




How to cite this paper: Hovsepyan, M. (2023). The Chronology of Economic Instabilities of the EAEU Countries. *Messenger of ASUE*, 1(73), 60-72.
DOI: 10.52174/1829-0280_2023.1-60
Received: 13.03.2023. **Revision:** 16.03.2023. **Accepted:** 09.06.2023.

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THE CHRONOLOGY OF ECONOMIC INSTABILITIES OF THE EAEU COUNTRIES

As economic history has shown, economic instabilities that originate in one country can be transmitted through various mechanisms and affect not only individual countries but also integration associations and their integration processes and economic developments. Moreover, if in the initial period this impact is noticeable only for the economic prospects of the trading partners, later it gains a global character and affects other partner countries after a certain time lag. Considering recent economic developments, the same pattern is applied in the case of the Eurasian Economic Union (EAEU). Being former members of the USSR, EAEU member countries have faced systemic crises since their independence until these days.

This article summarizes the chronology of the economic crises that took place in the EAEU member states, elaborates, clarifies, and classifies their characteristics. Based on this, the author aims to explore the differences and similarities of the economic development cycles of the EAEU countries.

Keywords: *EAEU crises timetable, economic cycles, crisis chronology, uncertainty index, instabilities*

JEL: F15, F44

DOI: 10.52174/1829-0280_2023.1-60

Introduction. Nowadays, the global economy is facing instabilities connected to non-economic factors, which at the same time lead to increasing economic vulnerabilities. The world may soon be teetering on the edge of a global recession, only two years after the last one (Gourinchas, 2022). Economic instabilities are caused by disruptions in the main macroeconomic indicators of the country and affect the population's well-being. The first impulse of these disturbances is felt in the increase of inflationary pressures. Although economic crises are not new phenomena, each new one has features typical of the previous ones, as well as specific features and differences, which underline the essence of a solid understanding of each period of the crises. That is why the number of studies and research papers is continuously increasing pointing out the scientific

definitions and features of instabilities, uncertainties, and crises. The study of this issue is especially important in integration associations, where countries try to implement an integrated economic, macroeconomic policy.

Research Methodology. The methodological basis for this article became the scientific journals and working papers published by local and international experts, economists, and international institutions. More than 2 dozen scientific works and articles were studied, which referred to the uncertainties and crises of the EAEU member states. Economic instabilities and crises have always been in the spotlight of economists, as a result of which there is significant literature with different methodological approaches. During the last decades, not only the studies of crises, but also the toolkits for their prevention and early warning have become a separate part of the methodological approach. In this article, using the above-mentioned approach, the dynamics of instabilities and crises that occurred in the EAEU countries over the last 30 years were studied, and a comparative analysis was carried out by comparing the existing socio-economic indicators among countries.

The author used research tools as necessary instruments for data collection and analysis. To collect and complete the database for the article, the author used the national statistical sources of Armenia, Russia, Belarus, Kyrgyz Republic, and Kazakhstan, summaries and general databases of the Eurasian Economic Commission, as well as reports published by international organizations (IMF, WB, OECD). For conducting qualitative research studies in this field, the author used more than three important economic research methods such as content analysis, action research, and comparative analysis.

Moreover, concerning the research methods, the author used also a scientific analytical approach to ensure quantitative and qualitative results provided in the article because the object of the research covers a large number of socio-economic indicators for 5 countries. The scientific analytical and comparative analysis approaches involve several key steps, including formulating a research question or hypothesis, designing and conducting experiments or studies to collect data, analyzing the data using statistical or other methods, and drawing conclusions or making recommendations based on the results.

Literature Review. According to the inclusion of financial sectors in the economy, there are different types of crises: currency crises, banking crises, debt crises (also debt reconstructions), sudden stops, and balance payment crises (Claessens, Stijn and Kose, M. Ayhan, 2013), (Laeven and Valencia, 2020).

