goods of the Eurasian Economic Union (2018)

Table 5. Foreign trade of the EAEU member states

	Turnover	Export	Import	Balance	In % to January – December 2017		
					Turnover	Export	Import
Armenia	7,375.2	2,412.0	4,963.2	-2,551.2	116.4	107.8	121.1
Belarus	72,148.1	33,730.7	38,417.4	-4,686.7	113.6	115.3	112.2
Kazakhstan	93,489.8	60,956.3	32,533.5	28,422.8	119.7	125.7	109.9
Kyrgyzstan	6,672.0	1764.6	4,907.4	-3,142.8	106.6	100.0	109.2
Russia	691,725.1	451,495.0	240,230.1	211,264.9	117.5	125.5	105.1

Source: On the results of foreign and mutual trade in goods of the Eurasian Economic Union (2018)

The mutual trade volume in the EAEU (Table 6) for January – December 2018 amounted to USD 59.7 bln (109.2 % of the level of 2017). The mutual trade volume in the EAEU increased by 9.2 % in 2018 compared to 2017 and amounted to USD 59.7 bln.

Table 6. Mutual trade volume in the EAEU.

	USD mln	In % to January - December 2017	Specific weight in the volume, %	
EAEU	59,721.1	109.2	100.0	
of which:				
Armenia	689.0	120.7	1.1	100.0
Belarus	11.7	166.5		1.7
Kazakhstan	9.8	198.2		1.4
Kyrgyzstan	1.0	55.0		0.1
Russia	666.5	119.6		96.8
Belarus	13,891.8	101.8	23.3	100.0
Armenia	37.4	108.4		0.3
Kazakhstan	783.9	132.4		5.6
Kyrgyzstan	120.3	97.5		0.9
Russia	12,950.2	100.4		93.2
Kazakhstan	5,892.0	112.0	9.9	100.0
Armenia	7.5	133.8		0.1
Belarus	87.5	86.5		1.5
Kyrgyzstan	634.9	122.9		10.8
Russia	5,162.1	111.3		87.6
Kyrgyzstan	568.4	105.0	0.9	100.0
Armenia	0.1	89.9		0.0
Belarus	7.0	98.7		1.2
Kazakhstan	247.2	92.0		43.5
Russia	314.1	118.2		55.3
Russia	38,679.9	111.5	64.8	100.0
Armenia	1,341.4	107.6		3.5
Belarus	22,779.8	116.4		58.9
Kazakhstan	12,923.3	103.7		33.4
Kyrgyzstan	1 635.4	116.9		4.2

Source: On the results of foreign and mutual trade in goods of the Eurasian Economic Union (2018)

As such, the growth in the mutual trade volume in January - December 2018 compared to the previous year amounted to USD 5,009.5 mln (9.2 %), of which food products and agricultural raw materials increased by USD 428.5 mln (5.2 %), chemical products increased by USD 311.3 mln (4.7 %), and textiles, textile products and footwear increased by USD 271.4 mln (13.6 %). Mineral products increased by USD 2,099.2 mln (14 %), machinery, equipment and vehicles increased by USD 1,229.3 mln (12.1 %), metals and metal products increased by USD 621.8 mln (8.6 %), and food products and agricultural raw materials increased by USD 428.5 mln (5.2 %). In the context of the further economic development of the EAEU member states in terms of integration, it is assumed that it is very important for the Eurasian Economic Commission to take advantage of the favorable economic situation.

The undertaken measures allowed to increase the production volumes in most sectors of the processing industry. For example, the development of industrial cooperation in the Union was one of the main sectors of industrial growth. Cooperation supplies among the member states develop at a faster pace than the dynamics of industrial production and cooperation supplies of the member states in foreign trade with nonmembers. The creation of an integrated information retrieval system based on national operators (Coordination of works on creation of the integrated information system in the Union, n.d.) in the Republic of Belarus, Kazakhstan, and the Russian Federation is also very important, as it will include ground-based satellite control systems involved in Earth sensing.

The uniform rules for the provision of industrial subsidies are currently applied in the EAEU, and the member states inform each other and the Commission about the planned and provided industrial subsidies. As part of the monitoring of compliance by the EAEU member states with the unified rules for the provision of industrial subsidies, the Eurasian Commission monitors and conducts a rather legal analysis of the legislation of the EAEU member states on a regular basis. Practical recommendations are prepared following the results of the studies of the Eurasian Commission, and notifications are made on the adjustment of the regulations that are inconsistent with the Treaty and the Union, if necessary (Report on the implementation of the main areas of integration within the EAEU, 2018: 34).

