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## **FDI&ODI dynamics and policy changes in the Eurasian Economic Union under the global and regional challenges**

### **1. Description of current research project**

My project in the EEGA ScienceCampus in Halle is devoted to an acute topic of the role of foreign and outward direct investment in the countries of the Eurasian Economic Union (EAEU). It correlates with the Research Area 3 of the Leibniz ScienceCampus EEGA, as foreign direct investment is one of the main drivers of globalization and a channel for Eastern European countries to global world. The project complies with the sphere of my scientific interests. It helps me to finalize my postdoc thesis on the International Direct Investment.

The Aim of the study is to figure out the features that have dominated in involvement of the EAEU countries in global and regional international production via foreign and outward direct investment flows and stocks as well as to identify the differentiations and critical changes in FDI policy of the countries.

The research covers the period of two last decades with a special focus on the recent years when the countries appeared to be under the pressure of the negative influence of COVID-19 crisis and political turbulence, on the one hand, and multifaceted impact of deepening integration factors within the region, on the other hand.

Many reasons have influenced the choice of the topic of studies. First, foreign direct investment (FDI) and outward direct investment (ODI) as well as relevant policies on national, bilateral and multilateral levels are in the area of my research for many years. Moreover, my post doctorate dissertation is devoted to international direct investment. In fact, the topic of study is the fourth chapter out of five in my thesis.

In addition, FDI is one of the components of economic development in the contemporary world. It may help countries to boost economic growth in case of attractive and balanced investment policy. Belarus is among the countries that may benefit greatly from the deeper involvement in global economy via FDI. It needs FDI, especially those directed to manufacturing, in order to mitigate signs of the current economic crisis induced by the negative external and internal factors. The specific feature of Belarus is that it has always been among lagging countries in transition in terms of progress

in market and structural reforms. Therefore, it becomes very acute to study the opportunities of FDI for the structural reforms in Belarus in current global and regional conditions. Finally, Belarus is the part of the EAEU; therefore, it is tied with a number of regional obligations as well as opportunities of integration potential.

The example of the EAEU is a very interesting for studies by several reasons. Firstly, the Eurasian Economic Union is one of the relatively new cases of a multilateral economic integration that was established in May 2014. The agreement among five EAEU countries (Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russian Federation) came into force at the beginning of 2015. Despite the fact that it is new, it is characterized by jumping over all levels of integration ladder. In addition, six years of the union existence is a sufficient period to evaluate the dynamic of outcomes and to assess the economic prospective of its development.

Secondly, the EAEU is a case of deep integration. This type<sup>1</sup> involves not only the removal of trade barriers and simplifying the trade procedures within the group of countries - members of the regional economic agreement. It also implies the introduction of the elements of common economic policy and creating conditions for a free movement of factors of production. According to the classification by B. Balassa<sup>2</sup>, an economic union is a high degree of economic integration when a free trade in goods and services, and free movement of capital and labor, are combined with restrictions elimination and harmonization of national economic policies. Therefore, economic liberalization and common elements of the economic policy might be the drivers of the intraregional trade and investment intensification. In such framework, an increase of direct investment within the EAEU is expected as well as the modifications in the flows with the third countries could be observed.

## 1.1 Theoretical and methodological framework

The theoretical framework of the research project consists of the theories of FDI as an international business strategy (J. Dunning<sup>3</sup>, A. Rugman<sup>4</sup>, etc.); concepts of FDI impacts on economic development (paradigm of Investment Development Path (J. Dunning, R. Narula<sup>5</sup>), etc.); recommendations of IMF,

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<sup>1</sup> Burfisher, M., Robinson, S., Thierfelder, K. (2004). Regionalism: Old and New, Theory and Practice. MTID Discussion Paper, No. 65. P. 2

<sup>2</sup> Balassa, B. (1961). The Theory of Economic Integration. Richard D. Irvin, Inc. Homewood, Illinois. P.20.

