



Globalization in Eurasia: the impact on trade and tourism

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OBSERVARE - Observatório de Relações Exteriores

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- 1** Contextualization and Research Objectives
- 2** Methodology and data
- 3** Results
- 4** Conclusions and future research

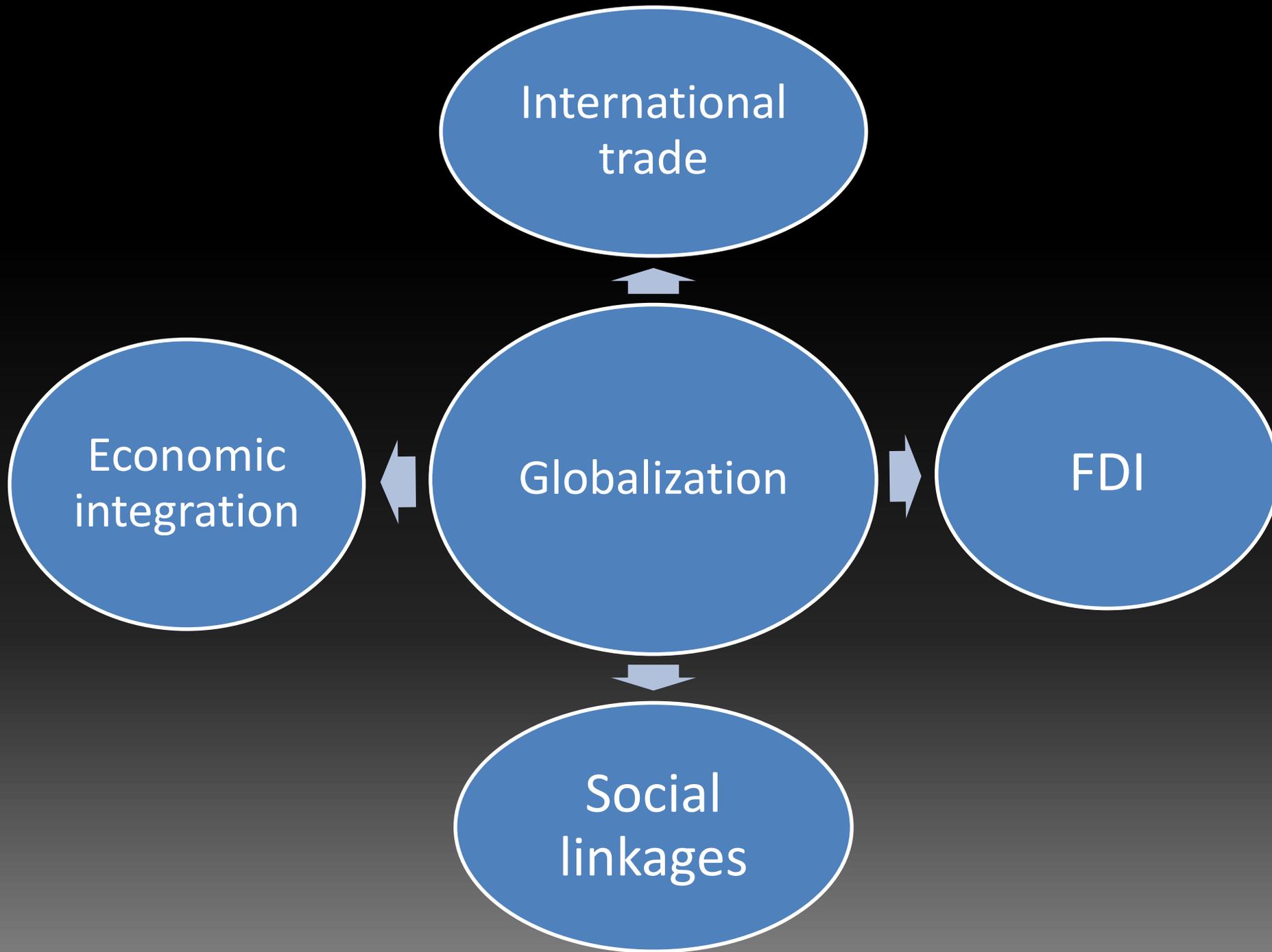
Contextualization

- 1 Currently, "globalization" coexists with "open regionalism".
- 2 In cohesive Eurasia, the contours of a new world order will be defined by who administers it and how it is managed.
- 3 More or less the economic integration happened through four channels (Hrmbusiness, 2012);
 - Trade in goods and services
 - Movement of capital
 - Flow of finance
 - Movement of people

