INSTITUTIONAL FRAMEWORK FOR ENTREPRENEURSHIP OF REGIONAL INNOVATION SYSTEMS OF THE UNION STATE

Abramov Ruslan Aharonovich, Plekhanov Russian University of Economics Sokolov Maksim Sergeevich, Plekhanov Russian University of Economics Derevianko Svetlana Vyacheslavovna, Plekhanov Russian University of Economics

ABSTRACT

The purpose of the research is the formation of innovative strategy of development of integration in the Union state as a basis for achieving the equilibrium state and the formation of a holistic understanding of the integration mechanism. The basis for equal partnership is an innovative mechanisms. In their study, we define such mechanisms on the basis of energy cooperation.

Methods of research are forms and methods of formation of innovative system based on energy cooperation

The result of the study is that the energy factor has always played and continues to play an important role in the world of international politics. Relations scheme "supplier-transit country-the ultimate consumer" has created a complex fabric of inter-state interactions that goes far beyond energy cooperation. Russia and Belarus was no exception. Energy, supply and transit of energy resources are the Central theme of the bilateral relations and the key issue on the agenda for all the countries of the former Soviet Union.

Keywords: Russia, Belarus, Integration, Economic Cooperation, Energy Development.

JEL: Q41, Q42, Q38, N70.

INTRODUCTION

The different pace and forms of integration processes in the post-Soviet region, in many ways, their unfinished nature warn against linear interpretations of integration and require a more in-depth consideration. In Russian historiography over the last two decades there was a separate area for the study of integration and its types. Among domestic researchers on the subject are the work of M. Rod, N. Isingarin, V. Gustov, V. and man'ko, A. Shutov, Sergei Zhiltsov, V. Alchinova, N. Nikulin, E. Brewer, and others. In Belarusian historiography, this topic has not yet received wide distribution, is mainly considered in the context of the key directions of foreign policy activity of the Republic.

Overall, despite a fairly high degree of knowledge integration theories and forms of integration and cooperation in research to date, there is no uniform and universal interpretation of the term "*Integration*". Its vagueness and uncertainty affect the interpretation of the important concept of "*Integration in the post-Soviet space*." Conventionally, it implies the efforts resulting from the collapse of the USSR States (CIS) aimed at the unification education

organizations with the aim of restoring economic ties and the creation of optimal forms of political cooperation.

For the most part the interest of specialists focused on problems of integration on the example of the CIS. However, other integration associations have not yet become the subject of extensive study. In modern historiography, there is no comprehensive work on the characterization of the role of energy factor in the formation and development of integration associations (Abramov, 2017).

LITERATURE REVIEW

The formation of a broad zone of integration in the post-Soviet space began with the creation of the CIS. This direction takes the first place among the regional priorities of Russian foreign policy, as confirmed in the latest edition of foreign policy concept of the Russian Federation 2008 due to the reorientation of energy supplies to foreign markets, the share of CIS countries in the geographical structure of Russian exports during the 1990s decreased. Thus, in 1992-1994, it was 40.1 per cent in 1995-1997 to 22.5%, 1998-2000 22.3 per cent. However, CIS is the second after the EU, the largest consumer of Russian energy, its share in total exports of natural gas is 22.9%, oil –15.8 percent.

This year marked 20 years of existence of the first integration Association in the post-Soviet space, although in the key documents (the Agreement on creation of the CIS, the Alma-ATA Declaration), regulates its activity, the term "*Integration*" no. For the first time it appears in the CIS Charter in January 1993. In article second of the Charter is that one of the goals of the Commonwealth is "*Interstate cooperation and integration*". Also according to the Charter, the scope of cooperation of member States for the first time gets energy. 14 years later, in the concept of further development of the CIS cooperation in the energy sector received the "*Status of the priority directions of the Commonwealth*". The Concept laid the foundations of the multilateral energy cooperation of the CIS members, who this time obliged to adhere to "*A coherent line on the use of energy resources and transport services*".

DATA AND METHODOLOGY

Rising energy prices impact on the future nature of Russian-Belarusian relations. Attempt to change the pricing system from the old, politically viable, for a new and fair for Russia from the point of view of economic feasibility conditions, led to the complication of the bilateral relations.