Obsfeld, Taylor (2004, 2005) found that the freely floating exchange rate system does not guarantee the independence of monetary policy. On the contrary, based on the findings of Blanchard et al. (2010) countries with a fixed exchange rate regime were more severely affected by the crisis than countries with a floating regime. This is explained by the stronger adverse effects that higher holdings of short-term debt have had on countries with fixed exchange rates compared to their floating exchange rate counterparts. We also notice this effect from the study of the crises of the EAEU member states, when the governments of the countries decide to switch to a floating currency regime after a certain stage of instabilities and uncertainties.

According to OECD experts (Hashiguchi, Y., N. Yamano and C. Webb (2017), during economic downturns, structures tend to change so that the dependence on domestic services increases, while the dependence on domestic demand for goods, and the dependence on foreign demand for domestic goods and services, both decrease.

From the overview of the studied literature, it becomes clear that during the crises, both developing and developed economies, although with different intensities, have been seriously hit. This mainly reflects the level of financial integration of those countries into the global market as well as the stability of macroeconomic fundamentals in the pre-crisis situation.

The study of economic instabilities in the last 120–150 years shows that large-scale economic crises occur at least every 10–15 years. The National Bureau of Economic Research regularly publishes the World Uncertainty Index [WUI], which is a measure that tracks uncertainty across the globe by text mining the country reports of the Economist Intelligence Unit. It used quarterly data from 1952 for 143 countries and monthly data from 2008 for 71 countries (Ahir, Bloom and Furceri 2022). Figure 1 shows the uncertainty dynamics of the EAEU countries from the first quarter of 1990 to the first quarter of 2022, based on the indicators of the WUI.

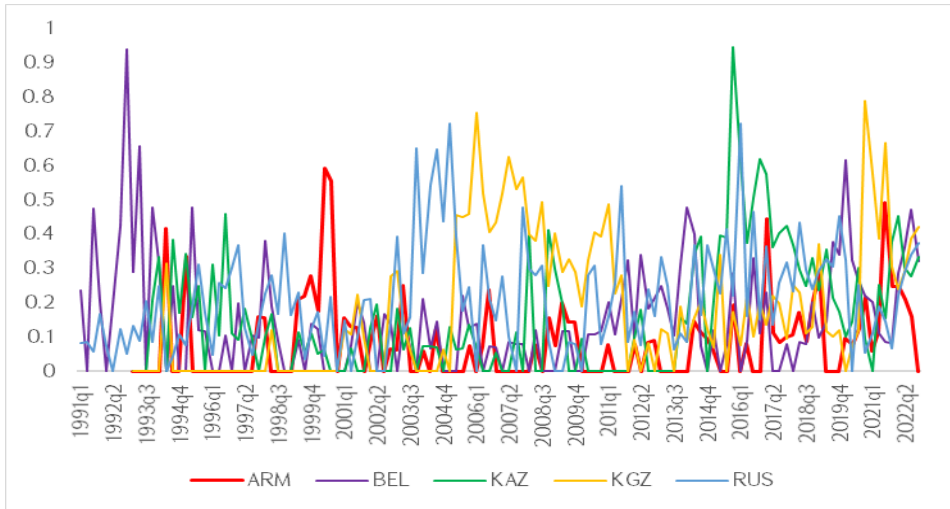


Figure 1. *The Uncertainty index of the EAEU countries 1991 q1- 2022 q1*¹

In general, the study of economic uncertainties and crises over the last 30 years in all EAEU countries reveals that there are periods when the declining situation characterizes all EAEU member states, such as the post-crisis years of changes in the economic conjuncture (1991–1997), the years of the global financial and economic crisis (2007–2009), sanctions against Russia and the drop in global oil prices in 2014, and the crisis caused by the coronavirus pandemic in 2020. Apart from the mentioned periods when economic cycles coincided for the countries of the Union, there were also manifestations of economic crisis in individual countries, which were mainly due to the various demonstrations of the country's vulnerabilities and external threats.

Results and discussion. The study of the crises recorded in the EAEU member states since their independence shows that currency, banking, debt, debt restructuring crises have been recorded in the member states of the Eurasian Economic Integration Union. Although EAEU member countries have different levels of economic development, economic cycles have certain temporal overlaps, which create grounds for common approaches to developing effective systems for early warning of economic crises.

