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A.B. Temirbekova[1], G.A. Bodaubayeva[2], G.B. Sakhanova[3]

[1]Almaty Management University, Kazakhstan;
[2] Kazakh University of Economics, Finance and International Trade, Kazakhstan;
[3]Turan University, Kazakhstan
alma.61@mail.ru, gulmira.ba@mail.ru, g.sakhanova@mail.ru

COMPETITIVENESS OF THE AGRICULTURAL SECTOR OF KAZAKHSTAN'S ECONOMY IN THE CONTEXT OF THE EURASIAN INTEGRATION

Abstract. The country's integration into various economic groupings is aimed at increasing the competitiveness of the national economy and its branches. However, it often happens that the country before entering into such a union does not sufficiently consider the conditions of its economy and the level of economic development of the partner countries. This can lead to the fact that its competitiveness will not increase, but will rather decrease. Agriculture is a branch of economy that ensures food security of the state. It is important to properly assess the basic indicators of the competitiveness of Kazakhstan's agriculture and its partners within the framework of the Eurasian Economic Union (EAEU). However, in the economic literature there is no a methodology for determining the competitiveness of agricultural production. The article proposes to use for this purpose relative indicators, rather than absolute ones: productivity of crops, livestock and poultry, profitability and others. The authors analyze these indicators and have identified strengths and weaknesses of the agricultural sector in the partner countries in the EAEU.

The research paper is to reveal the essence of the competitiveness in the agricultural sector of Kazakhstan within the economic union in the framework of regional integration processes using the example of the Eurasian Economic Union. The purpose of the research is also to consider issues relating to the impact of various countries with different level of economic development within the economic union regarding competitiveness. Additionally to assess the model and analysis of the competitiveness of member-countries in agribusiness within the common market of the EAEU states.

Research methods include a set of scholarly works on the subject of intergation and economic competitiveness in the field of the agricultural sector for assessing the degree of Kazakhstan's involvement in trade and economic relations within the common market of the EAEU. The study uses a comparative analysis of countries taking into account their factors of production, the degree of competitiveness, economic level of development, production of consumer goods, the specificity of import and export of agricultural products. The SWOT analysis is used as well to distinguish the strengths and weaknesses of Kazakstan in agribusiness among the other memeber-states of the economic union.

Conclusions and findings for the improvement of Kazakhstan's agricultural market will be presented in two different ways. The competitiveness of Kazakhstan's economy is poorly developed because of inefficient scale of production, high cost of production and purchasing prices are set at a lower level than average production costs. The research has found out that the comparative advantages of Kazakhstan's agro-industrial complex are still little. Thus, the impact of integration in the EAEU on the country's agribusiness may be held in two different scenarios: optimistic and pessimistic. The main recommendation related to increasing the competitiveness of the agrarian sector of Kazakhstan, is the need to increase the volume of state support to the industry from 4 to 10%.

Keywords: competativeness, economic development, customs union, integration, industry, agriculture, member-country, Eurasian Economic Union (EAEU).

Introduction

World integration is accompanied by economic regionalization: in some regions of the world states create their own integration associations. At the same time, the effectiveness of various regional integration groups varies greatly: "from the quasi-state level of EU regulation that has reached certain aspects, to numerous "pseudo-integration" structures that do not even provide a minimum removal of barriers to trade and movement of production factors" (Libman A., 2009). Therefore, understanding of the driving forces and factors of the success or failure of integration initiatives, their impact on the competitiveness of national economies within the framework of integration associations is now becoming particularly relevant.

President Nazarbaev noted in his speech at the Moscow State University named after Lomonosov on April 28, 2014: "It is obvious that in the 21st century regional integration is becoming an important factor in counteracting various global risks. Now, in the conditions of globalization, this is a fundamental issue of the economic and civilizational development of states, increasing their global competitiveness (Nazarbayev N., 2014).

Since January 1, 2015 the Eurasian Economic Union (EAEU) has started to function. The international community is ambivalent about the creation of such a regional integration association. There are opinions about the prospects of such an alliance, but there are also opposing statements as well. However, "The Eurasian Economic Union has a potential to become a rather strong competitor to other centers of global economic gravity... The participation of states in integration should serve as an incentive for the industrialization of national economies, providing people with jobs, creating favorable conditions for business development (Nazarbayev N., 2014).

The agrarian sector of Kazakhstan's economy is the most vulnerable to external factors. Integration into a regional union can have a double impact on the production of agricultural products and food. Moreover, there are unsolved problems in this sector. In particular, this concerns the competitiveness of agricultural products both in price, quality and marketing. Therefore, the study of the opportunities of agriculture and related industries with opening borders for goods, capital and labor becomes particularly relevant.

Methods

The most complete theoretical provisions on driving forces of the competition were formulated by classical political economists in the middle of the 17th century. One of the first researchers of competition and sustainability issues was Adam Smith. The concept of competition by Smith A. found its continuation within the neoclassical direction.

The technological concept of Marshall's competition is very relevant for the development of the country's competitive development model. A major contribution to the study of competition and sustainability problems belongs to Schumpeter J. Innovation of competition is noted by another Austrian economist F. von Hayek.

Also, like theories of competition, the concepts of competitiveness are diverse and presented in various scientific directions and schools. The basic principles of the theory of competitiveness are reflected in the American, Scandinavian and British scientific schools.

Thus, the bright representatives of the American school was M. Porter who was based on the analysis of the development of industrial and regional clusters, has elaborated a mechanism for increasing the competitiveness of economic entities.

Another American scientist M. Enright developed the theory of regional clusters, thereby concretizing the scientific developments of M. Porter.

In the theory of economic integration, a number of directions are distinguished, differing by various assessments of the integration mechanism: neoliberalism, corporatism, structuralism, neo-Keynesianism and dirigist directions.

A reasonable theory of the impact of integration on national economies was created by American scientist of Canadian descent Jacob Viner. He identified two main types of effects arising from economic integration: the effect of creating a trade and effect of a reorientation of trade. James Meade, a British economist awarded by 1977 Nobel Prize in Economics, critically examined the works of Jacob Viner, complemented the theory of economic integration effects.