Objectives

Analyze the flows of trade and tourism in Europe and Asia, in the current geopolitical context, highlighting the case of Russia.

- Globalization does not mean pure deterritorialization, but a complex game of deterritorialization and reterritorialization. Far from opposing what is local, the global is a globalized localism, be it, as Boaventura de Sousa Santos says (2015: 91)
- Globalization is the result of great changes in political, economic, technological and social areas. Globalization revived capital flows, trade, investment and movement of labour force between countries (Toprak, 2001:8-9).

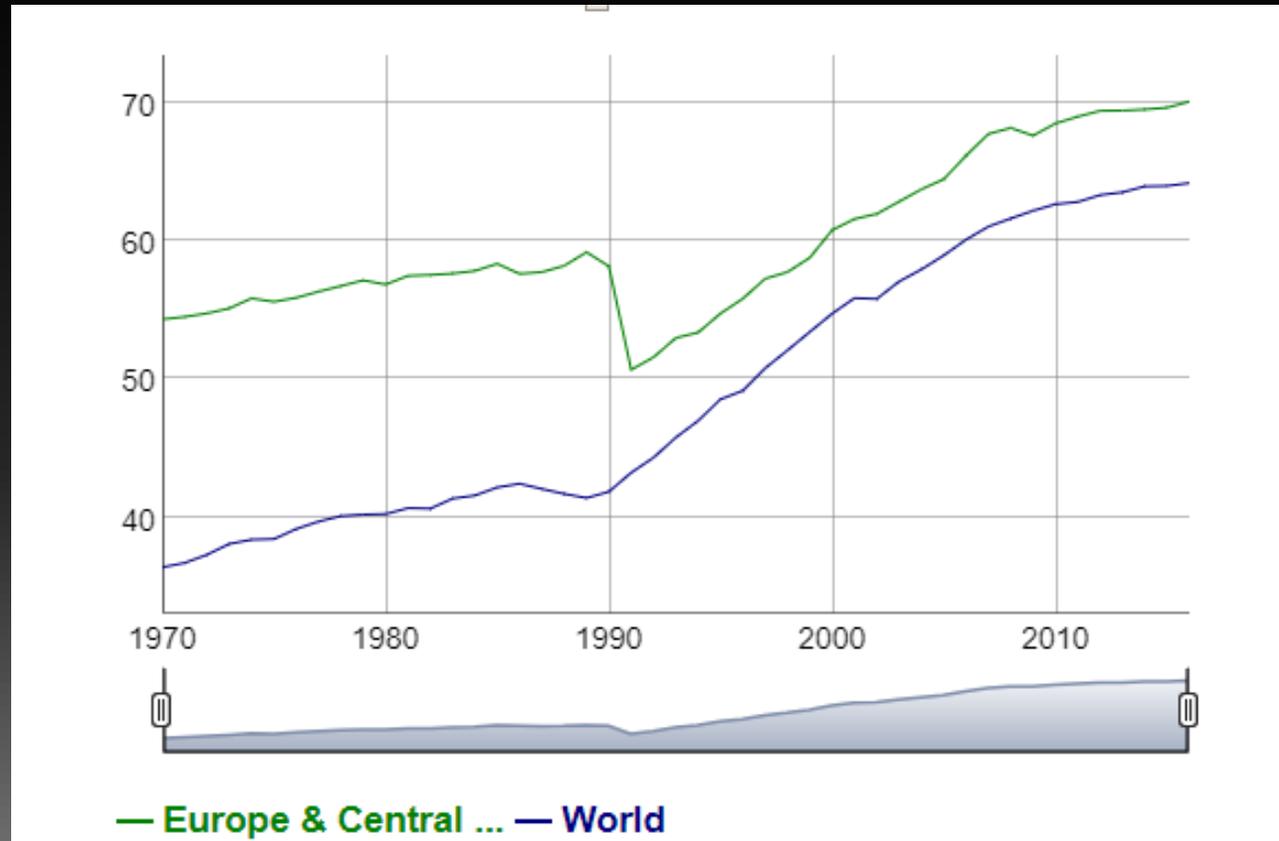


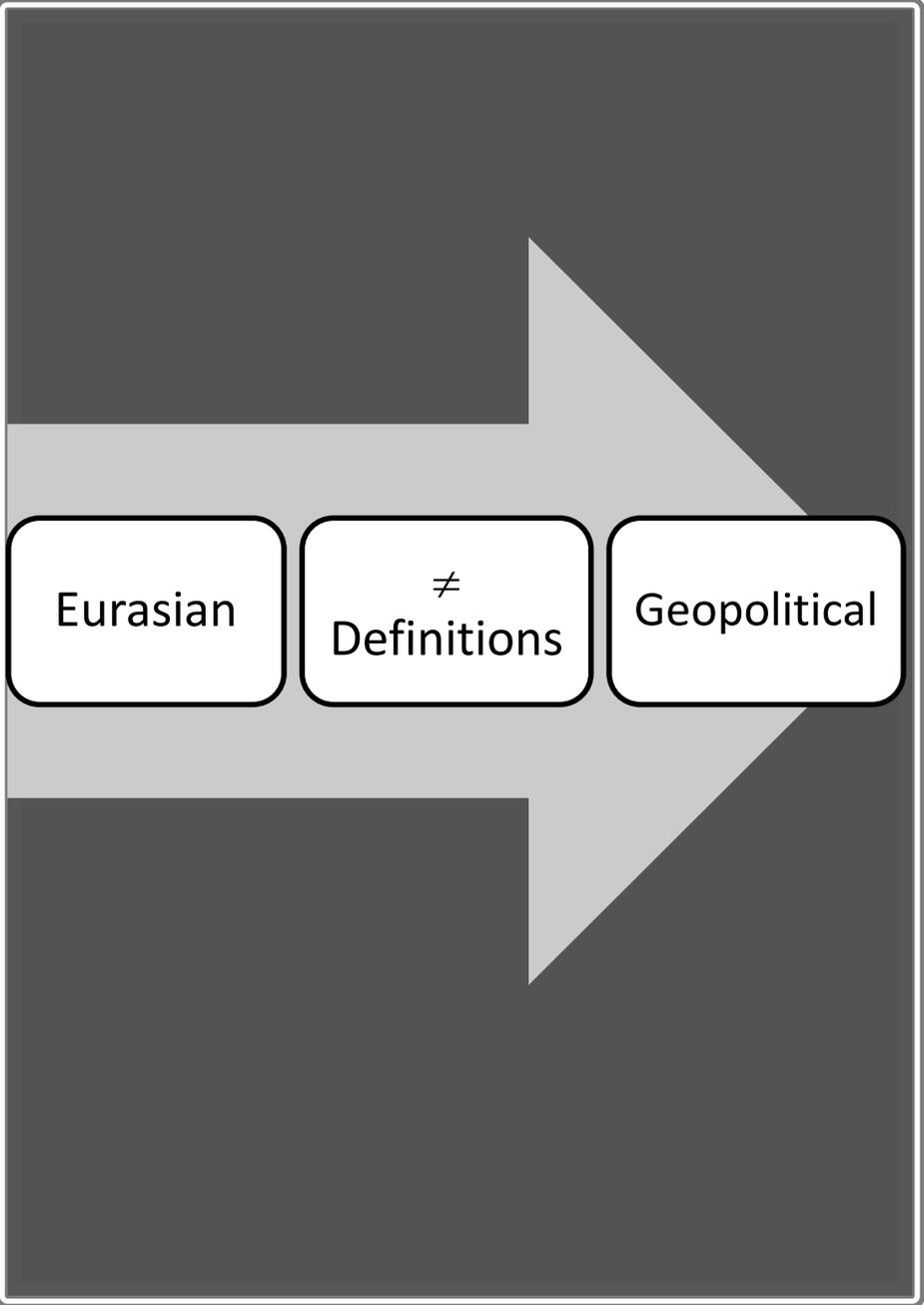
The advantages enjoyed by countries engaged in mutual free trades can be summarized as follows (EconomyWatch, 2010):