¹ The figure was created by the author based on data from the World Uncertainty Index.

Table 1

The crises recorded in EAEU member states since their independence¹

	1994	1995	1997	1998			1999	2000	2002	2008	2009	2011	2014	2015	2020	2022
Armenia	x							x		x				x	x	
Belarus		x	Jan								feb	x		Jan	x	x
Russian Federation		x		aug	aug	fug		X		sep			oct		x	x
Kazakhstan							apr			X	sep			aug	x	
Kyrgyz Republic		x	Jan								x			x	x	

¹ The table is developed by the author based on Systemic Banking Crises Database II by the Laeven and Valencia and other open sourced databased.



Currency crises



Banking crises



Debt crises



Debt reconstruction



Sudden stop crises

According to our study, based on the calculations of the IMF, World Bank experts, and local economists, since gaining independence, currency and banking crises and sudden stops have occurred in all the EAEU countries, while a debt crisis occurred only in Russia in 1998. Debt restructuring crises have occurred in Russia (2000) and in Armenia (2002). Summarized information on the economic crises of EAEU member states during the last 30 years is presented below.

Post-Soviet crisis

The economic recession that followed the collapse of the USSR did not bypass any of the EAEU member states. For them, these years are associated with the breaking of traditional economic ties, the decline in production during the transition to the market system, high inflation rates, structural changes in the economy, the decline in the population's standard of living, the growth of unemployment and external debt, and several similar negative economic phenomena. Although all the EAEU member countries experienced the crisis, the consequences and rates of recovery varied by country. In particular, the recovery from the systemic crisis since 1991 took 6 years in Russia, 4 years in Belarus, and 5 years in Kazakhstan. While these countries would eventually manage to enter the stage of economic growth, the crisis that arose in Asia also had a negative impact on some of them, especially on the Russian economy. 1991–1995 were particularly critical for Kyrgyz Republic, as the country's economy had regressed for nearly 25 years, reaching the level of the 1970s in key macroeconomic indicators (IMF, 1998). From 1991 the volume of GDP in Kyrgyz Republic recovered only after 17 years, in 2008. During this period, industry sector was particularly affected, and the country turned from an industrial-agrarian into a weak agrarian one (Koichuev 2011). Along with that, the share of the shadow economy in the GDP also began to grow - from 3.2% in 1993 to 12.3% in 1999.

In the case of Armenia, the economic decline of these years also coincided with the severe economic consequences of the first Artsakh War, when the country faced an energy crisis and a transport infrastructure blockade. In fact, Armenia during this period began to record the fastest economic growth rates (in 1994) among the EAEU member states; however, the socio-economic consequences of this time-period situation left deep roots in the country's economic development and structural changes, as a result of which Armenia, as well, was transformed from an industrial to an agrarian economy. So far, the share of industry in Armenia has not reached the level of around 30% as it did in 1990 (Yeghiazaryan, 2020). In this period, the least affected sector in Armenia was agriculture, which was possible to ensure due to the agrarian reform implemented in 1990–1991. In 1990–1994, inflationary financing method was used by the Central Bank, mainly due to the scarcity or absence of external financing sources. As a result of this, the surplus budget of 13.6% in 1990 became a deficit of 38.4% in 1994, and macroeconomic stability was only established in 1995, when opportunities for preferential external financing by international organizations appeared. Later, the hyper scarcity disappeared, and the budget deficit began to decrease (it was 6% of GDP in 1995, 4.3% of GDP in 1996, etc).

Like other former USSR countries, **Kazakhstan** was going through a deep crisis at this stage. The economy during this period can be characterized by three-digit inflation recorded in 1991, an increase in unemployment, a sharp increase in emigration, mainly to other CIS countries, a doubling of poverty, and the deterioration of other socio-economic indicators. However, during 4-5 years, the country recovered gradually, formed a market economy, attracted foreign investments, and ensured macroeconomic stability, before the crisis of Asian countries reached the economy (Ishekenova, 2020 LSM.kz).

1997-1998 Asian crisis.