<sup>3</sup> Dunning, J. H. and Lundan, S. M. (2008). Multinational Enterprises and Global Economy. Cheltenham : Edward Elgar.

<sup>4</sup> Rugman, A. M., Verbeke A. (1993) Foreign Subsidiaries and Multinational Strategic Management: An Extension and Correction of Porter's Single Diamond Framework. Management International Review, No 2. P. 71-84.

<sup>5</sup> Dunning, J. H., Narula, R. (2004) Malinationals and Industrial competitiveness: new agenda. New York : Edward Elgar Publishing Ltd.

OECD, UNCTAD on FDI statistics and data interpretation; recommendations of OECD and UNCTAD on FDI policy assessment and analysis.

The combination of two approaches to the concept of FDI has been used in the study. The first approach is a statistical one and it reflects mainly macro-economic and national accounts point of view. It is based on the balance-of-payments definition of FDI, which is core for the majority of research works in the contemporary theory of FDI. It states, “Direct investment is a category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy”<sup>6</sup>. The definition and the whole concept is fundamental, although it has shortages and thus still evolving<sup>7</sup>.

The second approach reflects international business vision and is based on FDI-assets rather than FDI-flows. According to OLI-paradigm FDI is distinguished from other forms of international investment by two characteristics<sup>8</sup>:

- the former involves the transfer of a package of assets or intermediate products, which includes financial capital, management and organisational expertise, technology, entrepreneurship, incentive structures, values and cultural norms, and access to markets across national boundaries; the last involves only the transfer of financial capital;
- unlike arm’s-length trade in assets and intermediate products, FDI does not involve any change in *ownership*; in other words, the power to *control* decision making over the use of the transferred resources remains in the hands of the investing entity. Put another way, while the indirect exchange of assets and intermediate products is organised by the market, the direct exchange is administered by, and within, investing hierarchies.

The classification of FDI according to a MNE strategy criteria have been used in the research project. The classification is based on four types of outward strategies: efficiency seeking, resource seeking, market seeking, and strategic assets seeking<sup>9</sup>. Efficiency-seeking FDI is a source of new competitors on the market, thus it may foster productivity and competitiveness of entire industries not only on local but also on external markets. Usually, this type of FDI flows to the manufacturing sector, where it is possible to establish backward and forward linkages with local business. The latter helps foreign-owned companies to integrate into the economy of a host country and therefore to act as a driver of economic growth and development. However, the opposite, so-called enclave effect is also possible

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<sup>6</sup> Balance of payments and international investment position manual (2009). — Washington, D.C.: International Monetary Fund. – P. 100

<sup>7</sup> OECD Benchmark definition of Foreign Direct Investment: fourth edition (2009). Paris: OECD Pp. 139, 223

<sup>8</sup> Dunning, J. H. and Lundan, S. M. (2008). Multinational Enterprises and Global Economy. Cheltenham : Edward Elgar. P. 7.

<sup>9</sup> Dunning, J. H. and Lundan, S. M. (2008). Multinational Enterprises and Global Economy. Cheltenham : Edward Elgar.

when FDI activities are only concentrated in special economic zones (SEZs), lacking interaction with the entire domestic economy of the host country. This type of FDI is often associated with boosting exports via the integration of the country into global or regional value chains.

Resource-seeking FDI is also intended to implement exports strategies, although the level of integration of direct investment enterprises into the local economy and business is very low.

Market-seeking FDI is implemented for increasing sales in host countries; therefore, it takes place in the industries such as infrastructure, banking and insurance, telecommunications, retail, real estate activities, etc. New market-seeking foreign companies may crowd out local businesses, which is always undesirable effect for a developing economy. Market-oriented FDI is accompanied by a substantial outflow of repatriated earnings and may result in negative pressure on the balance of payments of a host country.

The last type of FDI is strategic assets seeking, which mostly focus on the purchase of competitive assets. Thus, the main mode of investment in this case is transnational mergers and acquisitions.