- Considerable reduction in the cost of transportation,
- Decrease or abolition of control over capital and the capital market,
- Formation of free zones for carrying out commercial activities, against payment of little or no tariffs at all,
- Decrease, abolition or synchronization of subsidies in domestic trades,
- Decrease or abolition of every kind of tariffs.

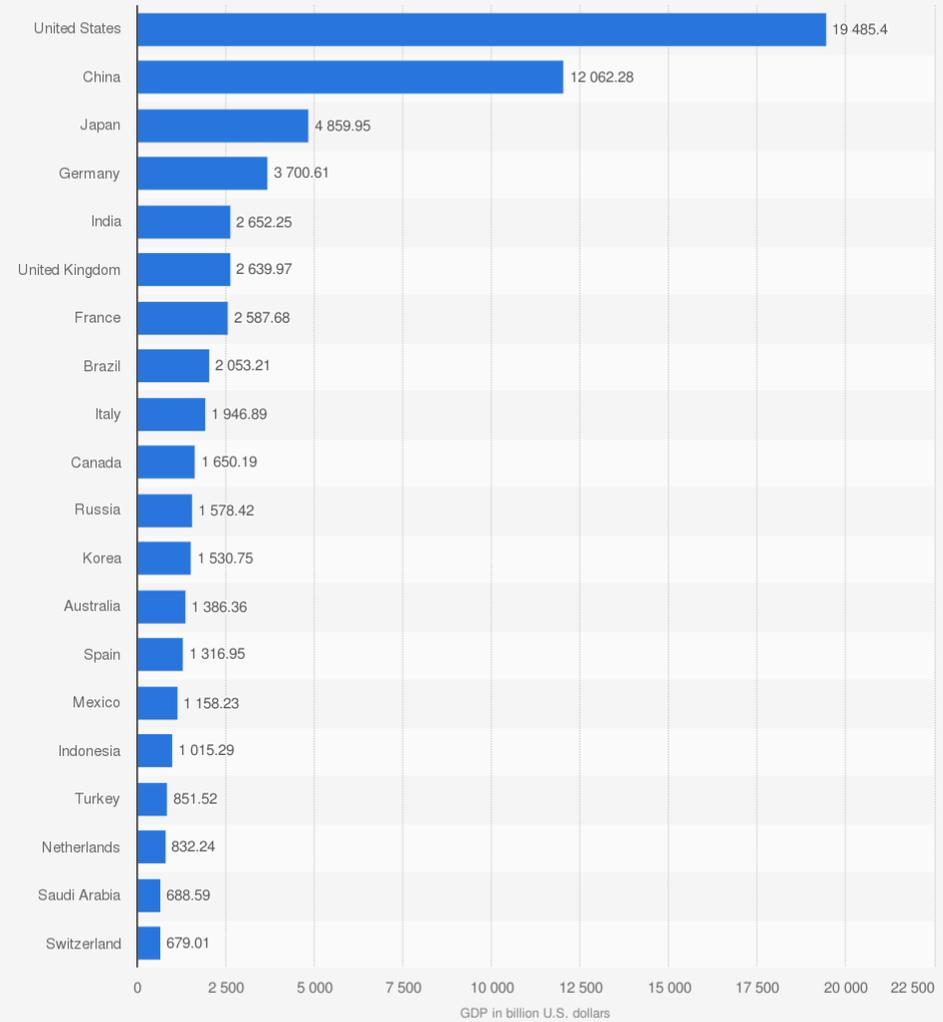
- International tourism has grown substantially over the recent decades as an economic and social phenomenon.
- Tourism is seen as a revenue earner through export, foreign exchange, and tax revenues.