The unprecedented economic growth of the "Asian tigers," (Singapore, Hong Kong, South Korea and Taiwan) the overheating of the economy, and the "bubble" formed in the real estate market in 1997 led to a new economic crisis in Asian countries, which did not bypass Russia and Kazakhstan. For Russia, 1998 was a severe crisis year, which was associated with an unbalanced budget and the default of short-term government bonds (UNCTAD, 1998). Funds were needed to pay off the issued bonds, therefore new bonds were issued leading to the formation of a classical, financial pyramid, which exploded as a result of the 1997 Asian crisis. The outflow of capital and the reduction of commodity prices led to the 1998 Russian economic crisis. During that time, the drop-in of oil prices was also an unfavorable factor for the Russian Federation. As a result, the government declared a default in August 1998, refusing to pay for the GKO (treasury bills) (Desai, 2000). To save this situation, the Russian government tried to implement several support measures, some of which later turned out to be unnecessary. At this stage, inflation had reached 80 percent, and many banks went bankrupt, as a result of which the citizens who kept savings in those banks were also affected, the volume of production declined, the movement of capital was limited, and trust in the banking system declined. The dollar exchange rate rose from 6 rubles to 20 rubles in August at the end of 1998. However, on the background of these negative economic events, Russian exports became competitive due to the depreciation of the Russian ruble. Gradually, oil prices also rose, and after just a few years, economic indicators began to grow by 6-7% per year.

The rise in the competitiveness of Russian exports has had a negative impact on domestic producers in neighboring countries, including Kazakhstan, that is why the Kazakh government initially tried to limit imports before devaluing the national currency to 119.52 tenges for one dollar. As a result, inflation rose from 1.88% in one year to around 18% in 1999. However, under the conditions of a coordinated anti-crisis policy and favorable economic factors, Kazakhstan was able to achieve high rates of economic growth in the following years.

The Kyrgyz Republic experienced a financial crisis in 1997-1998, as evidenced by the state budget deficit, the growth of state debt, the deterioration of the financial situation in the real sector of the economy, the tense situation in the foreign exchange market, and the instability of the banking system (Subacheva, L. A. 2006).

From 1997 to 2002, Armenia also faced difficulties servicing the public debt, as a result of which the public debt restructuring program was implemented (Bejanyan, Bazinyan, Ayrumyan, Karapetyan, Rostomyan, 2020).

2008-2009 global financial and economic crisis

The global economic crisis that began in 2008 had a negative impact on the economies of the EAEU member states and pointed out the vulnerability of these countries and the need for changes in the economic structure. This global crisis highlighted the importance of structural changes, economic diversification and inclusive economic growth in EAEU member states. In 2009, economic decline was recorded in Armenia (-14.1%) and Russia (-7.7%), and in 2010 also in Kyrgyz Republic (-0.4%). The crisis in Russia began in the summer of 2008 with the collapse of the stock market. At that time, Russian companies had a record amount of foreign debt and had to turn to the government to pay it off. Russia was among the most negatively affected countries in the world. First, like any developing economy, during the crisis, Russia also faced the problem of a sharp outflow of capital to developed countries. Second, due to the crisis, the prices of oil and metals, which made up a significant part of Russia's GDP, fell sharply. These two factors, combined with high budget costs, resulted in Russia's economy declining faster than the economies of many other countries in the region and around the world. At the same time, after the crisis and the recovery of oil prices, the

government began to dramatically increase federal spending. The main contribution was made by spending in the fields of economy, security, and defense.

The financial and economic crisis that began in the world in 2008 led to a 14.1 percent reduction in GDP in Armenia in 2009, which is the largest decline among the economies of Central and Western Asia. The Armenian dram depreciated by 25% against the US dollar. This had a significant impact on the economy, 70% of which was based on the US dollar (EEU).

Although the economic growth rate decreased significantly in Kazakhstan, negative growth wasn't recorded. Despite this, in order to overcome the consequences of the crisis, the Kazakh government started injecting a significant amount of money into the market and took support measures for various sectors of the economy, starting with the financial sector to small and medium-sized entrepreneurship. These anti-crisis measures (the aid package amounted to 14% of GDP) were implemented to prevent the economy from falling into recession. As a result of this effective anti-crisis policy, Kazakhstan managed to quickly restore macroeconomic stability and stable growth in economic indicators. Moreover, in 2009, the unemployment rate dropped to 6.3%, which is even lower than before the crisis (Karimsakov 2011).