Russian scientists (Shimko P., Gurov I., Khasbulatov R., etc.) considered the impact of integration in general on the national economy.

Among Kazakhstani scientists, Baymuratov U., Koshanov A., Nurlanova N., Nurmuhanova G., Sabden O., Satubaldin S., Khussainov B. are engaged in problems of competitiveness. A number of authors (Sabden O., Koshanov A., Khusainov B.) emphasize their attention on the study of problems of competitiveness of the national economy. Others (Nurlanova N., Brimbetova N., Dauranov I. and others) examine the problems of regional competitiveness. Akhmetzhanova S., Temirbekova A., Nurmagambetov K. are engaged in competitiveness of the agroindustrial complex branches and other authors.

However, the impact of regional integration on the sustainability of the EAEU country's in fact is not well investigated in the economic literature.

The legislative and normative acts of the Republic of Kazakhstan served as a theoretical and methodological basis for the study. The research widely used the works of academic economists in the field of integration, competitiveness and agriculture. The information base was provided by the Agency of the Republic of Kazakhstan on Statistics, the Federal Service of State Statistics of the Russian Federation, the National Statistical Committee of the Republic of Belarus, the Ministries of Agriculture of the Republic of Kazakhstan, the Republic of Belarus and the Russian Federation, and the official site of the EAEU.

Research background

Competitiveness and integration are interrelated processes. When the country is integrated into this or another regional group, the goal is to obtain a positive effect, which should raise the competitiveness of the national economy, its industries and enterprises. However, this goal can be realized only under certain conditions.

Before determining the impact of integration on the competitiveness of the national economy and its structural elements, it is necessary to determine the criteria for competitiveness.

In economic literature, the problem of competitiveness has been consecrated for more than a year. There are serious works of scientists, both in Kazakhstan and abroad. In this section, we do not set the goal of providing a comprehensive description of all the scientific theories on competitiveness, but try to consider this category and process from the position of the impact of integration. First of all, we will find out which criteria and indicators of competitiveness should be taken into account when analyzing consequences of integration. We proceed from the methodological premise that national competitiveness is determined by the competitiveness of industries which depends on the competitiveness of enterprises and specific goods.

David Ricardo is one of the authors of the idea, justifying the benefits of the international division of labor and the specialization of countries in the production of individual goods. In his book "Principles of Political Economy and Taxation" (1817) he argued that the country does not necessarily have an absolute advantage, enough to have a comparative advantage (Ricardo D., 2007). And, as is known, the international division of labor is the basis of integration.

The representative of neo-liberalism, Austrian economist F. von Hayek, notes the innovative nature of competition. In the work "Individualism and the economic order", published in 1948, F. von Hayek under competition understands the "opening procedure". According to F. von Hayek, through competition the most effective ways of realizing economic interests are revealed (Goryainova L., 2007).

Porter M. identifies competitive strategies such as cost leadership, leadership in differentiation, and leadership in focusing. The strategy of leadership in costs is guided by the mass production of standard products, that is, achieving a competitive advantage in costs through economies of scale. The strategy of differentiation is based on the manufacture of unusual, unique in any respect products, methods of delivery, service, etc. focus strategy on cost or differentiation aims to provide leadership on these issues not on the whole market, and on a specific target market (Porter M., 2011).

Based on the theory of Porter M., it can be argued that if integration involves economies of scale, the partner-country is given an opportunity to expand the production of the "unique" product, improve the infrastructure, reduce production costs, hence, one can speak of the impact of integration on competitiveness.

Another American scientist M. Enright developed the theory of regional clusters, thereby concretizing scientific developments of M. Porter. Enright concludes that competitive advantages are created not at supranational or national level, but at regional level (Enright M., 1993).

Russian scientists are the main components of the competitiveness of goods determine the quality of the product, its market price and the promotion system. In addition, the degree of competitiveness of the enterprise is characterized by such indicators as profitability of production, labor productivity, indicators of movement of fixed and circulating funds, etc. (Eremeeva N., Kalachev S., 2006; Mazilkina E., Panichkina T., 2007; Fatkhutdinov R., 2004; Minko E., Krichevsky L., 2004).

Thus, the impact of integration on the competitiveness of the national economy can be expressed in realizing comparative advantages, economic interests, reducing production costs through economies of scale, and improving the economic performance of enterprises and industries primarily at the regional level.

However, economic integration affects the competitiveness of national economies in two ways: towards dynamism and strengthening, and towards the escalation of contradictions and the decline in competitiveness. Everything depends on the correctly chosen economic policy, the correct assessment of the economic and political situation in the country, the presence or absence of economic resources. For example, the access of Kyrgyzstan to the World Trade Organization did not strengthen its position, but, on the contrary, led to a prolonged deep crisis in the economy. The absence of real prerequisites for effective practical implementation of economic integration, the immaturity of socio-economic relations, the primitiveness and structural undifferentiation of national economies, the underdevelopment of market and financial infrastructures can doom the country that joined the union to vegetation or complete failure. However, in general, the integration process is a powerful tool for accelerating the development of regional economies and increasing competitiveness in the world market of member countries of integration groups.

Questions related to the economic consequences of the entry of countries into trade and economic unions, in our view, have been studied quite narrowly in the economic literature. However, the assessment of these consequences is the first step for countries that have intentions to join an association in order to prevent the situation that has developed in Kyrgyzstan and a number of other countries.

A reasonable theory of the impact of integration on national economies was created by the American scientist of Canadian descent Jacob Viner (Viner J., 2006). He identified two main types of effects arising from economic integration: the effect of creating a trade and the effect of reorientation of trade [ibid p. 698]. The effect of creating a trade is to expand trade within an integration association. At the same time, there is a scale effect: "two countries or more together can form a sufficiently large market, which allows to reduce the unit cost of production" [ibid p. 700]. The effect of trade reorientation is the economic benefits when a partner country increases the export of its goods to another partner-country, although before the union was established, these goods were imported from third countries with lower costs. Thus, the reorientation effect promotes production growth in the partner exporting country. However, Jacob Viner notes that "as soon as the industry reaches a scale at which optimum sizes and the optimum degree of specialization of production at its individual enterprises can be ensured, the further growth of this industry leads to diminishing returns" [ibid p. 702].