FDI oriented towards resource and efficiency is very often export driven rather than import substituting. International practice shows that in order to drive economic growth and steady development, the economy should use a diversified approach for attracting all types of FDI and create an innovative and competitive environment to maximize positive FDI effects in a host economy<sup>10</sup>.

As for the theoretical framework for FDI in the EAEU, it is not quite developed. It comprises three types of studies where FDI might be in the focus. The first type intends to assess of the EAEU pace of development in general<sup>11</sup>. The second type of research works is devoted to the peculiarities of legal and institutional aspects in the EAEU<sup>12</sup>. The third type of publications is represented by the works on intraregional FDI flows, FDI determinants, and FDI policy issues<sup>13</sup>.

The current study is intended to fill the existing gap in understanding of three main aspects: what is the role of FDI and ODI in the economic development of EAEU members; whether the integration potential has been used by the countries to increase the FDI flows and stocks; if there are any signs

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<sup>10</sup> Petrushkevich, A. (2016). International Direct Investment in the Development of the World Economy in XXI century. Minsk: RIVHS. [Петрушкевич, Е. Н. Международные прямые инвестиции в развитии мировой экономики XXI века. Минск: РИВШ, 2016. 252 с.]

<sup>11</sup> For instance in Shadrina, E. (2019). Eurasian Economic Union: A Preliminary Examination of Integration Effects. Retrieved from [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3607083](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3607083)

<sup>12</sup> For instance in Aseeva, A., Gorski, J. (2021). The Law and Policy of New Eurasian Regionalization Economic Integration, Trade, and Investment in the Post-Soviet and Greater Eurasian Space. Brill, Nijhoff International Trade Law Series, Vol 18.

<sup>13</sup> Kostyunina, G. (2021). Foreign direct investment in the EAEU. In N. Piskulova (ed.), Economic Dimension of Eurasian Integration. Palgrave Macmillan, pp. 67-91.

of harmonization in the mechanisms of FDI attraction in the EAEU countries in the period of observations.

Main questions in the current research project are the following:

- How deep are the differences among the countries in terms of FDI attraction, and the role of globalization via FDI for the countries?
- What are the determinants of FDI in the EAEU countries? What is the FDI potential in the EAEU countries in terms of economic and institutional determinants?
- What are the differences among the EAEU countries in conditions for FDI attraction? What have the EAEU done in order to reduce the differences (determinants, policies) among the members?
- What was the countries' reaction on COVID-19 shock in terms of smoothen the environment for FDI?

The following methods of research have been employed in the project: descriptive statistics; analysis and synthesis; secondary (desk) research; case study methodology; systemic approach. In addition to them specific methodology of evaluation of the FDI determinants and investment potential in the EAEU was elaborated.

Two groups of sources have been used for the research project data collection. The first comprises publications of UNCTAD (World Investment report, G20 Investment Measures, Investment Policy Monitor, and the IPA Observer) and OECD (Freedom of Investment Process. Inventory of Investment measures). The second includes official sites of the EAEU Commission and the relevant government agencies of the EAEU countries (Ministries, Investment Promotion Agencies (IPAs), and administrations of special economic zones).

