

Resource security strategies of the eu and north-east asia countries: lessons for Ukraine

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An increasing number of researchers claim that the world economy is approaching the stage of resource depletion, which will cause a crisis of production, consumption and endanger human lives. Natural resources are a detrimental factor in the development of production and export potential. Against the backdrop of global competition in the goods and services markets, Ukraine's resource and raw material dependence serve as restraining factors for the quantitative growth and qualitative development of Ukraine's export specialisation. Therefore, an open economy cannot be safe in the face of non-competitive exports.

Ukraine has finally determined the European Union as its direction of integration and a reference point for reformatting socio-economic and political processes. Therefore, national security actors must carefully analyse and make prudent use of the vast experience and achievements of the European Union in the field of efficient use of raw materials, their recycling and reducing dependence on supplier countries, such as China, South Africa, and the Russian Federation.

For example, within the framework of the EU Industrial Policy aimed at bringing structural changes to the economies of EU member states, a strategy for the use of raw materials has been developed and implemented. Initially, the list of critical non-energy and non-agricultural materials included 14 raw materials, and later, in 2014, the list was expanded to 20. The final list of 30 items was approved by the European Commission in 2020 and is subject to revision every three years [1], [2]. The European Commission recommends the list to formulate industrial policy priorities, conduct trade and economic negotiations, plan global supplies of raw materials, define areas of research and innovation. The EU's apprehension about the availability of raw materials, their price trend, and the ability to meet the excessively rapid demand is reasonable, given that 90% of the 54 items of strategically important raw materials are sourced from abroad. Moreover, the European Union is under enormous pressure from China to restrict the export of rare earth metals. Recently, Greenland has become the object of close attention of the EU as a potential source of rare-earth metals, whose reserves are estimated at 6% of the world [3, p. 137].

Analysing the position of Ukraine as a supplier of strategically important materials to the EU, it should be noted the high level of resource security compared to current supplies. As of 2017, Ukraine accounted for 9% of gallium imports to the EU, competing with China, the United States, and South Korea, but in 2020 was not included in the report on suppliers of critical for EU materials. Ukraine also occupies 8% of the world hafnium market but does not supply to Europe. The situation with

the rare earth metal scandium is similar, where Ukraine holds a 7% share in world turnover. However, Russia and the United Kingdom share a monopoly on the EU market [1], [2].

In the latest document, the EU stated its intention to deepen its strategic partnership with some resource-rich countries through foreign policy instruments. For an open economy of Ukraine, the importance of trade and economic diplomacy in the state's economic security system has been empirically proven [4, p.156]. Therefore, the subject of diplomatic negotiations with the EU should be the issues of more extensive involvement of Ukraine as a supplier of raw materials, directing investments in innovative technologies of exploration and extraction of metals and environmental protection. At the same time, Ukraine should follow the example of the EU in developing a similar document to prevent an imbalance of resources in the country, promote the adoption of international contracts and the formation of priority areas for industrial development, investment facilities and research projects.

In response to growing threats to the security of raw material supplies, the EU has developed a document outlining such prerogatives in the field of raw material security [3, p. 135]:

- Firstly, ensuring access to international commodity markets on the same terms as EU competitors, mainly through trade and economic diplomacy, coordination of G8 and OECD efforts, by providing financial assistance to supplier countries to improve their investment attractiveness and sustainable development.

- Second, establishing framework conditions for the secure supply of raw materials from local sources through simplification of administrative procedures for access to land, improving the efficiency of geographic exploration, funding research on innovative methods of extraction and processing resources, training and informing the public about existing threats.

- Thirdly, reduce import dependence due to efficient use and utilisation of strategically essential materials, intensive use of secondary raw materials, encouragement of third countries that dispose of products with elements of valuable materials to comply with EU objectives on this issue.

Northeast Asia's resource security strategies can serve as an example of protecting a country from resource depletion and the negative impact of high prices on them. Jeffrey D. Wilson argues mercantilist measures in international trade in raw materials by increased competition in the region in resource and commodity markets, pushing countries to seek ways to increase competitiveness [5, p.15]. Differences in resource security instruments between Europe and Asia are based on different values, opposing views on democracy, the relative importance/authority of the law or legislator who better understands the needs of the people, the freedom of action of economic agents and the limits of state intervention.

In particular, the lack of resources appeared in the list of motives for signing the countries of Northeast Asia agreements on free (preferential) trade, but due to fears of suppliers to bind themselves to contract terms rather than market conditions, has made this strategy ineffective [6, p.430]. Moreover, intergovernmental cooperation

to ensure raw material security in the region through cooperative agreements is not feasible, as national interests prevail over collective ones and push individual states to opportunistic behaviour [7, p.42].

Conceptually, there are two strategies for ensuring resource security: mercantilist (state-oriented) and liberal (market-oriented) [5, p.30]. The first is implemented through financial and regulatory support to participate in international projects to extract raw materials and invest in the raw materials business abroad. On the other hand, the market model focuses on the liberalisation and integration of national commodity markets into the international one, resulting in increased trade and investment in the commodity sector. Asian countries tend to use a mercantilist approach or a combination of both. In contrast, developed countries postulate the importance of non-discrimination and equal access and fair competition for resources.

Resource dependence may trigger many negative trends in the socio-economic and political spheres. Moreover, it may become an obstacle to gaining a higher competitive advantage and fully realising export potential. Ukraine is currently at the epicentre of the fight against the effects of the resource curse. The application of mechanisms and tools to ensure the resource security of the country also needs to be systematically understood. The use of the latest experience in providing raw materials to the EU and the G8 and Japan, Korea, and China will help develop new criteria and model the parameters of resource and raw material security of Ukraine.

Ключові слова: Стратегія; криза виробництва; експортний потенціал.

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