Jacob Viner believes that the increase in production within the customs union is limited: "if the customs union does not provide a significant increase in the mobility of production factors among member-countries, it does not increase the scale of the national economy in terms of production conditions, even if there is such an increase from the point of view of the size of the protected market "[ibid p. 703]. Thus, Jacob Viner believes that the necessary condition for the growth of the national economy within the framework of the integration association "mobility factor of production" is characteristic for a common market (Viner J., 2006).

James Meade, a British economist awarded by 1977 Nobel Prize in Economics, critically examined the works of Jacob Viner, complemented the theory of the effects of economic integration. He poses the question: Will the efficiency of the use of given global resources increase or decrease in this world of full employment of resources as a result of the elimination of pre-existing barriers to trade? (Meade J. 1955).

James Meade outlines the following effects of economic integration: the effect of trade reorientation and the trade-shaping effect.

Based on the analysis of the steel market in several European countries, J. Mead came to a conclusion that as a result of integration, a reorientation of production from low-cost to high-cost can occur, which is "uneconomical and wasteful. As a result, world output is declining and in some places the general living

standard is falling" [ibid p. 708]. In addition, James Meade notes that "the customs union leads to the distraction of international trade from all other countries in favor of one of the partners, which now, from the point of view of customs barriers, occupies a privileged position in the market of the importing country, it represents an uneconomic innovation" [ibid p. 709]. However, James Meade does not deny that the customs union can lead to the formation of new directions for international trade, since one of the partners can now export to the market of another partner and bring down the prices set by the industry operating there; and this innovation leads to the transfer of resources to a more efficient and system of production. Everything depends on the size of the customs duties established for third countries: "The creation of a customs union is more likely to raise, rather than reduce, economic welfare, the higher the initial duties on each other's products from which the partner countries have released each other [ibid p. 709].

As for the trade-generating effect, James Meade considers it necessary to balance the economic benefits of some elements of trade education with economic losses from other elements of the diversion of trade. That is, as a result of the removal of duties between countries within the association, there may be an expansion of trade in other sectors of the economy, which will lead to lower costs and economic gains. James Meade did his analysis on the basis of the research method: multiplying the value of each element of abstract trade by increasing the cost per unit of this type of trade and multiplying the value of each element of the newly created trade by reducing the cost per unit of this created trade [ibid p. 711]. James Meade believes that expanding trade compensates for losses from diverting existing trade from low-cost to high-cost.

As to the shortcomings of economic integration, James Meade also considers that "the creation of a customs union for the countries forming this union means a reduction in income received from duties [ibid p. 715]. There may be certain losses that can be countered by the gain from the expansion of trade. Then the lost customs incomes should be compensated by the increase of other forms of taxation: the new tax will cause here the same damage as the old customs duty. In this case, trade-generating effects from the reduction of customs duties should be more significant than the adverse effects of reducing trade from the best alternative methods of generating income.

Thus, James Meade's approach to economic integration is also ambiguous: customs unions "can act as an instrument leading to more economical use of resources, but may not act as such. All this depends on the specific circumstances of a particular situation. "[ibid p. 715]. At the same time, he points to a certain predisposition in favor of the customs union. James Meade cites the following positive effects of economic integration within the customs union:

- the initial expansion of trade, and as a result of which there will be almost always some significant profits;
- a net increase in economic welfare, if the economies of partner-countries are in fact very competitive or similar, but potentially very complementary or different from each other;
- the creation of a customs union is the more likely to increase economic prosperity, the higher the initial import duties in partner-countries;
- the customs union between the two countries is more likely to raise economic prosperity if both of them in relation to each other will act as the main supplier of the goods that it exports, and if they act in relation to each other as the main market for goods that they import;
- the creation of a customs union with a greater probability of raising economic welfare, the higher share of world production, consumption and trade;
- the formation of an economic union with the greater probability of raising economic welfare, the lower level of import duties in the rest of the world and the greater number of independent customs zones to which the rest of the world is divided;
- the customs union is less likely to have adverse indirect effects on the economic well-being in a world in which trade barriers take the form of fixed quantitative restrictions rather than import taxes. In view of the fact that in such a situation there are no cuts in import or export trade, except for cases of free trade, quotas become ineffective;
- the formation of a customs union is more likely to raise economic prosperity, the greater scope for economies with large-scale production in those industries within the union that can now expand, undermining similar sectors in other parts of the union;

- partial multilateral reduction by the partner-countries of their duties on trade with each other is more likely to be useful and will not cause harm than the complete removal of these duties later [ibid p. 716-717].

The effect on the scale of production as a result of integration is noted by American scientists McConnell and Stanley L. Brue. Analyzing the process of integration within the EAEU, they note that "integration creates mass markets, so necessary to achieve economies of the Common Market countries economies of scale. More efficient production, typical for large-scale markets, enables European industries to achieve lower costs that historically have been unachievable in narrow, isolated markets." At the same time, they note that the impact of integration on third countries seems less certain due to the increase in duties (Campbell R., McConnell, Stanley L. Brue, 1992).

Developing the theory of Jacob Viner and James Meadea, the Russian scientist Shimko P. proposes consideration of the country's access to the integration union also from the standpoint of static and dynamic analysis. Within the framework of the static analysis, he identifies two variants of the consequences of country's access to integration trade and economic grouping:

- flow-forming effect (the effect of creating a trade): switching the demand of the country and, accordingly, consumption from the domestic producer with higher costs to a foreign producer with lower costs;
- flow deflection effect (the effect of trade deviation): switching the demand of the country and, accordingly, consumption from the producer outside the union having lower costs, to the producer having higher costs, but being a member of the union.

