

## Specific Character Of Organization Integration Communications Of The Eurasian Community In The Customs Union

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**Abstract:** The efficiency of the development of the specification of Customs Union organization in the system of Eurasian integration is disclosed with substantiation of its strategic effect on basic components such as institutional basis with its special significance for integration policy successful implementation. For many relatively young independent states, which also concern former Soviet republics, integration in the world system of management required to carry out radical changes in its institutional basis, motivational and adaptive mechanisms in various spheres of social and economic life. In this case, the specificity of integration relations organization in Eurasian community is thought to play a significant part, and first of all, in the format of Customs Union with its strategic effect substantiation which is formed by new institutional basis of integration, expansion of the competitive environment as well as goods turnover, and also resource potential, including the field of general labour- market development.

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### Introduction

Formation the effective development of the world system of economic management is believed to be implementation of integration processes, development of new forms of interstate, inter-regional and regional correlations which give the opportunity to engage saved social and economic, scientific and technical potential in optimum.

The perspective development of these issues is closely connected with problems of optimization of macroeconomic tendencies in the economy of Eurasian states, increase of their competitiveness in the international goods and services markets and creation of a progressive life-support system [1].

In the investigation of the problem of strategic effect, its formation in the competitive environment is basically accentuated and it deals with solving the problems of competition increase of separate managing subjects. Such approach is certainly important and interesting, but from the point of view of modern reproductive processes development, it is not so topical and objective. In our opinion, here there is a natural interconnection of strategic effect with geo-economy and with its branched out system of regional communities, groups and separate countries forming wide competitive environment [2]. A lot of these regional subsystems of the world economics join into world economical communications having a certain competitive status in concrete goods and services markets and at the same time trying to keep

their positions, and in prospect future as strategically significant component of its foreign policy to reach a dominating place there.

The particular interest for researchers is known to be developing market systems which integrate actively into the world system of managing and test the experience of developed countries. Improvement of national economic systems is mostly made on the basis of integration with use of progressive institutional leverages. At the same time the developed structure of the market predetermines the competition model [3]. In this particular model geo-economic standards prevail more and more. Taking into account such tendency in geo-economy almost for all countries, the strategic effect means qualitative renewal of reproducing process in the external institutional environment [4]. Generalization of these approaches, which are acceptable enough in our opinion, allows to make a conclusion about objectification of the strategic effect criteria, developing a special algorithm of the components, which allow to define the effectiveness of certain management system operation on the new institutional basis. In particular, it concerns integrated systems, some or other regional communities. It is essential to notice that almost each integration formation evolves changing its institutes, parameters of integration, etc. in connection with their own objects and goals. Thus, the components of strategic effect are altered accordingly. It is obvious that in these cases the

structural component prevails significantly influencing on strategic effect. Basically, the objective interrelation of strategic effect with all main environments, forming the competitive status of managing system, is observed: market, institutional and business environments. From here we can see multilevel criteria approach to strategic effect substantiation, especially in the new integration formations created recently and essentially changing their parameters of management, according to scales of integration. In the methodological plan it is important to note a specific narrowing of such macroapproach to strategic effect substantiation which takes place in several researches. For instance, in the proceedings of J. Brender, B.Spenser the strategic effect is defined as a gain of national economy from subsidizing the firm or any branch [5,6]. In particular, concerning firms, it means, developing effective strategy of its subsidizing to enter specific oligopoly market which is limited to small circle of the large scale enterprises that correspond the profile of the mentioned firm.

Integration in the post-Soviet area has passed through several evolutionary stages and stored both as positive as negative experiences in the organization of economic, social and political interaction in diversity of regional communities. Eurasian Economic Union -3 has become one of such communities which included three largest states of the post-Soviet territory: Russia, Kazakhstan and Byelorussia. These states became initiators of Customs Union creation to operate in the system of Eurasian integration from the beginning of 2010. The organizational registration of the Customs Union of these Eurasian states was preceded by thorough study and working out of the considerable great amount of documentary-legal basis, social and economic standards of national economies as well as the experience saved up in the world practice of such unions organization. Basically, establishment of the Customs Union became objectively necessary in the course of realization strategic goals of general system modernization of entered there countries, their effective promotion in the world markets of goods and services.