Oil and gas conflict has led to the search for new sources of energy for Belarusian consumers. In 2006 was adopted the so-called "*Outer arc*", according to which within two years, Belarus has intensified its collaboration in fundamentally new directions in the foreign policy, especially with countries in Latin America (focusing on Brazil, Bolivia, Venezuela and Cuba) and the Middle East (Iran and Gulf countries). The basis of the emerging diversification lay down the principle of reducing reliance on energy supplies from Russia. One of the first countries where Lukashenko paid an official visit, became Venezuela and Iran. The result of the intensification of contacts was the signing of a multi-million dollar contracts in the energy sector, mainly in the development of oil fields. Belarus became the first country in the history of modern Iran, mining their own oil on site. The same preferences of the Belarusians received from Venezuela. Thus, the decision of Hugo Chavez to Belarus plots were allocated for the

independent oil production where you can produce up to 2 million tons of oil per year (with annual demand of the Republic of 20 million tons) (Dato, 2016).

RESULTS

In the modern world, energy security issues are of key importance in the foreign policy of the developed countries. In the face of growing demand for energy before the main consumers of oil and natural gas is not an easy task to provide uninterrupted access to oil and gas, while maintaining complete independence. Energy security for the European Union the task of strategic character, because the EU depend directly on importing non-renewable energy sources such as oil and gas, unable to provide themselves with these types of materials on their own. The main suppliers of natural gas to the EU are Russia, Norway and Algeria. Oil imports also accounted for three countries Russia, Norway and Saudi Arabia. According to the 12th report on the energy Dialogue EU Russia, prepared by the Minister of energy of the Russian Federation S.I. Shmatko and Commissioner of the Commission for energy G. Oettinger in 2011, energy imports from Russia amounted to 34% of EU gas imports; 23% of total gas consumption in the EU; 33% of crude oil imports EU; 30% of the total crude oil consumption of the EU; 23% of oil imports of the EU. The EU supplied 88% of total oil exports from Russia and 70% of total gas exports.

For Russia, the European Union is the largest export market of hydrocarbons, comprising a solvent of the players, and this means a constant influx of petrodollars in the Federal budget of the Russian Federation. So, foreign exchange earnings from the export of Russian hydrocarbons (natural gas, oil and oil products) in different years ranged from a third to a half of the Federal budget. According to the Federal customs service of the Russian Federation, the European Union remains the largest trading partner of Russia. The share of the European Union in 2012 accounted for 49% of Russian trade turnover, which amounted to fuel and energy products (total 73%). The main trade partners of Russia in 2012 among the European Union countries were the Netherlands, Germany, Italy, Poland, France (Beggs, 2016).

According to BP Statistical Review of World Energy, in 2012 the volume of oil imports from European Union countries increased by 2.3% compared to 2011 and amounted to 22.6% of world oil imports. So, in 2012, Europe imported from the CIS countries the 286, 5 million tons of oil. The value of total oil imports by the EU countries is 12 448 thousand. per day, of which 5792 thousand. imports from the CIS, mainly from Russia [18]. As for natural gas, from Russia to the EU in 2012, it was exported 105.5 billion cubic meters of the Largest importers of Russian gas are Germany (30.0 billion cubic meters. m), Italy (13.6), France (7.3), Poland (9.0), Czech Republic (6.6 billion cubic meters).

The decision on the establishment of the energy Dialogue Russia EU to discuss cooperation in the energy sector was adopted at the 6th summit Russia EU in Paris in 2000, the Main objective of the initiative of the Chairman of the Commission of the European communities R. Prodi about the beginning of dialogue with Russia (with the consent of the Deputy Chairman of the government of the Russian Federation V.B. Khristenko) was the desire not only to achieve a significant increase in the supply of energy from Russia the most advantageous for the EU conditions, but also to initiate mutual consultations and exchange of information on energy policy and legal frameworks for energy cooperation of the parties. On 30 October 2000 in Paris signed a joint Declaration of the President of the European Council Jacques Chirac, the Secretary General of the Council/High representative for the common foreign and security policy of the EU Solana, the Chairman of the Commission of the European communities R. Prodi and Russian President Vladimir Putin. The paper noted that cooperation between Russia and the European Union entered a new phase since the signing of the Agreement on partnership and cooperation (1994). According to this document, the deepening of bilateral cooperation was made possible due to success of internal reforms in Russia, and the goal was proclaimed to assist Russia in carrying out of institutional, economic and social reforms. Thus, the basis for the deepening of bilateral cooperation is the liberalization of the energy markets of Russia. The EU, being the largest after the US and China are importers of oil and gas, depend not only on the situation on the world energy market and from socio-economic and political situation within countries-suppliers, and therefore have a vested interest in maintaining stability in these countries. Then was formulated the General direction of cooperation in the framework of the Energy dialogue EU Russia: cooperation in the field of energy efficiency, transport infrastructure and rationalization of production; The relations between the countries-producers and countries importers of energy resources; The planned ratification by Russia of the Energy Charter Treaty; improving the investment climate.