In the first case, the removal of trade barriers provides opportunities for the development of a greater specialization in accordance with the theory of comparative advantages. The country can deliver products from partners at lower prices, and the released funds should be directed to the development of industries with the availability of comparative advantages. In the second case, imported products from a country that is not part of the union are becoming more expensive due to the growth of customs duties, and the products of the partner country are becoming cheaper due to the reduction or total absence of customs duties. An industrial and consumer effect is formed.

Among the dynamic effects of trade and economic unions Shimko P. highlights:

- the effect of increasing the scale of production;
- improvement of the production infrastructure of the participating countries;
- strengthening the positions of each member-country in comparison with that of a separate outsider country;
- increased competition, which creates a certain climate that promotes the spread of advanced technology;
- increase in investment volumes (Shimko P., 2010).

Shimko P. believes that, in a general market, "the free movement of production factors within a certain grouping of countries should contribute to a more rational use of aggregate resources, the development of the division of labor and the specialization of production. At the same time, the differences in economic policy pursued by the states that are part of the common market impede the full realization of this" (Shimko, P., 2010).

Thus, Shimko P. justifies the greater positive impact on the competitiveness of national economies in comparison with the customs union of the next higher stage of the integration process, which is the common market.

However, Shimko P. also outlines the negative consequences of integration:

- under certain circumstances, there may be an outflow of resources from the country to a stronger member of the union, which will turn the country into a backward region;
- when establishing close integration ties between individual firms of the participating countries, there may be a wider distribution of oligopolistic collusion, which entails a rise in prices for the corresponding products;
- when forming too large companies, a negative scale effect may arise (Shimko P., 2010).

Gurova I., considering consequences of integration, distinguishes two groups of effects:

1) the effect of competition and economies of scale;
2) the effect of trade and allocation (placement) (Gurova I. 2008).

Gurova I. believes that the resulting integration a larger market "allows the companies of the member-countries to get a positive return on the scale of their activities, as well as to establish closer cooperation, including competitive relations, undermining the positions of monopolies and leading to increased efficiency" [ibid p. 95]. In accordance with the researches of Gurova I., the members of the integration bloc can receive both internal and external economy from the scale of production. External savings for the company is obtained as a result of the removal of tariffs and other trade barriers in connection with "facilitating access to cheaper capital, labor and advanced technologies" [ibid p. 96]. Thus, Gurov I., like previous authors, notes the movement of capital, labor and technology, which is characteristic of the common market as a saving factor.

The Kazakh agricultural market, as well as any other products, is relatively small due to the small population: about 17,9 million people as of January 1, 2014. Kazakhstan ranks 63-rd in the list of countries by population. The average density is slightly more than 6.35 people per km² (184-th in the list of countries for population density) (Population of Kazakhstan - retrieved from https://en.wikipedia.org/wiki). In Russia there are 143.7 million people. (Population of Russia - retrieved from https://ru.wikipedia.org/wiki), Belarus - about 9.5 million people (Belarus - retrieved from https://en.wikipedia.org/wiki). In other words, Kazakhstan and Belarus can be referred to small countries, for which the narrowness of the internal market of goods and production factors are characteristic. Large, profitable enterprises that arise in such countries turn out to be monopolized, which leads to higher prices, lower production volumes and higher costs. Therefore, we can agree with the statement of Gurova I. that for small economies, economies of scale in production as a result of integration are particularly significant, since "regional integration, combining markets, allows to reduce monopolistic power, as firms of different countries find themselves in a situation of more intense competition" [ibid p. 96]. The positive consequences of "intense competition" are determined by the reduction in prices and sales growth, as well as the opportunity to use economies of scale in a more efficient way: "In a market with limited size, there is a contradictory choice between economies of scale and competition. The expansion of the market allows us to overcome this contradiction and simultaneously increase both economies of scale and competition [ibid p. 96].

Gurov I. determines the need for producers to reduce internal inefficiencies, which is expressed in a gap between actual and minimum effective average costs per unit of production as another positive consequence of regional integration. As a result of imperfect labor organization, ineffective coordination of production activities, lack of incentives, the firm's employees operate at higher costs. Competition compels firms to reduce costs to efficient.

The effect of trade and allocation, determined by Gurova I. are associated with a change in the commodity and geographical structure of trade as a result of integration: "when trade barriers are eliminated, imports from partner-countries become cheaper, which facilitates the substitution of locally produced goods and imported goods from these products third countries" [ibid p. 98]. Manufacturers with the lowest costs among the participating countries increase exports. However, the reorientation of trade can lead to losses in production volumes and a reduction in exports for more efficient countries outside the integration bloc. That is, for the world as a whole, regional integration is less profitable. In addition, the effect of expanding trade and its reorientation can lead to a change in the real incomes of consumers and producers, as well as state revenues, since the location of production activities in the member-countries, the expansion of some industries and reduction of others can change. Changes can be unbalanced, and some countries will be in a better position than others [ibid p. 99].

In addition to the positive consequences of integration, Nikolaeva I. points out and negative ones: "Participating countries, in part, lose their independence in foreign trade policy in part, but they gain significant common benefits, pursuing a unified economic policy" (Nikolaeva I., 2010). Nikolaeva I. include the following consequences as advantages of integration:

- the entry into the country of "direct foreign investments, which allow to increase the production volume by means of new equipment and advanced technologies";
- integration contributes to "increasing the economic development of less developed member-countries through the use of capital, technology, market experience of the more developed participants in the grouping";
- strengthened "the positions of the member-states within the framework of large supranational associations, for example, the WTO";

- cooperation in political, military, social and other non-economic areas is expanding;
- more access to financial, labor, material resources, new technologies is provided (Nikolaeva I., 2010).

Akopova E., Voronkova O. and Gavrilko N. distinguish "demonstration effect" and "domino effect" as a result of integration. "The demonstration effect" they explain by the fact that in countries that have created integration associations, "usually there are positive changes (accelerating economic growth, reducing inflation, increasing employment, etc.), which have a certain psychological impact on other countries." The "domino effect" is due to the fact that countries that have not entered the integration group experience some difficulties connected with the reorientation of the economic ties of the integrated countries to each other, which leads to a reduction in the trade of third countries (Akopova E., Voronkova O., Gavrilko N., 2001). The authors also note that economic integration has a number of favorable conditions for the interacting parties: wider access to different kinds of resources, a more capacious market, protection against competition from third countries, solving acute social problems [ibid p. 382].