Effective operation of the Customs Union being strategically important for countries - participants at the same time brings a certain novelty aspect in the settled world managing relations in global economic building up a particular scale of integration expectations in constantly extending competitive environment. According to the world practice, despite a variety of integration formations, Customs Unions precisely allow to raise significantly the effectiveness of integration expectations in respect of growth the investment activity, foreign trade and other integration processes and also to allow involve rationally

integration potential. The mechanism of customs unions establishment has been developed for years and in different regions of the world. For example, Central American Common Market since 1961, Arabian Common Market since 1964, Association of European countries with Turkey since 1963, etc. These unions are strictly enough arranged in their integration basis that allows to solve accurately strategically important issues in the corresponding markets of the world. According to its organizational matter the Customs Union (CU) is an agreement of two or more states (form of interstate agreement) on customs duties cancellation in trade between them, the form of collective protectionism against third countries. Also the Customs Union provides "formation of the united customs territory". Usually countries - participants of the Customs Union make agreements about establishment of interstate bodies which coordinate conducting the agreed foreign trade policy. As a rule, it deals with periodic meetings arrangement of the ministers supervising corresponding departments which in their work base on constantly operating interstate Secretariat. Actually, it is a matter of the form of interstate integration assuming creation of international bodies. In this case the Customs Union is much more strict form of integration than, for example, free trade zone.

Establishment of the Customs Union of Eurasian states is a vital step in strategy of their integration. However, many problems in the rationalization of integration interaction of the mentioned states were already revealed in the process of the Customs Union operation. They are the following ones:

- much time of making decision in respect of integration processes management;
- occurrence of not coordinated interests in the operating administrative toolkit;
- contradictions in some investment programs implementation;
- non-simultaneous and different levels of regulation in the tariff policy;
- integration uninvolved potential existence due to lack of system parameterization of its structure.

Functioning of the united customs territory objectifying integration processes in the scope of tariff and customs policy has not fully included all potential of Eurasian states in integration space yet. It is explained by integration prospects - creation of the United economic space and finally Eurasian Union. However, at the stage of the Customs Union establishment, the detailed parameterization of the basic integration components allows to provide even more rational transition to the next integration stage.

#### **Methodology and theoretical part**

The statement of the problem of obtaining certain strategic effect at establishment or

rationalization of the concrete integration space requires special methodological approaches, in particular, systematization of integration processes nature with generalization of scientific bases of their specificity and their parameters evaluation basing on the executed in this area investigations and macroeconomic problems of integration policy of Eurasian states.

### Results of the researches

In the formation of real strategic effect in the matter of establishment the Customs Union in Eurasian integration system the renewal of institutional basis of integration processes had especially important structural and formative value. On the one hand, a new organizational structure is adapted to integration conditions of united customs territory, but on the other hand, it is directed on effective involvement of Eurasian states integration potential in the course of realization of the united customs policy. It is necessary to note the strategically important result at agreements conclusion, countries-participants have stipulated for themselves a number of tariff preferences for import customs duties payment proceeding from the interests of certain branches development, and also mutual agreement of common actions in the major scopes of activity. All these factors form structurally the basis for strategic effect within the created Customs Union. The following directions concern here:

- Division of incomes obtained from customs operations into real income and contingent gain. Real income is meant the income obtained by the customs service due to customs operation fulfillment and supplies into the republican budget. The contingent gain is thought to be the income which is equal to liquidated damage from danger cargo transported through the border arrested by customs services. Obtaining the contingent gain is practically carried out by the government, separate private organizations which do not need to bear the expenses for liquidation of the consequences from selling goods which are hazard for life and health of a man and the environment.

- Provide the control over the transported through the border products of agriculture infected by various diseases ( such as late blight disease and so on) nowadays cannot be realized as they have a biologic matter and the issues of control can be only resolved by Research Institute of the Ministry of Agriculture. In certain cases quarantine methods can be applied but they require large expenses and time.

- Provision of the control over products transportation through the border, the products infected by strains of bacteria and microorganisms which have harmful affect on different materials nowadays cannot be carried out. These materials have

a biologic base and the control over development the methods of their reveal can be only fulfilled by Research Institute of Kazakh Academy of Sciences, Research Institute of the Health Care Ministry of the Republic of Kazakhstan as well as State Customs Committee.

- Development of economic methods of formation the system of safety and prevention the hazard situations which allow to determine the full economic effect, provided by reduce of the risks at the result of accepted protection measure.