For the economy of Belarus, the consequences of the global financial crisis caused a slowdown and instability in GDP growth dynamics. During that time, there was a reduction of internal financial resources because of the deterioration of the financial condition of economic entities and a sharp increase in the need for external financing, which in turn led to an increase in both the gross external debt and the public debt. Due to the fact that there was practically no developed stock market in Belarus and the funds were not allocated in the world stock markets, foreign trade became the main channel of influence of the global financial and economic crisis (a similar situation also existed in Armenia). The most significant decline in exports and imports was recorded in trade with Russia and Ukraine (Kruk, Tochitskaya, & Shimanovich 2009), where about half of exported industrial goods and almost 80% of exported consumer goods were sent. As a result, a deficit was recorded in trade with Ukraine, and the negative balance in the Russian direction decreased by 19.8% (annually). Another negative point was the increase in non-payments, which, along with the reduction in exports, led to a decrease in foreign exchange earnings for enterprises. The decline in imports (volumes and prices) was much smaller than exports, partly because Belarusian enterprises continued to buy energy and intermediate goods in Russia, which were necessary for the production of finished products. Thus, in the conditions of the crisis, Belarus showed quite attractive results against the background of other countries in the region. However, while most CEE countries got rid of imbalances in their national economies during the crisis, these imbalances continued to accumulate in Belarus. Moreover, the maintenance of these imbalances became possible mainly because of foreign loans. In this situation, the question of choosing a new model of economic policy and economic development in 2010 took on a special role for Belarus and ensured a higher trajectory of long-term economic growth.

Like other EAEU members, the Kyrgyz Republic was severely affected by the global financial and economic crisis which lasted from 2008 to 2010. Indeed, important financial and economic indicators of the real sector of the economy, foreign trade infrastructure, and social sphere of the country did not grow enough in the Kyrgyz Republic. The share of food and energy carriers in the structure of import of goods increased annually. The level of the state budget deficit increased from 3 billion som to 13.5 billion som, or more than four times; compared to GDP, it amounted to 1.5% and 4.9%, respectively. In the Republic, it was allowed to service the state's external debt on an imprecise schedule. Moreover, the volume of state external loans in 2000–2011 increased more than twice, and during this time it reached 509 USD per capita from 285 USD (Karatalov, 2014).

Belarus currency crisis in 2011

Between 2009 and 2014, 3 currency crises took place in Belarus. One of them took place in 2011. From March to October, high domestic demand and rapid devaluation processes led to the deployment of an inflationary spiral, which at once decreased the growth of real incomes of the population. Consequently, in May 2011, the population withdrew 12.6% of total deposits in foreign currency, and in spring withdrew 26% of deposits in foreign currency. This tendency shows that individuals lost confidence both in the Belarusian ruble and the banking system as a whole. And this process negatively affected the liquidity of the banking system. In fact, this crisis was caused by a long-term negative trade balance and the reactions of the command-and-control system of economic management. The crisis was manifested by the lack of foreign exchange, the fall in imports, the rise in prices, and the decline in the purchasing power of the population, which happened after the national currency had been devalued by more than 50%. The national currency was devalued, anti-crisis measures were implemented, but this did not help the recovery of the economy, and the crisis continued to deepen. At the same time, inflation exceeded the forecast indicators several times. Thus, the stabilization of the economy and the foreign exchange market became possible due to the National bank conducting tight monetary policy with simultaneous tightening of fiscal policy since the first half of 2011 (Luzgina, 2011). In 2012, socio-economic indicators gradually showed stability thanks to the stable growth of industry, weakening of inflation rates and stabilization of exchange rate, as well as moderately tight fiscal and monetary policies.

