



*Fig. 2. Change in inflation rate according to Trading Economics*

This process has led to a modernization of a Soviet-era industrial model, where Belarus increasingly serves as a final assembly hub for goods utilizing Russian components. This specialization is strategically distributed, with key, high-value industries often concentrated in the eastern regions of Belarus. Concurrently, economic regulation is becoming increasingly harmonized, with ongoing work on a Unified Tax Code and aligned technical standards within the EAEU, leading to identical policy responses to economic fluctuations.

In conclusion, the economies of Belarus and Russia are rapidly evolving beyond partnership into a single, integrated economic space. This transformation, a direct response to the current geopolitical landscape, has resulted in an economic system with greater sovereignty and stability, built on a shared institutional, production, and regulatory base.

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## **THE IMPACT OF POLITICAL INSTABILITY ON REGIONAL ECONOMIC INTEGRATION IN LATIN AMERICA**

### **Влияние политической нестабильности на региональную экономическую интеграцию в Латинской Америке**

The objective of this study is to conduct a comparison of economic development periods in Latin American countries, in order to identify the characteristics of the region.

Currently, the economies of Latin America are characterized by the low growth rate due to the following factors: political crises, lack of strategic sources, middle-class wealth slow development, corruption, absence of consistent political course. These factors lead

to negative attitudes of potential investors, reduce trade level and make it difficult to create stable economic blocs.

Latin America is a region with the highest level of world's income inequality, resulting in social unrest, protests, and political instability. Police and judicial system inefficiency, as well as increasing crime and drug trafficking, aggravate negative processes, impeding economic development. Widespread corruption undermines confidence in public institutions, reduces governance effectiveness and delays the efficient economy development. Frequent political crises increase the risks to international trade. The failure to reach political consensus makes it difficult to strengthen regional economic alliances. Such unstable environment hinders the united economic space formation.

In the 1980s there was a regional crisis caused by the global economic downturn, which led to a sharp rise in the Latin American countries external debt. The current economic model has led to deterioration in trade and balance of Latin American countries payments, as the region's export earnings have declined. Until the late 1980s regional integration was in crisis. Huge external debt has forced countries in the region to limit imports and apply protectionist trade barriers, including reciprocal trade. The «belt-tightening» policy imposed by international financial institutions has led to the economic cooperation programs termination.

The advocacy of the International Monetary Fund and other international organizations demanded that Latin American governments move to an «open market economy». In this context, the regional government has made a bet on exports, hoping to get out of the economic crisis and modernize production, but this measure did not help.

The increase in the volume of exports was not offset by its cost due to the fall in world commodity prices and protectionist barriers faced by Latin American manufactured goods exports. So the export tax did not reduce the region's external debt. This fact forced Latin American countries to observe economic integration as a tool for overcoming crisis and economic development [1]. However, Latin America and the Caribbean (LAC) countries have adopted the «open regionalism» model promoted by the West and GATT/WTO, directly linked to neo-liberal policies. This model is destructive, because the liberalization it promotes reduces governments' ability to maneuver and solve domestic problems.

To sum up, the current stage is characterized by competition of two approaches to integration – liberal-globalist, implying integration with orientation on additional extra regional partners and anti-globalist, focused on comprehensive integration in different spheres without excessive openness to external influences.

## Reference

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