Results of research

Thus, as our study has shown, no author refers to the consequences of integration unambiguously: integration has both positive and negative effects. The well-known Russian scientist Kolesov V. wrote about this: "International economic integration is a difficult, uneven, contradictory and lengthy process, because it proceeds within and on the basis of various cultural and historical types of society; each country has its own historically developed identity, its individual problems and interests "(Kolesov V., Osmova M., 2001).

Based on the study, we made the following conclusions:

1. Economic integration affects the competitiveness of national economies;
2. Influence can be either negative or positive;
3. The positive effects of integration include:

- expansion of trade within the integration association, which leads to an increase in demand for goods and services;
- the formation of large enterprises, which brings into effect economies of scale, allowing to ensure a reduction in production costs, and, accordingly, prices;
- reorientation of trade from third countries promotes production growth in the partner exporting countries;
- the mobility of factors of production in the conditions of the general market leads to the growth of national economies within the grouping;
- the resources are transferred to a more efficient and economical production system as a result of increased competition;
- the country can deliver products from partners at lower prices, and the released funds should be directed to the development of industries with the presence of comparative advantages;
- the volume of investments from partner countries is increasing;
- integration contributes to a more rational use of aggregate resources, development of the division of labor and specialization;
- competitive relations undermine the positions of monopolies and lead to increased efficiency;
- integration cooperation gives economic entities more access to financial, labor, material resources and the latest technologies.

4. Negative effects of integration include:

- excessive growth of production in the partner country can activate the law of diminishing returns;
- there can be a reorientation from low-cost production to high-cost (Chinese goods for Kazakhstan are cheaper than Russian ones.) However, the growth of customs duties in relation to Chinese goods and their absence in relation to Russian goods may lead to a reorientation of trade and the acquisition of more expensive goods from Russia) ;
- an integration partner can take a privileged position and dictate its terms;
- economic integration leads to a reduction in government revenues derived from duties;
- there may be an outflow of resources from the country to a stronger member of the union that will turn the country into a backward region;
- close integration ties between individual firms of partner countries can lead to an oligopolistic collusion, which will entail an increase in prices for the corresponding products;

- more competitive imported goods can supplant the domestic, "if the state does not take measures to support and protect domestic producers" (Nikolaeva I., 2010).

Thus, when a country joins an integration grouping, it is necessary to take into account all possible consequences in order to prevent a decline in competitiveness of the national economy.

The formation of the Eurasian Economic Union places new demands on the functioning and further development of the most important branch of national economies that ensures the food security of partner countries. Regional economic integration within the common market, which is the EAEU, should contribute to the creation of a single market of consumer goods, taking into account both absolute and comparative advantages of each country in the field of agriculture and related industries, while not reducing the competitiveness of the agrosphere, and creating incentives for its growth.

At present, there is no single methodology for determining the competitiveness of agricultural production. In our opinion, for these purposes, it is correct to use not absolute indicators of production volumes in crops and livestock production in a particular country, but relative, because the countries differ greatly both in territory, in area of farmland, and in population. Such indicators include crop yields, livestock and poultry productivity, profitability of production, and others.

Analysis of data on yields of the main crops in the countries of the Eurasian Economic Union allowed the following conclusions (table 1).

Table 1 - Productivity of selected crops in 2013-2015 in the EAEU countries*
centner from 1 hectare

Country	Crops and legumes	Sugar beet	Potatoes	Vegetables
2014				
Kazakhstan	11.7	240.6	184.3	243.0
Russia	24.1	370.0	150.0	218.0
Belarus	36.7	463	204	242
Armenia	32.3	-	232.2	350.5
Kyrgyzstan	22.5	238,7	165,2	190.2
2015				
Kazakhstan	12.7	232.5	185.5	245.8
Russia	23.7	388.0	159.0	225.0
Belarus	36.5	330	194	244
Armenia	31.7	-	230.4	361
Kyrgyzstan	29.7	363.0	165.1	192.3
2016				
Kazakhstan	13.5	285.5	190	250
Russia	26.0	470	153	227
Belarus	31.5	446	205	276
Armenia	30.7	-	215	301.8
Kyrgyzstan	30.7	623.2	166	194.4

*Note - compiled by the author on the basis of sources [Committee on Statistics of the Republic of Kazakhstan - retrieved from http://stat.gov.kz; Federal Service of State Statistics of the Russian Federation - retrieved from http://www.gks.ru; National Statistical Committee of the Republic of Belarus - retrieved from http://www.belstat.gov.by/; National Statistical Service of the Republic of Armenia - retrieved from http://armstat.am/en/; National Statistical Committee of the Kyrgyz Republic - retrieved from http://stat.kg/ru/]

The data in the table show the following

- grain and bean crops: the highest yield is observed in Belarus, the lowest in Kazakhstan;
- sugar beet: the highest yield is observed in Belarus, the lowest in Kazakhstan;
- potato: the highest yield is observed in Armenia, the lowest in Russia;
- vegetables: the highest yield is observed in Armenia, the lowest in Kyrgyzstan.

Thus, the highest competitiveness in the yield of ccrops and legumes and sugar beets in Belarus, potatoes and vegetables is in Armenia. The lowest competitiveness in the yield of crops and legumes and sugar beet in Kazakhstan, potatoes in Russia, and vegetables in Kyrgyzstan.

One of the positive effects of integration is the effect of competition. Theoretically, integration should lead to growth in the competitiveness of economy. Is this so in practice?

In 2016, as compared to 2014, the yield of grain and leguminous crops increased by 13.4%, sugar beet by 18.7%, potatoes by 3%, vegetables by 2.9% (table 2). The yield of sugar beet fell by 3.37%. The data show that the integration in to EAEU did not have a significant impact on crops yield in Kazakhstan. The same can be said about other countries.