At the same time, the indicators of economic activity in 2017 – 2018 reveal the completion of the active upsurge phase and a gradual slowdown in economies in 2019. The reason is that the decline in commodity prices negatively influenced both foreign and mutual trade back in 2018. In this regard, it is expected that the GDP growth rate of the EAEU member states in 2019 will decrease and be no more than 1.6 %, which is primarily due to the expected significant slowdown of the Russia's economy to 1.4 % and Belarus to 1.2 %, as well as a slowdown in economic growth in other member states. This slowdown was due to both global factors (the gradual tightening of the monetary policy in some developed and developing countries and the escalation of tension in the trade sector) and the intensification of trade disputes at the regional level with the reduction of the influence of local factors that contributed to economic growth in 2018.

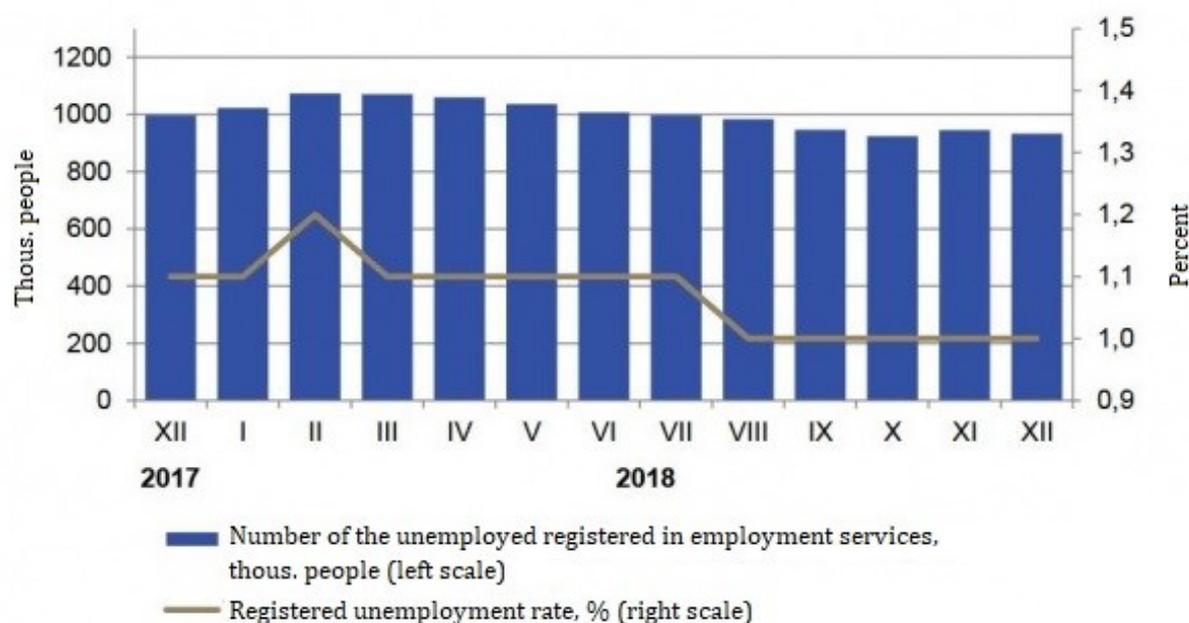


Figure 1. Change in the number of the unemployed and the unemployment rate (according to the state employment services in the EAEU as a whole, as of the end of the month)

In regard to unemployment and the number of employed people in the EAEU member states, it must be noted that according to the latest available data and the methodology of the International Labor Organization, the overall unemployment rate in the EAEU was estimated at 5.0 % of the economically active population/labor force (Q2 2018), including 20.2 % in Armenia (Q2 2018), 4.8 % in Belarus (Q4 2018), 4.8 % in Kazakhstan (Q3 2018), 6.9 % in Kyrgyzstan (2017), and 4.6 % in Russia (Q3 2018). For

example, the number of the unemployed registered in employment services in the EAEU member states as of the end of December 2018 amounted to 932.8 thous. people, or 1.0 % of the economically active population/labor force. At the same time, as compared to December 2017, the number of the unemployed registered in the employment services of the population across the EAEU decreased by 6.4 % as a whole (Figure 1).