Economic sanctions and fluctuations in raw material prices in 2014-2015

One of the main vulnerabilities of the EAEU member states is their sensitivity to fluctuations in the prices of raw materials, and sooner or later it had to play a negative role. This is exactly what happened in 2014 when global oil prices dropped sharply. In just a few months, the price of one barrel of Brent oil almost halved. In June, this type of oil was sold for 115 dollars, but at the end of December, the price dropped to 55 dollars per barrel. The fact that the OPEC countries refused to reduce production also had an impact on it. This had a negative impact on the Russian economy because the country's budget was half dependent on oil revenues and the fuel and energy sector accounted for roughly 70% of exports. The dollar rose to 56 rubles from 32 rubles to the dollar at the start of the year and reached 79 rubles to 1 US dollar on "Black Tuesday".

The sanctions related to the annexation of the Crimea, which were applied by the USA, the European Union, Japan, Switzerland, and other countries in 2014, hit the Russian economy. As a result of the sanctions, the largest Russian banks and energy companies were deprived of foreign financing and investments. The Central bank supported the ruble exchange rate by selling foreign currency in late 2014 and early 2015, but then stopped doing so and took the only possible step, switching **from a fixed ruble exchange rate to a floating one**¹. Due to this transitional step, the ruble depreciated sharply, and its exchange rate eventually fell by about half. After 2014, 50% of the banks in Russia had to close down, and the state had to spend money on additional capitalization of the remaining ones and payments to depositors. In 2014, Russia introduced a food embargo, that is, a ban on the import of goods from countries that had imposed sanctions. As a result, the production of meat, poultry, and cheese increased in the republic, but their prices also increased. This sanctions package created preconditions for Russia to develop anti-sanctions packages and subsequently increase economic buffers, which worked in Russia's favor during the 2022 sanctions.

In Belarus, from January 1 to February 3, 2015, the Belarusian ruble continued its decline, depreciating by almost 30% against the dollar (from 11,900

¹ The Bank of Russia implemented the floating exchange rate regime in November 2014. Exchange rate regime of the Bank of Russia, https://www.cbr.ru/eng/dkp/exchange_rate/

rubles to 15,450 rubles). After that, the exchange rate stabilized at the level of 15,000 Belarusian rubles for 1 dollar, and in May it even dropped to 14,000 Belarusian rubles. The dollar was worth about 15,500 Belarusian rubles in June-July 2015, but it began to rise in price again at the end of July, surpassing the level of 16,000 rubles for the first time on August 14. At the end of 2015, the dollar was worth 18,700 rubles. Temporary measures were implemented to stabilize the domestic market, including limiting advance payments on imports, selling foreign exchange earnings and freezing prices. On November 4, 2015 by the Belarus President Edict N450 it was decided to hold the third and so far the biggest denomination of the national currency.

Kazakhstan hasn't escaped the escalation of sanctions against Russia and the escalation of the Federation's geopolitical conflicts with Europe and the United States. Inflation increased from 4.8% in 2013 to 13.6% in 2015. The prices of food products increased by 10.9%, non-food products by 22.6%, and paid services by 8.1%. Inflation was 7.4% in 2014. GDP growth slowed to 4.2% in 2014 (6% in 2013) and decreased to 1.2% in 2015. It was significant to let the tenge float during this period.