Table 2 - Productivity of crops in 2014-2016. in the RK*
centner from 1 hectare

Crops production	2014	2015	2016
Crops and legumes	11.7	12.7	13.5
Sugar beet	240.6	232.5	285.5
Potatoes	184.3	185.5	190
Vegetables	243.0	245.8	250
*Note - compiled from the Committee on Statistics of the Republic of Kazakhstan [Committee on Statistics of the Republic of Kazakhstan - retrieved from http://stat.gov.kz]			

In Russia, the yield of crops and legumes in 2016 compared to 2014 increased by 7.9%, sugar beet - by 27%, potatoes - by 2%, vegetables - by 4%. There is an effect of competition from integration in the EAEU.

In Belarus, the yield of crops and legumes in 2016 compared to 2014 decreased by 14.2%, sugar beet - by 3.7%, potatoes grew by only 0.5%, vegetables - by 14%. The effect of competition from integration in the EAEU is observed only for vegetables.

In Armenia, the yield of crops and legumes in 2016 compared to 2014 decreased by 5%, potatoes decreased by 7.4%, vegetables increased by 13.9%. The effect of competition from integration in the EAEU is observed only for vegetables.

In Kyrgyzstan, the yield of cereals and legumes in 2016 increased by 36.4% compared to 2014, sugar beet increased by 161%, potatoes by 0.5%, vegetables by 2.2%. There is an effect of competition from integration in the EAEU.

Competitiveness of animal husbandry reflects such indicators as average milk yield per 1 cow, average yield of eggs per chicken, average wool cutting from one sheep.

The data in Table 3 show that the largest average milk yield per 1 milch cow is observed in Russia, then in Belarus. Kazakhstan, Armenia and Kyrgyzstan lag more than twice. In 2016, compared to 2014, the average milk yield per 1 milch cow increased in Kazakhstan by 2%, Russia by 22%, Belarus by 6.8%, Armenia by 4.3%, and by Kyrgyzstan by 1.5%. An obvious effect of competition is observed in Russia and Belarus.

Table 3 – The verage milk yield per 1 milch cow*
in kilograms

Country	2014	2015	2016
Kazakhstan	2275	2321	2324
Russia	4841	5140	5908
Belarus	4508	4723	4815
Armenia	2102	2144	2192
Kyrgyzstan	2009	1998	1978
*Note - compiled by the author on the basis of sources [Committee on Statistics of the Republic of Kazakhstan - retrieved from http://stat.gov.kz; Federal Service of State Statistics of the Russian Federation - retrieved from http://www.gks.ru; National Statistical Committee of the Republic of Belarus - retrieved from http://www.belstat.gov.by/; National Statistical Service of the Republic of Armenia - retrieved from http://armstat.am/en/; National Statistical Committee of the Kyrgyz Republic - retrieved from http://stat.kg/ru/]			

According to available data, the average egg yield per chicken is observed in Russia, 1.3 times more than in Kazakhstan, 2.7 times more than in Kyrgyzstan (2015) (table 4). Unfortunately, the National Statistical Committee of the Republic of Belarus does not provide such information. The effect of competition from the integration in the EAEU is only in Kazakhstan

Table 4 - Average eggs yield per chicken*
pieces

Country	2014	2015	2016
Kazakhstan	225	234	233
Russia	308	310	308
Belarus	no data	no data	no data
Armenia	257	241	254
Kyrgyzstan	120	113	113

*Note - compiled by the author on the basis of sources [Committee on Statistics of the Republic of Kazakhstan - retrieved from http://stat.gov.kz; Federal Service of State Statistics of the Russian Federation - retrieved from http://www.gks.ru; National Statistical Committee of the Republic of Belarus - retrieved from http://www.belstat.gov.by/; National Statistical Service of the Republic of Armenia - retrieved from http://armstat.am/en/; National Statistical Committee of the Kyrgyz Republic - retrieved from http://stat.kg/ru/]

In terms of average wool shearings from a sheep, the situation is approximately the same in all the countries (Table 5). The effect of competition from integration in the EAEU is observed only in Russia.

Table 5 - Average wool shearings from a sheep*
in kilograms

Country	2014	2015	2016
Kazakhstan	2.5	2.5	2.4
Russia	2.4	2.3	2.8
Belarus	no data	no data	no data
Armenia	2.2	2.2	2.2
Kyrgyzstan	2.4	2.4	2.4

* Note - compiled by the author on the basis of sources [Committee on Statistics of the Republic of Kazakhstan - retrieved from http://stat.gov.kz; Federal Service of State Statistics of the Russian Federation - retrieved from http://www.gks.ru; National Statistical Committee of the Republic of Belarus - retrieved from http://www.belstat.gov.by/; National Statistical Service of the Republic of Armenia - retrieved from http://armstat.am/en/; National Statistical Committee of the Kyrgyz Republic - retrieved from http://stat.kg/ru/]

Conclusions and findings

The agricultural market in Kazakhstan is not well nprotected from external intervention. Due to low efficiency and insufficient scale of production, the cost of production is very high. Purchasing prices are set at a lower level than the average production costs. Competitiveness of the industry is very low.

The analysis showed that the comparative advantages of Kazakhstan's agro-industrial complex are rather limited. Therefore, the impact of integration in the EAEU on the country's agrosphere can occur in two scenarios: optimistic and pessimistic. The main recommendation of the Eurasian Commission, which should play a positive role in increasing the competitiveness of the agrarian sector of the Republic of Kazakhstan, is the need to increase the volume of state support to the industry from 4 to 10%. It is thanks to generous support in the EU countries that production considerably exceeds the demand for food products.

An optimistic scenario can be expressed in the positive effects that are described in the first section of the project.

1. The effect of creating a trade. As a result of integration into the EAEU, there will be an increase in sales of agricultural products, fueled by the free movement of labor and capital. Expansion of trade compensates for losses from diversion of existing trade from low-cost to high-cost. At the same time, there will be a shift in demand in Kazakhstan and, accordingly, consumption from a domestic producer with higher costs to a Russian or Belarusian producer with lesser costs.