- Byelorussian tractor companies have the right to import duty-free air vessels, besides, spare parts required for aircrafts repair and service are delivered also duty-free but without time restrictions. Thus, spare parts for aircrafts repair are delivered on a constant basis under zero import duties.

For realization of investment projects in priority kinds of activity it is possible on a constant basis to conduct free of duty import of processing equipment, accessories and spare parts for it, and also not producible raw stuff and the materials necessary for any production cycle. This is a very important direction in tariff system regulation which allows to optimize investment processes within united customs territory. The specifications which justified themselves in any country before Customs Union creation have been specified.

- Kazakhstan during the transitional period stipulated the right to apply lower rates of customs duties concerning 409 goods with maximum term for five years. Basically it concerns medicine, medical equipment, carriages, raw materials for chemical, light and wood processing industries, greenhouses and other kinds of non producible raw materials [7]. Since the beginning of one customs territory operating as a new functional basis of the Eurasian integration the countries-participants of the Customs Union have managed to achieve essential results in tariffs regulation. For instance, in Kazakhstan as a result of formation of unified with Russia and Byelorussia customs tariff the arithmetic-mean level of the national tariff has raised from 6,2 % up to 10,6 %, and 47,7 % of Kazakhstani rates have been raised up to the Russian level, 5 % of our rates have been lowered, 45 % - the level of rates has not changed. They cover those goods positions on which we had uniform levels of import customs duties before the Customs Union formation with Byelorussia and the Russian Federation . A special attention to the renewal of institutional basis of the Customs Union was concentrated on the improvement of the investment climate in it. For these purposes the real mechanisms of financial integration were created, in particular Eurasian Bank of development, Anti-crisis Fund and Center of High Technologies. That is rather important

as experts estimate common effect from Customs Union creation for more than 400 billion in dollar calculation for Russia, 16-18 billion for Byelorussia and Kazakhstan. Essentially, the start has been made for formation of common market whose population estimates about 180 million people or 60 percent of CIS population. The cumulative industrial potential of our countries is evaluated now 600 billion dollars, oil reserves estimate 90 billion barrels, agricultural production volume - 112 billion dollars. In the territory of three states 85 % of a total internal product of all post-Soviet territory is produced. The total amount of gross national product of three countries exceeds two trillion dollars, its gain by 2015 is predicted within 15-18 %. All this allows the Customs Union to apply for a role of one of leading world integration associations as well as to get a deserved place in the world economic system of coordinates. The Customs Union as a stage in the integration of Eurasian states is defined as an "achieving breakthrough". As the heads of these countries declared, "The main goal that we wish to achieve - high quality of our people's life, steady economic and social development of our countries... The Customs Union will encourage growth of mutual trade, increase of competitiveness of our production, it will open new prospects for investments." [8, 9]. These ideas have something in common with positions of the January Message of the President of the Republic of Kazakhstan:

"Kazakhstan is an active participant of integration processes in CIS. Customs Union establishment together with Russia and Byelorussia which came into force on January 1st, 2010, is a breakthrough of all Kazakhstani integration initiatives. Formation of United economic space from January 1st, 2012 will become the following stage of three countries integration. It is a higher level of integration when free movement of capital and labor force will be provided." [10].

Realization of the planned purposes in the Customs Union of Eurasian states is relied on the highest level of political power with detailed developed mechanisms of motivation and real institutes of integration providing their effectiveness in various fields of their interaction.

### Conclusions

Investigation of transformations in the system of Eurasian integration connected with the Customs Union creation in it has allowed to detect the influence

of the basic integration components on the expected strategic effect of new integration space.

- Renewal of institutional basis in the integration of Eurasian states connected the creation of united customs territory has allowed to concentrate efforts of the state management of Eurasian Customs Union countries-participants on the most important conditions and problems of customs policy.

- So new institutional component has allowed to rationalize the investment area and to create better investment regime for Customs Union countries-participants.

- With Customs Union creation tariff policy has been significantly optimized as well as integration itself.

As a whole, integration processes in the system of Eurasian integration are more and more built up taking into account natural laws of construction of effectively organized integration space, experience which has been saved up in CIS, European Union and other regional communities that allow to raise effectiveness of integration communications and their strategic perceptivity.

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