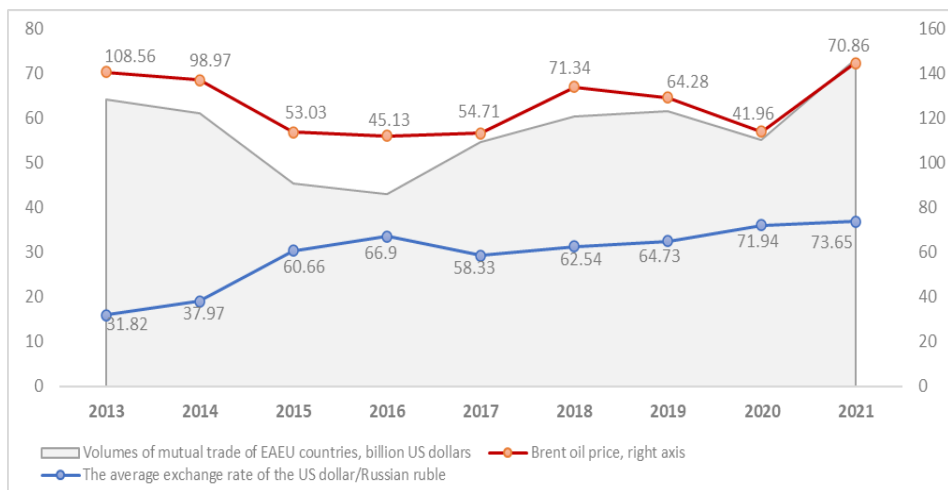


Figure 2. *The average exchange rate of the US dollar/Russian ruble, Brent oil price, volumes of the mutual trade of the EAEU countries, billion US dollars²*

The developments of these years showed that the drop in oil prices significantly affected the national currencies of both oil-producing and oil-sensitive economies. The devaluation of the Russian ruble significantly affected the behavior of the currencies of the member states of the Eurasian Economic Union. Thus, during the same period, the Kazakh tenge depreciated by 17.0%, the Belarusian ruble by 17.2%, the Kyrgyz som by 14.1%, and the Armenian dram by 3.39%.

The economic developments of these years once again proved that fluctuations in the world prices of oil and other raw materials have a significant impact on the dynamics of the prices of goods circulating on the Union market and, accordingly, on the mutual trade of the Union member states. From the chart, the connection between the ruble exchange rate, global oil prices, and EAEU foreign trade can be seen with the naked eye. In particular, the dynamics of mutual trade and exports to third countries are correlated with changes in world oil prices, and energy products constitute a significant part of mutual trade and exports. More than 24% of mutual trade and 60% of exports made this connection realistic.

² Eurasian Economic Union database, the authors calculations, http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_stat/econstat/Pages/statpub.aspx

The “sudden stop” crisis due to COVID pandemic in 2020

The COVID-19 pandemic that started in China spread across the world at lightning speed. The epidemic was followed by restrictions implemented by the countries, which led to the "sudden stop" crisis and economic lockdowns. As a result, the world faced one of the most painful consequences of globalization: many international economists have frequently noted that, among a number of positive factors, one of the most significant risks of the globalization process is that by "eliminating" borders between countries in crisis situations, not only these countries suffer, but the entire world, particularly if such a situation arises in the world's leading countries. Since the chain of global value creation in the world economy can sometimes pass through several countries, the disruption of one link in that chain already creates risks for the overall chain's bottom line.

A "sudden stop" crisis was recorded in all EAEU countries, and despite the differences in economic development between these countries, the crisis had the same content manifestations in all countries. This phenomenon was characteristic not only of the EAEU region. Because the crisis was caused by health issues rather than economic reasons, the resolution of the crisis was determined by health issues rather than economic factors. Therefore, those countries that were able to quickly overcome the health crisis in the fastest way, moved on to the recovery phase.

As a result of the crisis, EAEU GDP decreased by 2.6% in 2020, including the largest decrease which was recorded in Kyrgyzstan - 8.4%, then Armenia - 7.2%, Russia - 2.7%, Kazakhstan - 2.5% and in Belarus -0.7%. It should also be noted that in the following year, the rate of economic growth in the EAEU countries was restored; among them, the biggest growth was recorded in Armenia (+5.7%), Russia (+4.7%), and Kazakhstan (+4.1%). The level of inflation in the Eurasian Economic Union increased from 3.4% in 2019 to 6.6% in 2020, especially due to the alarming inflationary trends of food products. The consequences of the crisis for Russia and Kazakhstan were a double blow. they were also affected by the drop-in oil prices (Lizan, 2020).

Funding for anti-crises measures among the EAEU countries was highly differentiated. In this regard, the largest financing of the anti-coronavirus measures implemented by the Government was carried out in Armenia (US\$3.16 per capita) and Kyrgyzstan (US\$4.11 per capita). Moreover, the share of the population spent by households on healthcare in the EAEU countries is more than 25% of total expenditure or income and averages 1.40%, although its variation is high (140.8%) (Sozinova A.A., Meteleva O.A. 2022). Against the background of the general recession, individual branches of the economy reacted to the crisis in a completely different way. In contrast to the significant decline in tourism, the pharmaceutical and chemical industries, the IT sector in EAEU experienced a boom during this period.