2. Effect of scale. As a result of the mobility of production factors (labor and capital), the conditions of production will improve, which will allow increasing production volumes and, as a result, reduce the cost of production. More efficient production, typical for large-scale markets, will enable the agribusiness sector to achieve lower costs,

3. The effect of trade reorientation. As a result of integration, the export of Kazakh agricultural products to member-countries in the EAEU, which will contribute to production growth in the RK. In addition, low prices for some agricultural products imported from the member-countries will facilitate the

transfer of resources to a more efficient and economical production system. There will be opportunities for developing a greater specialization in accordance with the theory of comparative advantages. The country can deliver products from partners at lower prices, and the released funds should be directed to the development of industries with the availability of comparative advantages. The production infrastructure will improve.

4. Demonstration effect. As part of the EAEU, Kazakhstan's position in the international arena will strengthen as a member-country compared to the position of an individual outsider country, especially when it joins the WTO.

As a result of accelerating economic growth, reducing inflation, increasing employment in Kazakhstan, the EAEU will have a certain psychological pressure on other countries.

5. As a result of the growth of competition, a certain climate will be created that promotes the spread of advanced technology. Free movement of production factors within the EAEU will contribute to a more rational use of aggregate resources, the development of the division of labor and the specialization of production. Competitive relations will undermine the positions of the monopolies, while Kazakhstani enterprises will find themselves in a more intense competition. Competition will force firms to reduce costs to efficient.

6. As a result of capital mobility, investments in the agro-industrial complex of the Republic of Kazakhstan will increase. The flow of direct investments from member-countries to Kazakhstan will allow to increase production volume due to new equipment and advanced technologies.

7. Factor of economy. Kazakhstan will have an access to cheaper capital, labor and advanced technologies.

8. The market for agricultural products will increase, as the total population of the EAEU countries is more than 170 million people.

A pessimistic scenario may have negative effects.

1. As a result of integration into the EAEU, a reorientation of Kazakhstan's foreign trade from low-cost to high-cost can occur. There can be a diversion of Kazakhstan's foreign trade from all other countries in favor of one of the partners, Russia or Belarus, which now, from the point of view of customs has barriers, takes a privileged position in the RK market, which seems uneconomic (the diverting the effect of trade deviation). As a result, prices will rise. The reorientation of trade can lead to losses in the production volume in the RK and a reduction in exports for more efficient countries outside the integration bloc.

2. The state's revenues will be reduced as a result of duty-free movement not only of goods, but also labor and capital.

3. In case of non-compliance with the agreements on equal participation in the EAEU, weak control over the movement of goods and factors of production, there may be an outflow of resources from Kazakhstan to a stronger member of the union, which will turn the country into a backward region. The location of production activities in the memeber-countries may change, the expansion of some industries and decline in others. Changes may be unbalanced, both Russia and Belarus may find themselves in a better position than Kazakhstan.

4. In establishing close integration ties between individual firms in the participating countries, there may be a wider distribution of oligopolistic collusion, which entails an increase in the prices of the corresponding products.

5. When forming a too big company, a negative scale effect may occur.

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А.Б. Темірбекова[1], Г.А. Бодаубаева[2], Г.Б. Саханова[3]

[1]Алматы Менеджмент Университеті, Қазақстан;
[2] Қазақ экономика, қаржы және халықаралық сауда университеті, Қазақстан;
[3]Тұран Университеті, Казахстан

ЕУРАЗИЯНЫҢ ИНТЕГРАЦИЯСЫНЫҢ ҚАЗАҚСТАН ЭКОНОМИКАСЫНЫҢ АУЫЛ ШАРУАШЫЛЫҒЫ СЕКТОРЫНЫҢ БӘСЕКЕЛЕСТІГІ

Аннотация. Елді әртүрлі экономикалық топтарға кіруі ұлттық экономиканың және оның салаларының бәсекеге қабілеттілігін арттыруға бағытталған. Алайда, мұндай одаққа кіруге дейін ел ел экономикасы мен серіктес елдердің экономикалық даму деңгейін жеткілікті түрде ескермейді. Бұл оның бәсекеге қабілеттілігінің өсуіне емес, төмендеуіне әкеледі. Ауыл шаруашылығы - мемлекеттің азық-түлік қауіпсіздігін қамтамасыз ететін экономиканың саласы. Еуразиялық экономикалық одақ (ЕАЭО) аясында қазақстандық ауыл шаруашылығы мен оның серіктестерінің бәсекеге қабілеттілігінің негізгі көрсеткіштерін дұрыс бағалау маңызды. Алайда экономикалық әдебиетте ауыл шаруашылығы өндірісінің бәсекеге қабілеттілігін анықтау әдістемесі жоқ. Мақалада осы мақсат үшін абсолютті индикаторларға қарағанда салыстырмалы көрсеткіштерді пайдалану ұсынылады: мал мен құс басының өнімділігі, рентабельділігі және басқалар. Авторлар бұл көрсеткіштерді талдайды және ЕАЭО-да серіктес елдерде аграрлық сектордың күшті және әлсіз жақтарын анықтайды.

Зерттеудің мақсаты Еуразиялық экономикалық одақ мысалында өңірлік интеграциялық үдерістер шеңберінде экономикалық одақ аясында Қазақстанның аграрлық секторының бәсекеге қабілеттілігін анықтау. Сонымен қатар зерттеудің мақсаты - экономикалық одақ шеңберінде әртүрлі даму деңгейіндегі елдердің бәсекеге қабілеттілікке әсері туралы мәселелерді қарастыру. Қосымша ЕАЭО елдерінің ортақ нарығында агроөнеркәсіптік кешенге қатысушы елдердің моделін бағалау және бәсекеге қабілеттілігін талдау мәселе қойылады..