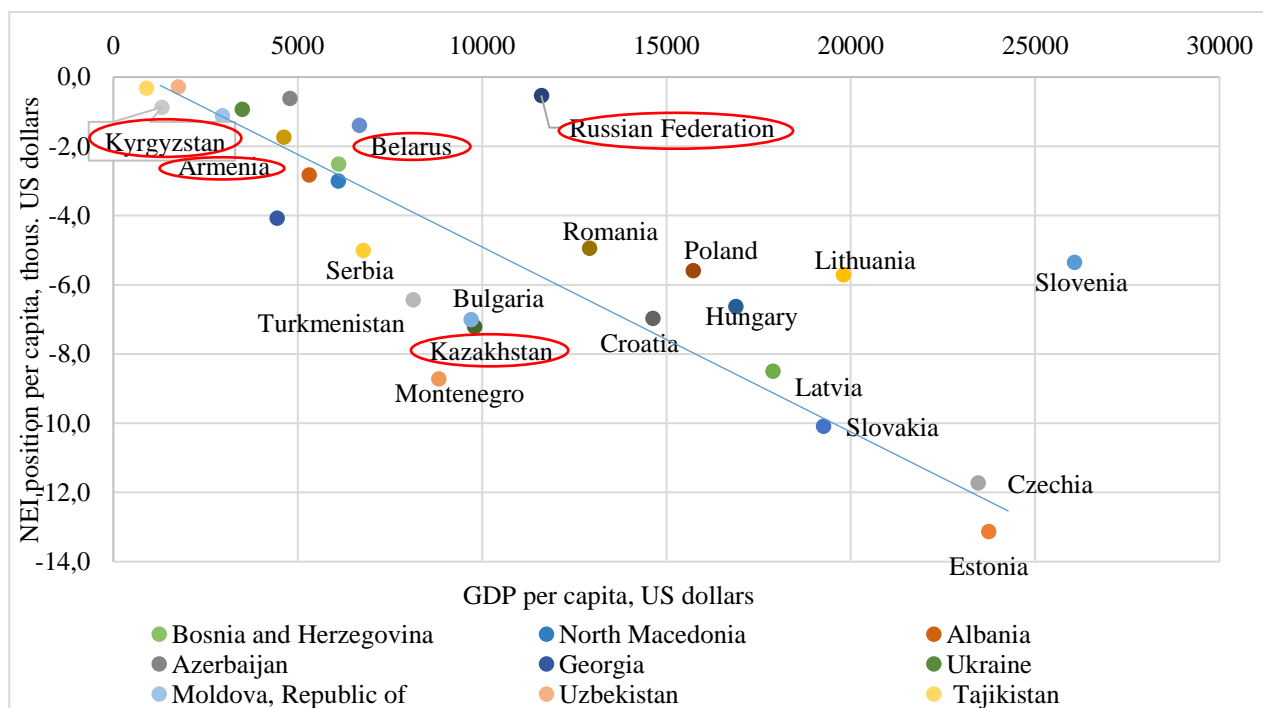
## **1.2 The outcomes of the project**

The role of FDI in economic development of the EAEU countries have been revealed on the basis of the following indicators: share of FDI inflows in gross fixed capital formation (GFCF), share of FDI inflows in Gross Domestic Product (GDP), FDI stock per capita, share of FDI stock in the world economy, share of FDI stock in GDP of a country, dynamics of the country's position on the Investment Development Path, FDI geographical and sectoral structure, FDI inflows vs. income on FDI repatriated. The analysis showed that the EAEU countries are heterogeneous in FDI patterns. However, some similarities have been found in a high concentration of FDI sources and low diversification of FDI stock by industries.

The theory of Investment Development Path (IDP)<sup>14</sup> have been employed for more precise analysis of the FDI role in the economic development of the EAEU countries. The theory postulates that the level of economic development, measured by GDP per capita, is dependent on the position of a country as a net exporter of FDI. The theory divides development path into five phases. When a country opens its economy to the foreign direct capital, it is mainly a host country on the first three phases of FDI attraction. It means that the economic growth takes place with the negative net FDI flows as a background. The fourth and fifth phases are attributable for the developed countries as far as net FDI are either positive or flexible that is a feature of global investors.

The respective scatter plots (like in the figure 1) have been built for 28 countries in transition and ex-transition economies in compliance with the IDP theory in the timeline of 2000-2019. At the beginning of the period, the interdependence of the net FDI inflows per capita and GDP per capita was less indicative than in the following years for almost all countries.