In terms of the percentage of the economically active population/labor force, the figure was 0.3 % for the Republic of Belarus, 1.0 % for the Republic of Kazakhstan, 2.8 % for the Republic of Kyrgyzstan, and 0.9 % for the Russian Federation. As such, the number of the unemployed registered in employment services as of the end of 2018 amounted to 932.8 thous. people against 996.5 thous. people and 1.0 % against 1.1 % as of December 2017 in the EAEU member states as a whole. The number of the unemployed “registered in employment services of Kyrgyzstan at the beginning of 2019 was 70.9 thous. people” (On unemployment in the Eurasian Economic Union, 2018).

The “official” unemployment increased by 30.3 % in Kazakhstan compared to that a year ago, up to 91.6 thous. people. The number of the unemployed was 64.6 thous. people in Armenia, 12.5 thous. people in Belarus, and 693.2 thous. people in Russia. The number of the unemployed registered in employment services in the EAEU member states as of the end of December 2018 amounted to 932.8 thous. people, or 1.0 % of the economically active population (On unemployment in the Eurasian Economic Union, 2018).

The following numbers of the unemployed registered in employment services (thous. people) in the EAEU member states were employed in the period from 2014 to 2018: 8.2 % – 12.0 % in the Republic of Armenia, 159.1 % – 152.2 % in the Republic of Belarus, 185.8 % – 481.9 % in the Republic of Kazakhstan, 48.1 % – 28.0 % in the Republic of Kyrgyzstan, and 2,603.2 % – 2,332.5 % in the Russian Federation. In total, the indicator increased from 3,004.4 % to 3,006.6 % in the EAEU member states in the period from 2014 to 2018. At the same time, the average monthly and nominal wages during the period under study (from 2014 to 2018) amounted to USD 381 in 2014, USD 359 in 2015, USD 363 in 2016, USD 368 in 2017, and USD 358 in 2018 (in USD) in the Republic of Armenia. It can be seen that after a steady increase in wages from 2014 to 2017, there was a slight decrease only in 2018. The wages amounted to USD 590 in 2014, USD 413 in 2015, USD 361 in 2016, USD 426 in 2017, and USD 470 in 2018 in the Republic of Belarus; USD 675 in 2014, USD 568 in 2015, USD 418 in 2016, USD 463 in 2017, and USD 471 in 2018 in the Republic of Kazakhstan; USD 229 in 2014, USD 209 in 2015, USD 212 in 2016, USD 228 in 2017, and USD 236 in 2018 in the Republic of Kyrgyzstan; and USD 856 in 2014, USD 561 in 2015, USD 549 in 2016, USD 671 in 2017, and USD 695 in 2018 in the Russian Federation.

The free movement of goods and labor is ensured within the customs union (Oganesyanyan, 2011; Gukov, 2016). A unified foreign trade policy is currently being implemented in the EAEU, which ensures the application of the unified customs tariff and nontariff regulation measures as well as special antidumping and countervailing measures to protect the domestic market, in accordance with the Protocol on Application of Safeguard, Antidumping and Countervailing Measures with Regard to Third Countries (Annex 8 to the EAEU Treaty) (Treaty on the Eurasian Economic Union, 2014). As for Armenia and Belarus, the Armenian government adopted a program providing for improving the investment climate in February 2019, and it is planned to complete the modernization of oil refineries and the gradual commissioning of a nuclear

power plant in the Republic of Belarus. As such, the investment potential of the EAEU member states remains high.

According to the financial statistics of the EAEU, the financial operations of the private sector of the states under study appeared to be completely multidirectional. For example, the net import of private capital increased in Armenia. The bank operations in Belarus and Kazakhstan were described by net borrowing in Q4, while the operations in other sectors were described by lending to the rest of the world, which contributed to the outflow of capital to other countries. Unfortunately, the discrepancy in inflationary development observed in the EAEU as a whole for 2019 will continue in 2020. Inflation slowed down mainly in the Russian Federation and the Republic of Kazakhstan, as they are oil importing countries – this was largely due to the falling global prices for commodities and food, but inflation in these states still remains at a relatively high level.

The results of monitoring the assessment of the economic growth in the EAEU member states in the context of integration allow to conclude that the attitude of citizens of the member states to the creation of the EAEU still remains mostly positive, as in previous years. However, along with the positive aspects of integration, its negative aspects are also revealed. A significant number of conceptual amendments (more than 50) aimed at expanding and deepening Eurasian integration in various areas, including granting the EAEU bodies additional powers, were rejected by experts from the EAEU member states. The main obstacle to this was that the proposals for improving the Treaty had not been approved by the representatives of the EAEU member states, where experts had justified their refusal to approve the amendments by the fact that the Union's law had not enshrined fundamental rules that would confirm the will of the heads of member states to develop and deepen integration in the relevant areas or by lack of proper competence of the members in legal regulation.