Зерттеу әдістеріне ЕАЭО ортақ нарығындағы сауда-экономикалық қатынастарға Қазақстанның қатысу деңгейін бағалау үшін аграрлық сектордағы интеграция және экономикалық бәсекеге қабілеттілік тақырыбы бойынша бірқатар ғылыми құжаттар кіреді. Зерттеу елдердің өндіріс факторларына, бәсекеге қабілеттілік дәрежесіне, дамудың экономикалық деңгейіне, тұтыну тауарлары өндірісіне, ауыл шаруашылығы өнімдерінің импорт және экспортының ерекшеліктерінің негізінде салыстырмалы талдауды қолданады. Сондай-ақ экономикалық одақтың басқа мүше елдерінің арасында агроөнеркәсіп саласындағы Қазақстанның күшті және әлсіз жақтарын анықтау үшін SWOT-талдау қолданылады.

Қазақстанның аграрлық нарығын жетілдіру бойынша тұжырымдар екі түрлі жолмен ұсынылады. Қазақстан экономикасының бәсекеге қабілеттілігі өндіріс көлемінің тиімсіз болуы себебінен нашар дамыған, өндірістік шығындар жоғары және сатып алу бағалары өндірістік шығындардың орташа деңгейінен төмен деңгейде белгіленеді. Зерттеу Қазақстанның агроөнеркәсіптік кешенінің салыстырмалы артықшылықтары бұрынғысынша шамалы екенін көрсетті. Осылайша, ЕАЭО-ға интеграцияның еліміздің агробизнесіне әсер етуі екі түрлі сценарий бойынша жүзеге асырылуы мүмкін: оптимистік және пессимистік. Қазақстанның аграрлық секторының бәсекеге қабілеттілігін арттыруға байланысты негізгі ұсыныс өсаланы мемлекеттік қолдау көлемін 4-тен 10% -ға дейін арттыру қажеттілігі болып табылады.

Түйін сөздер: бәсекеге қабілеттілік, экономикалық даму, кеден одағы, интеграция, өнеркәсіп, ауыл шаруашылығы, мүше ел, Еуразиялық экономикалық одақ (ЕАЭО)

А.Б. Темирбекова[1], Г.А. Бодаубаева[2], Г.Б. Саханова[3]

[1]Алматы Менеджмент Университет, Казахстан;
[2] Казахский университет экономики, финансов и международной торговли, Казахстан;
[3]Университет Туран, Казахстан

КОНКУРЕНТОСПОСОБНОСТЬ СЕЛЬСКОХОЗЯЙСТВЕННОГО СЕКТОРА ЭКОНОМИКИ КАЗАХСТАНА В КОНТЕКСТЕ ЕВРАЗИЙСКОЙ ИНТЕГРАЦИИ

Аннотация. Интеграция страны в различные экономические группировки направлена на повышение конкурентоспособности национальной экономики и ее отраслей. Однако часто бывает, что страна до вступления в такой союз недостаточно учитывает условия своей экономики и уровень экономического

развития стран-партнеров. Это может привести к тому, что ее конкурентоспособность не повысится, а скорее снизится. Сельское хозяйство является отраслью экономики, которая обеспечивает продовольственную безопасность государства. Важно правильно оценить основные показатели конкурентоспособности казахстанского сельского хозяйства и его партнеров в рамках Евразийского экономического союза (ЕАЭС). Однако в экономической литературе отсутствует методика определения конкурентоспособности сельскохозяйственного производства. В статье предлагается использовать для этой цели относительные, а не абсолютные показатели: урожайность сельскохозяйственных культур, поголовья скота и птицы, рентабельность и другие. Авторы анализируют эти показатели и выявили сильные и слабые стороны аграрного сектора в странах-партнерах в ЕАЭС.

Целью исследования является раскрытие сущности конкурентоспособности аграрного сектора Казахстана в экономическом союзе в условиях региональных интеграционных процессов на примере Евразийского экономического союза. Целью исследования также является рассмотрение вопросов, касающихся влияния различных стран с различным уровнем экономического развития в рамках экономического союза на конкурентоспособность. Дополнительно ставится задача оценить модель и проанализировать конкурентоспособность стран-участниц агробизнеса на общем рынке стран ЕАЭС.

Методы исследования включают в себя ряд научных работ на тему интеграции и экономической конкурентоспособности в области сельскохозяйственного сектора для оценки степени участия Казахстана в торгово-экономических отношениях на общем рынке ЕАЭС. В исследовании используется сравнительный анализ стран с учетом их факторов производства, степени конкурентоспособности, экономического уровня развития, производства товаров народного потребления, специфики импорта и экспорта сельскохозяйственной продукции. SWOT-анализ также используется для выявления сильных и слабых сторон Казахстана в агробизнесе среди других стран-членов экономического союза.

Выводы и рекомендации по улучшению аграрного рынка Казахстана будут представлены двумя различными путями. Конкурентоспособность казахстанской экономики развита слабо из-за неэффективных масштабов производства, высоких издержек производства и закупочных цен, установленных на более низком уровне, чем средние издержки производства. Исследование показало, что сравнительные преимущества казахстанского агропромышленного комплекса все еще незначительны. Таким образом, влияние интеграции в ЕАЭС на агробизнес страны может быть проведено в двух разных сценариях: оптимистическом и пессимистическом. Основной рекомендацией, связанной с повышением конкурентоспособности аграрного сектора Казахстана, является необходимость увеличения объема государственной поддержки отрасли с 4 до 10%.

Ключевые слова: конкурентоспособность, экономическое развитие, таможенный союз, интеграция, промышленность, сельское хозяйство, страна-член, Евразийский экономический союз (ЕАЭС)

Information about authors:

Temirbekova A. B. – doctor of Economics, Professor, Almaty Management University, alma.61@mail.ru, http://orcid.org/0000-0002-1082-1326;

Bodaubaeva G. A. – candidate of economic Sciences, associate Professor, Kazakh University of Economics, Finance and international trade, gulmira.ba@mail.ru, https://orcid.org/0000-0001-5697-4283;

Sakhanova G. B. – PhD, associate Professor, Turan University, g.sakhanova@mail.ru, https://orcid.org/0000-0002-7690-7536

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