Figure 1. Investment development path, 2019



Source: Author's elaboration based on UNCTADstat

However, two exceptions from the IDP theory could be identified. They are Russian Federation and Slovenia. The first one is mostly due to the Dutch disease, roundtripping and global vision strategies

<sup>14</sup> Dunning, J. H., Narula, R. (2004) Multinationals and Industrial competitiveness: new agenda. New York : Edward Elgar Publishing Ltd.

of Russian multinational enterprises (MNEs) mainly in oil&gas and metal<sup>15</sup>. The second case could be explained by an exceptionally different ODI&FDI policy in comparison with the other (ex-) transition economies. Slovenia started its transition with the outward direct investment to the neighboring countries, accompanied with an active policy of ODI promotion<sup>16</sup>.

Investment Development Path built for the EAEU countries shows that Armenia and Kyrgyzstan are still at the beginning of it. Belarus is at the beginning as well, although it is above the line which shows a direct correlation of net FDI and GDP per capita. It means that economic development of Belarus is not in a strong dependence on FDI but also rely on national investment. It indicates that the potential to attract FDI is very high in the economy. As for the Kazakhstan, its status is currently below the line in the scatter plot that points out on attracted amount of FDI even higher than the economy is able to transfer into economic growth and development.

As for ODI flows and stocks in the EAEU countries, the analysis have been provided for three countries: Russian Federation as a global investor with ODI per capita equal 2,650 USD; for Kazakhstan and Belarus, ODI per capita of which were 841 USD and 149.2 USD in 2019 respectively<sup>17</sup>. The following indicators of ODI patterns for each country have been analyzed: ODI stock per capita, share of ODI stock in the world economy, share of ODI stock in GDP of a country, ODI geographical and sectoral structure. It was revealed that ODI patterns are different, similarity is observed only in high geographical concentration of ODI. Around 80 per cent of ODI stock in case of Belarus are concentrated in Russian Federation. More than half of direct investment outflows from Russia and Kazakhstan go to the countries where offshore companies are allowed to register.

The analysis of the *factors of FDI attractiveness* to the EAEU countries in the last decade showed that there are many of both negative and positive influence. The following *positive factors* of FDI inflow in the EAEU countries in 2011-2020 were more significant: neighborhood effect; high share of transshipped and round-tripping FDI; large scale privatization programs (especially in Kazakstan and Russia); boost of special economic zones establishment (in Russia -130 SEZ, Kazakhstan – 10, Belarus – 7, Armenia – 4, Kyrgyzstan - 5); diaspora-led FDI (in case of Armenia); political neutrality and proactive FDI policy (in case of Kazakhstan); political cooperation like in cases of Belarus-Iran, Belarus-China, Kazakhstan-China, etc.

As for the factors of *negative influence* on FDI to the EAEU countries, the most crucial are the following: de-offshoring policy of Russian Government since 2012; inner offshore zones

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<sup>15</sup> For instance in Liuhto, K., Sutyryn, S. and J.-V. F. Blanchard. Ed. (2017). The Russian Economy and Foreign Direct Investment. Routledge Studies in the modern world economy.

<sup>16</sup> Svetlicic, M. (2007) Outward foreign direct investment by enterprises from Slovenia. Transnational Corporations. Vol. 16, No 1. P.55-88.

<sup>17</sup> Although Armenia accumulated 181 USD of ODI stock per capita in 2019, there is scarce data on its sectoral and geographical distribution. As for Kyrgyzstan, its ODI stock per capita was very low, just 1.5 USD in 2019.

establishment in Russia (Kaliningrad Oblast, Primorsk Territory); financial crisis in Cyprus of 2013; Western sanctions against Russia of 2014, and the following devaluation of currencies in the EAEU; active divestments from the EAEU; Sinofobia in cases of Kazakhstan and Kyrgyzstan; political instability (in case of Kyrgyzstan); political and social unrests in Kyrgyzstan, Belarus, Armenia in 2020; COVID-19 crisis.