There is an increasing need to assess the growth potential of the economy during the formation and further growth of the economies of the EAEU member states on the way to creating a common integration space, which makes this study more relevant. This study was preceded by some works on similar issues. Most of the sources analyzed by the authors were built on the data from the Eurasian Economic Commission over the past five years. This study also involved the works of individual authors on the integration of some EAEU member states. A significant contribution to this study was the collective monograph titled "Processes of Eurasian Integration: Sociopolitical Dimension" (Osipov et al., 2018). It is stated in the study that the problems of economic development in the context of the integration of the EAEU member states have not been solved yet. Following the integration practice, namely the step-by-step strengthening of supranational processes, it is proposed to highlight a number of the following promising areas:

- expanding the competencies of the Eurasian Economic Commission as a supranational body;
- introducing changes to the structure of the supranational body with due consideration of the social and humanitarian aspects of interaction;
- transfer of authority to initiate and make decisions to the Eurasian Commission; and
- full budget planning of the comprehensive activities of the supranational body.

The authors believe that the pursuit of a coordinated economic policy is designed to help build an all-Union system of industry priorities, unite industrial potential in

accordance with Article 92, Clause 1 of the EAEU Treaty, create national specialization and resource support, strengthen economic and national security, and strengthen competitive positions of the EAEU member states in the world market. The following is recommended to retain the sustainable economic growth of the EAEU member states:

- pursuing a more efficient, transparent, and coordinated monetary policy, with the price stability being its final result;
- efficient implementation of budget rules and their compliance in the territory of the EAEU member states; and
- creation of free trade zones among the member states (such as free movement of goods and labor), with the abolition of taxes, customs duties, and fees being the main condition.

The scientific novelty of the results of the study is determined by the fact that the set of recommendations for building the potential of the common integration space of the EAEU member states has been developed and proposed in the study, which contributes to increasing competitiveness and sustainable economic growth of the EAEU member states. The practical relevance lies in identifying promising areas for sustainable growth of the state economies within the EAEU Treaty. In addition, the main provisions of this study were used in the preparation of the following works:

1. Osadchaya G.I. Stanovlenie Evraziiskogo ekonomicheskogo soyuza: idei, realnost, potentsial [Formation of the Eurasian Economic Union: ideas, reality, and potential]. Monograph. Moscow, 2019.

2. Project «Sotsialno-politicheskoe izmerenie realizatsii protsessov evraziiskoi integratsii» [Sociopolitical dimension of the Eurasian integration processes]. Ed. by S.V. Ryazantsev and G.I. Osadchaya. Moscow, 2019. Issue No. 4. Eurasian integration: scale, specifics, efficiency.

CONCLUSION

It is necessary to emphasize the importance of the ongoing integration processes and their role in the sustainable economic development of the EAEU member states at the stage of deepening integration among the states. Further sustainable economic growth amid deepening integration is beyond dispute. However, much remains to be done in the economic development of the EAEU member states in order to support and encourage the public interest in further association on the basis of mutually beneficial cooperation and partnership. Unfortunately, the EAEU member states are still losing to other countries in some indicators, such as those in the field of educational services, scientific and technical cooperation, and imported goods and capital.

Therefore, it is very important to inform the general public on time about the measures taken in the field of the integration development, as well as to conduct an objective and explanatory dialogue about its advantages and disadvantages for the population, for business, and for the economy of individual countries and their regions.

The authors believe that on the forecast horizon, the positive economic dynamics will enable the countries exporting commodities to continue to rely on domestic demand. Retaining consumer demand will be determined by the growth of employment and wages, an increase in consumer unsecured lending, and approval of national projects aimed at developing social infrastructure and human potential.

Contribution to the processes of efficient economic growth of the EAEU member states can serve as an additional incentive in ensuring the rights and interests of citizens

of the EAEU member states in the medium term, increasing the share of the economy's resistance to external shocks, as well as eliminating or reducing the most significant macroeconomic imbalances in the context of globalization. This study lays the foundation for further sustainable economic growth of the EAEU member states, both individually and as an integration association. The implementation of the recommendations proposed in the study contributes to achieving the sustainable economic growth of the EAEU member states and the goals set by the authors of the study, and can serve as an additional source for deepening integration processes.

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