Thus, since 2000, the strengthening of cooperation with the Russian Federation in the energy sector is strategically important direction in the external policy of the EU, as well as one of the main policies in the field of energy security of EU countries (Mir-Artigues, 2016).

Over the period 2000-2001, was active in four working groups to develop common goals and objectives within the framework of the energy Dialogue EU—Russia energy policy, infrastructure and technology investment, energy efficiency and the environment.

3 September 2001 at the next summit Russia—EU has formulated the basic tasks of the energy dialogue in the short and long term to stimulate investment, enhance energy security and promote the development of commercial relations in the energy sector. Among the objectives in the short term identifies the following.

CONCLUSION

In General, relations between Russia and the EU in the gas sector is one of the Central places in the structure of the energy Dialogue. The desire of the parties to develop a common approach to selling and transportation of this fuel, as well as to find a solution of the most acute contradictions on the gas issue was demonstrated at the Conference on innovative use of natural gas in Brussels on 24 June 2011 and at the annual international conference "*Energy dialogue Russia EU: gas aspect*", which involved political, state and public figures, representatives of the largest energy companies of Russia and the EU. The parties discuss the issues of applying the EU Third energy package, energy security, a unified approach for long-term export gas contracts and pricing of natural gas.

Parties try to find mutually beneficial ways of cooperation in the energy sector, which allows to conclude that the energy Dialogue Russia the EU as a platform for discussion on a coherent energy policy will continue to exist.

In the nearly 13 years of its existence, the Energy dialogue Russia EU has borne fruit, but caused the formation of a common energy policy of the parties. As stated in the roadmap of cooperation between Russia and the EU until 2050, the parties have a long way to reach this goal. Russia and the EU, there are many unresolved problems, especially in the gas issue, and partners in the energy Dialogue will have to spend a lot of time at the negotiating table. Differences in the application of the provisions of the Third energy package and the EU slow down the process of harmonization of legislative basis of relations between Russia and the EU

in the energy sphere. To the coordinators of the energy Dialogue is a difficult task to reconcile the concept of energy security of the parties, and to develop projects of cooperation between Russian and European energy companies. Russia and the EU need to intensify cooperation in the sphere of implementation of infrastructure projects for Russian gas exports to Europe.

At this stage, the implementation of the EU Third energy package in full seems impossible. Russia is unlikely to abandon long-term export gas contracts, however, it is possible that the binding of gas prices to prices on oil products will undergo some changes. Russia makes no secret of his desire to make concessions to the EU on the issues of pricing of natural gas, for example by introducing new variables into the pricing formula, and the use of correction factors in dependence on the gas market. However, to completely surrender positions, Russia is not ready. It should be noted that for the EU Third energy package serves as a lever of pressure on Gazprom. For the EU at this stage is more important than the intermediate result, to adjust gas prices than global goal is to diversify the suppliers of natural gas, which is not so much.