Assessing the *impact of the integration* on the EAEU ability to attract FDI, the study has shown a controversial picture. In terms of absolute numbers, the intraregional FDI stock has been slightly growing in the EAEU countries. Since the EAEU treaty came into force, around \$18.1 billion FDI stock was accumulated by the end of 2015 and was almost on the same level of \$18.9 billion in 2019<sup>18</sup>. The evaluation of the share of intraregional FDI stock in total FDI stock in the EAEU showed decrease from 3.6 to 2.5 per cent<sup>19</sup> that confirms the downsizing role of this type of deep integration as a trigger of regional productive assets creation. The main reason is an inactive role of Russian companies, which were the drivers during the previous decades. They made key investments in the region when they began their foreign expansion and then started to follow the global investment strategies, thus prioritizing a “going global” vision rather than “going regional”<sup>20</sup>.

The important part of the research is devoted to identifying and tracking the *determinants for FDI* within the EAEU countries. The identification of them as well as their comparative analysis for the countries have been done on the basis of elaborated methodology which uses the information of freely available and independent indexes like Global Innovation Index INSEAD, The Rule of Law Index, World Justice Project (the World Bank), etc. The list of determinants have been composed on the basis of extracting 46 certain (disaggregated) indicators from the 13 selected annual indexes, among which are the following, distributed into three categories:

- 1) indexes that include both economic and institutional determinants for FDI (BDO International Business Compass, Transformation Index of EBRD, Global Innovation Index INSEAD);
- 2) indexes that comprise mainly economic determinants for FDI (Productive Capacity Index (UNCTAD); Logistics Performance Index; Environmental Performance Index; UNIDO Competitive industrial performance index; UN Human Development Index);
- 3) indexes that embrace mainly institutional determinants for FDI (The Rule of Law Index, World Justice Project (the World Bank); Worldwide Governance Indicator (the World Bank); Corruption Perceptions Index (Transparency International); Doing Business (the World Bank); Index of Economic Freedom (The Heritage Foundation).

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<sup>18</sup> author’s elaboration based on Investment Map data (<https://www.investmentmap.org>)

<sup>19</sup> author’s elaboration based on Investment Map data (<https://www.investmentmap.org>)

<sup>20</sup> Eurasian Development Bank (EDB). (2016). Monitoring of mutual investments in CIS countries. Saint Petersburg. Centre for Integration Studies. Report 39.



All disaggregated indicators (like knowledge absorption, inclusiveness, etc.) have been extracted from the indexes and distributed in two following groups within which subgroups have been also highlighted:

- economic determinants (for resource seeking FDI, market seeking FDI, efficiency oriented FDI, and strategic-assets oriented FDI);
- institutional determinants (macroeconomic indicators, rule of law indicators, market institutions development).

The indicators have been tracked for the EAEU members over 2007-2020.

*Investment potential in the EAEU in terms of economic determinants is generally characterized as stagnating, although there are peculiarities in the availability and quality of economic determinants for different types of FDI.* For the market seeking FDI the attractiveness of the countries is uneven. Thus, Kazakhstan has been more attractive for sales location while Russia has demonstrated attractiveness for sales in various segments due to more inclusive economic development. For the resource seeking FDI (other than natural resources), Belarus and Russia have shown high rates and positive dynamics in terms of human development and environment performance, but low level of labour freedom which is a barrier for FDI.

For the efficiency oriented FDI, the logistics performance in the EAEU countries is of middle and low rates, in Belarus even deteriorating. It tells about scarcity of opportunities of global and regional value chains building. High tech activities are usually attractive industry for the efficiency seeking FDI. In the EAEU for FDI in high tech spheres, the most favorable environment remains in Russia (in terms of human capital and research, knowledge workers, and knowledge absorption); in terms of knowledge diffusion, the impressive improvements took place in Armenia and Belarus.

For the strategic oriented FDI, the indicators like knowledge creation, creative goods and services, competitive industrial performance are low or deteriorating in all countries.

Investment potential assessed in terms of *institutional determinants* has demonstrated slight improvements over the last decade. Quite good improvements have been made in the EAEU countries in the macroeconomic framework: positive dynamics by majority of rates (*tax burden, paying taxes, monetary freedom, integration into the world economy, etc.*) except the indicator of *trade freedom* with the negative dynamics.