The War and Sanctions in 2022

The latest crisis manifestations in the EAEU region are connected with the Russian-Ukrainian conflict and the unprecedented sanctions imposed on Russia as a result. Consequently, according to current estimates, the Russian economy recorded a 2.1% economic decline, despite the fact that against the background of the events of 2022, the international organizations expected a 7-15% economic recession (Rosstat.gov.ru, 2023). Taking into account the close economic cooperation with the Russian Federation, crisis manifestations were also observed in the economy of Belarus. Belarus also became a direct target of sanctions due to its close political relations with Russia³.

³ EU restrictive measures against Belarus, <https://www.consilium.europa.eu/en/policies/sanctions/restrictive-measures-against-belarus/>, Belarus Sanctions, <https://www.state.gov/belarus-sanctions/>

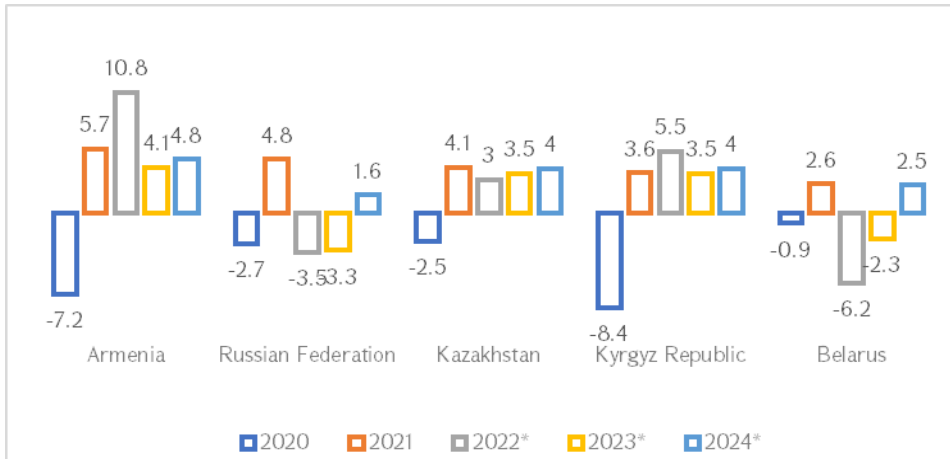


Figure 3. *Real GDP growth at market price in percent 2020-2024*, The World Bank estimations and forecast⁴*

Although, according to the estimates at the beginning of the year, the Armenian economy was also at risk of a crisis, nevertheless, the accumulated risks in the Russian economy created development opportunities for the Armenian economy, which were mainly manifested by the large inflow of Russian citizens and the resulting increase in cash flows and the double-digit economic growth recorded at the expense of the increase in total demand.

As a result, Armenia countered the economic crises of some EAEU countries with an economic boom caused by external short-term factors, which according to the latest estimates of the World Bank is the highest result in Europe and Central Asia.

Conclusions. The EAEU countries are well-known as countries that export raw materials and energy resources, but as we know, in crisis periods, the prices of raw materials are the first to fluctuate. Therefore, the anti-crisis policy in the integration union should include in detail all the external and internal risks that may appear in such situations. The most important problem faced by the countries with raw materials and natural resources is the diversification of their budget revenues and the weakening of their dependence on it which the members of the EAEU still do not succeed in achieving. The economies of Russia, Kazakhstan, and Kyrgyzstan are extremely sensitive to oil price fluctuations, and the economy of Armenia - to copper price fluctuations.

To sum up, the study of the types and chronology of economic crises recorded in the EAEU member states shows that, despite following a similar path of economic development, the economic cycles of these countries contain certain breaks. At the same time, the commonalities of the initiation of economic crises, as well as the behavior of their development, contain many similarities and common features, which create important prerequisites and lay the groundwork for the development of early warning systems for economic crises.

⁴ World Bank, Global Economic Prospects, <https://www.worldbank.org/en/publication/global-economic-prospects>

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