REFERENCES

- Abramov, R., Khalatenkova, E., Derevyanko, S., & Surilov, M. (2017). Development of interregional communications of the union state as a factor of strengthening interstate relations. *International Relations*, 2(1), 130-141.
- Abramov, R., & Sokolov, M. (2017). Analysis of the efficiency of cluster projects of the union state, *Financial Law and Management*, 1(1), 18-32.
- Agboraw, E., & Jones, A. (2017). Economics and Natural Resource Constraints', in *Resource Constraints and Global Growth: Evidence from the Financial Sector*. Cham: Springer International Publishing, pp. 5–40. doi: 10.1007/978-3-319-67753-8_2.
- Beggs, J.N. (2016). Private-Sector Nudging: The Good, the Bad, and the Uncertain. In: Abdukadirov, S. (editor.) Nudge Theory in Action: Behavioral Design in Policy and Markets. Cham: Springer International Publishing, pp. 125-158. doi: 10.1007/978-3-319-31319-1_6.
- Bischoff, M., & Jahn, J. (2016). 'Economic objectives, uncertainties and decision making in the energy sector', Journal of Business Economics, 86(1), 85-102.
- Cantore, N. (2017). Factors affecting the adoption of energy efficiency in the manufacturing sector of developing countries. *Energy Efficiency*, *10*(3), 743–752.
- Cramton, P., & Ockenfels, A. (2016). 'Economics and Design of Capacity Markets for the Power Sector', in von Weizsäcker, C. C., Lindenberger, D., and Höffler, F. editors. *Interdisziplinäre Aspekte der Energiewirtschaft*. Wiesbaden: Springer Fachmedien Wiesbaden, pp. 191-212.
- Dato, P. (2016). Energy Transition Under Irreversibility: A Two-Sector Approach. *Environmental and Resource Economics*, 68(3), 797-820..
- Disconzi, F., & Lorenzoni, A. (2017). ICT Tools to Foster Small-and-Medium-Enterprise Collaboration in the Energy-Retrofitting Sector', in Bisello, Al editors. *Smart and Sustainable Planning for Cities and Regions: Results of SSPCR 2015*. Cham: Springer International Publishing, pp. 383-405.
- Dixon-O'Mara, C., & Ryan, L. (2017). Energy efficiency in the food retail sector: barriers, drivers and acceptable policies. *Energy Efficiency*, *11*(2), 445-464. doi: 10.1007/s12053-017-9577-5.
- Dumitru-Alexandru, B. (2016). Business Intelligence for Decision Making in Economics', in Dunis, C. L. et al. (eds) Artificial Intelligence in Financial Markets: Cutting Edge Applications for Risk Management, Portfolio Optimization and Economics. London: Palgrave Macmillan UK, pp. 125–158. doi: 10.1057/978-1-137-48880-0_5.
- Gilauri, N. (2017). Reforming the Energy Sector', in *Practical Economics: Economic Transformation and Government Reform in Georgia 2004--2012*. Cham: Springer International Publishing, pp. 125–138. doi: 10.1007/978-3-319-45769-7_7.
- Gründinger, W. (2017). The European Emissions Trading Scheme (EU-ETS)', in Drivers of Energy Transition: How Interest Groups Influenced Energy Politics in Germany. Wiesbaden: Springer Fachmedien Wiesbaden, pp. 465–564. doi: 10.1007/978-3-658-17691-4_8.

- Gründinger, W. (2017). The Renewable Energy Sources Act (EEG)', in Drivers of Energy Transition: How Interest Groups Influenced Energy Politics in Germany. Wiesbaden: Springer Fachmedien Wiesbaden, pp. 257–419. doi: 10.1007/978-3-658-17691-4.
- Huang, Z., Wei, Y.M., Wang, K., & Liao, H. (2017). Energy economics and climate policy modeling. *Annals of Operations Research*, 255(1), 1–7. doi: 10.1007/s10479-017-2564-6.
- Kofoed, J.P. (2017). The Wave Energy Sector', in Pecher, A. and Kofoed, J. P. (eds) *Handbook of Ocean Wave Energy*. Cham: Springer International Publishing, pp. 17-42. doi: 10.1007/978-3-319-39889-1_2.
- Laurens, P., Le Bas, C., Schoen, A., & Lhuillery, S. (2016). Technological contribution of MNEs to the growth of energy-greentech sector in the early post-Kyoto period. *Environmental Economics and Policy Studies*, 18(2), 169–191. doi: 10.1007/s10018-015-0125-2.
- Madlener, R., & Turner, K. (2016). After 35 Years of Rebound Research in Economics: Where Do We Stand? in Santarius, T., Walnum, H. J., and Aall, C. (eds) *Rethinking Climate and Energy Policies: New Perspectives on the Rebound Phenomenon*. Cham: Springer International Publishing, pp. 17–36. doi: 10.1007/978-3-319-38807-6_2.
- Mir-Artigues, P., & Del Río, P. (2016). Economics of Solar Photovoltaic Generation', In *The Economics and Policy of Solar Photovoltaic Generation*. Cham: Springer International Publishing, pp. 71–159. doi: 10.1007/978-3-319-29653-1_4.
- Nakano, S., Arai, S., & Washizu, A. (2017). Economic impacts of Japan's renewable energy sector and the feed-in tariff system: using an input--output table to analyze a next-generation energy system', *Environmental Economics and Policy Studies*, 19(3), 555–580. doi: 10.1007/s10018-016-0158-1.
- Ness, I., & Cope, Z. (2016). 'Political Economy', in Ness, I. and Cope, Z. (eds) The Palgrave Encyclopedia of Imperialism and Anti-Imperialism. London: Palgrave Macmillan UK, pp. 975–1190. doi: 10.1057/9780230392786_6.
- Wei, Y.M., & Liao, H. (2016). Energy Efficiency in Key Sectors', in *Energy Economics: Energy Efficiency in China*. Cham: Springer International Publishing, pp. 167-232. doi: 10.1007/978-3-319-44631-8_5.