In terms of rule of law indicators there are low rates, but slight improvements for the majority of indicators (*rule of law, property rights, government integrity, Corruption Perceptions Index, government effectiveness*), but some of them are deteriorating (*fundamental rights, constraints on government powers*).

The development of market and market institutions are of the middle rates. Some of the indicators are improving (*competitiveness, effective governance*), although the majority have uneven dynamics (*business environment, market sophistication, etc.*).

In terms of *FDI policy*, various patterns can be observed across the EAEU countries. General assessments show that FDI policy is proactive in Kazakhstan only; in the other member states, it is passive. Indeed, many attributes of passive FDI policy take place in the countries. Thus, the legislation has been agreed upon, the prioritized sectors have been defined (e.g. in Kyrgyzstan it is agriculture, textile, hydro energy, and tourism), the SEZs have been established and the relevant sites for initial information have been designed.

FDI policy in Kazakhstan is different from the other EAEU partners by many indicators. Quite active direct investment flows into the Kazakh economy have been attributable for the last decades. Even in 2020, the country benefited from not only its strategic position, political neutrality, and natural resources endowments, but also thanks to the proactive instruments used by the government in attracting investments. FDI policy comprises a system of consistent long-term measures towards investment climate improvement as well as selective targeting, financial support, tax incentives, and aftercare services.

The project revealed that *FDI policy modifications* in the world economy of the last decade were quite intensive, especially in 2020, and include six groups of changes. The EAEU countries have undertaken the measures typical for the following groups of FDI policy changes:

1. *restrictions to secure national interests*. Russian Federation lowered the foreign ownership cap in media companies from 50 % to 20 % in 2016 and introduced the new restriction for the voting power of foreign investors in 2017 (any foreign investor acquiring 5 % of share capital in a company without having gone through a required screening has had its voting rights in the company suspended);
2. *restrictions to secure national interests because of business environment deterioration under the COVID-19 crisis*. In Kazakhstan privatization of several key assets has been postponed until 2021-23;
3. *special restrictions and measures to protect and support medical equipment industries and healthcare*. The export ban on 17 types of medical equipment was introduced in Russian Federation;
4. *incentives and facilitating measures to domestic businesses (with foreign owned shares as well) suffered from the outbreak of COVID-19*. The Central Bank of Russia introduced a reduction of the risk ratio on banks' rouble-denominated exposures to pharmaceutical companies and medical equipment manufacturers to 70 per cent, and a reduction of the risk factor premiums on foreign currency loans provided to such companies;

5. *facilitating measures for foreign investment and foreign owned companies during COVID-19 crisis*. The IPA Kazakh Invest added necessary information on service support for investors with the hotline telephone numbers as well as 24/7 call-center for consultations on investment activities in 2020;
6. *liberalization, promotion and facilitation for FDI (including FDI in SDGs)*. Kazakhstan demonstrated the activities in 1) arbitration framework liberalization, allowing the parties to choose a foreign law in a dispute involving the State; 2) the elimination of the restriction on opening branches of foreign banks and insurance companies (December, 2020) in line with Kazakhstan's WTO commitments.

The project showed that there are no signs of harmonization in the mechanisms of FDI attraction in the EAEU countries. Therefore, the following policy recommendations for enhancement of FDI attractiveness in the EAEU countries are the most essential:

- *Intraregional FDI & ODI Strategy* should be elaborated jointly by the EAEU countries (with a leadership of Russia and Kazakhstan technically and financially);
- *Roadmap on FDI policy* should be developed as well as the measures for competitive advantages enhancement (competitive and innovative environment, etc.);
- *A common strategy on the inclusion of the Belt and Road Initiative* in the EAEU investment policy should be defined (with maximization of positive impacts on economic development including intraregional value chains creation);
- *Internationalization strategy* should be designed as well as ODI policy.

Further studies and developments of the project might be interesting in the following directions:

- studies on the FDI industrial structure in manufacturing for each EAEU country, the studies of FDI on subregional level in Russia and Kazakhstan;
- evaluation of potential of the regional value chains (RVC) creation (on the basis of calculation of the revealed comparative advantage, Finger-Kreinin index, Gruber Lloyd index) for the pairs of member states<sup>21</sup>, and identification of the sectors and economic activities for RVC within the EAEU;
- assessment of FDI impacts on economic development of the EAEU members: direct and indirect effects;
- evaluation of the investment effects of integration in the EAEU (static and dynamic);
- surveys on the investment climate developments in the EAEU (questionnaires for the operating in the EAEU foreign owned companies);

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<sup>21</sup> It was calculated for the four pairs of member states, one of which was Belarus (Petrushkevich, A.N. 2018. International Specialization of the Republic of Belarus in the EAEU: Opportunities for Investment Integration. International Trade and Trade Policy, No 4 (16). P. 40-61 (in Russian))



- international comparisons of the EAEU with the other regional entities (e.g. ASEAN) in terms of intraregional and external FDI measurement.

### **The benefits of EEGA ScienceCampus for me**

The EEGA ScienceCampus for me was a very new experience of international communication and research in terms of scope and scale of studies. It is an extremely valuable program in a framework of which many scientists in the EEGA community have been focused on one object of research (the Eastern Europe) and multiple aspects of its development. Therefore, different subjects of studies on Eastern Europe have been gathered in the EEGA ScienceCampus for an open dialogue resulting in new ideas, fruitful interactions and opportunities. This is a unique program because it has managed to unite young and experienced scientists from different schools represented various fields of socioeconomic, geographical, historical and cultural expertise in order to create a productive discussion on the perspectives of Eastern Europe development as a whole and of the countries it includes.

The EEGA program is perfectly organized in terms of supplying the researcher with all the facilities for studies and creating an encouraging environment including communication with a supervisor and scientific community via video conferences, round tables, and various discussions. I was very happy to take part in the *BASEES-EEGA Conference 2021 “Globalising Eastern Europe – New Perspectives on Transregional Entanglements”* which was a great forum with a very interesting agenda and creative ideas. A number of panels and round table discussions were of utmost importance for my research especially panel 15 “*Global Trends, Local Implications. Effects of “New Regionalisms”, Global Competition and Trade Liberalisation on Markets and Economies in Eastern Europe”*”.

It was very essential for me to be involved into many EEGA discussions online several month before my scholarship started and months afterwards, therefore it was a feeling that in fact the scholarship has been extended.

My stay at EEGA was a time when I fully used the opportunity to be highly concentrated on the studies of my interest. The two-month stay in IAMO (my host institution) in Halle was very productive for me. In the first weeks of my scholarship, I managed to find the relevant and reliable sources of data for studies as well as the literature on the topic of my research, which was collected and structured. The IAMO library helped me much to find rare and exclusively valuable books. During the following weeks, the necessary statistical data was gathered, interpreted and structured as an analytical background for the EEGA research project. An article on asymmetry of FDI in the EAEU was written by the end of my stay. The presentation on my EEGA research project was arranged a month after my coming back from Halle.



The most valuable experience of my stay at EEGA was the scientific communication while I have learned the new methodological approaches and methods of studies used in practice of IAMO and in the Leibniz ScienceCampus. Two main sources of scientific communication helped me much in my professional growth in addition to the carrying out the EEGA project. The first one was the participation in EEGA colloquiums and IAMO discussions online. The second one was a regular communication with my supervisor.

I would like to express my gratitude to all the team of IAMO as my host institution, and especially to the Agricultural Markets Department and its Head Prof., Dr., Dr. Hab. Thomas Glauben, for the hospitality, generous help and very warm atmosphere. I appreciate greatly that extremely helpful and kind relations have been established with my supervisor Dr. Miranda Svanidze. According to my experience, IAMO is a think tank where the diversity of nations, skills and ideas are successfully combined with an integrity and productivity.