The KOF Globalization Index measures the economic, social and political dimensions of globalization. Globalization in the economic, social and political fields has been on the rise since the 1970s, receiving a particular boost after the end of the Cold War.





The 20 countries with the largest gross domestic product (GDP) in 2017 (in billion U.S. dollars)

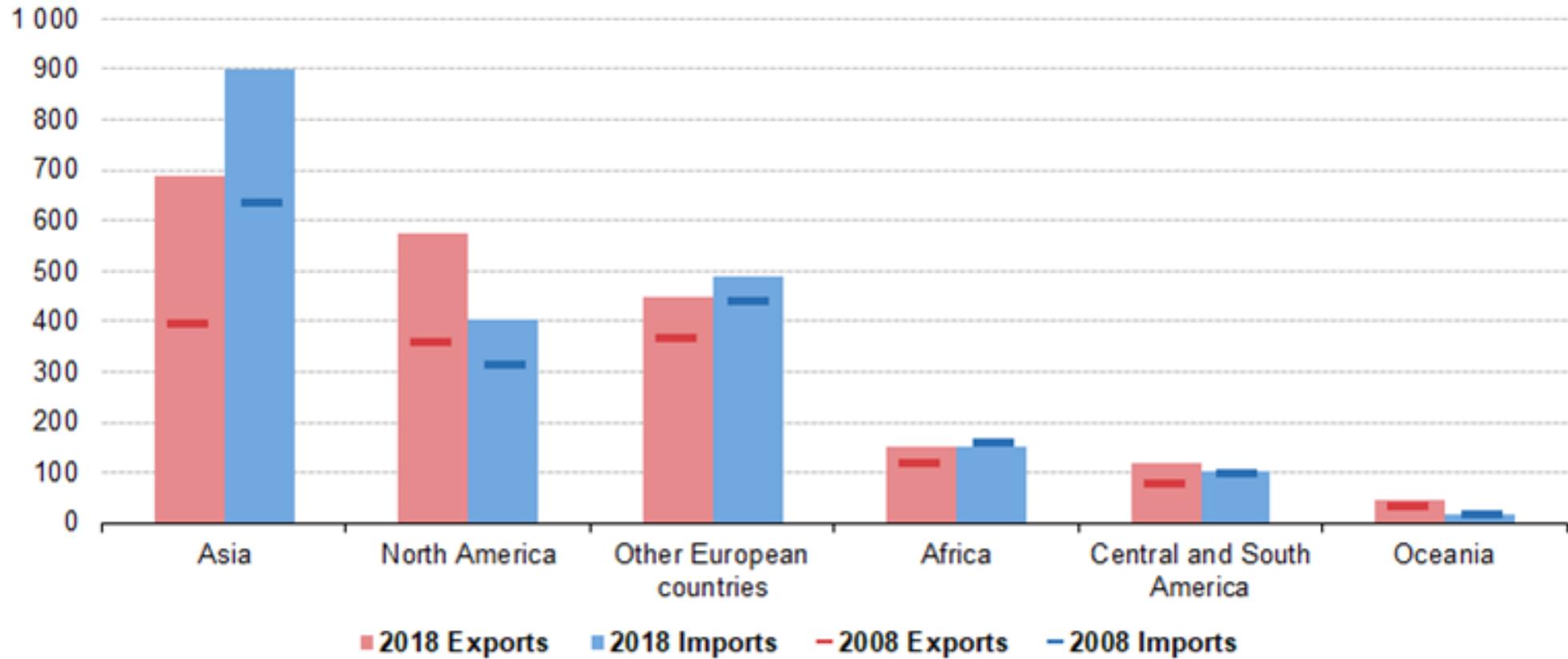


Source
IMF
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Additional Information:
Worldwide; IMF

EU-28 trade by geographical zone, 2008 and 2018

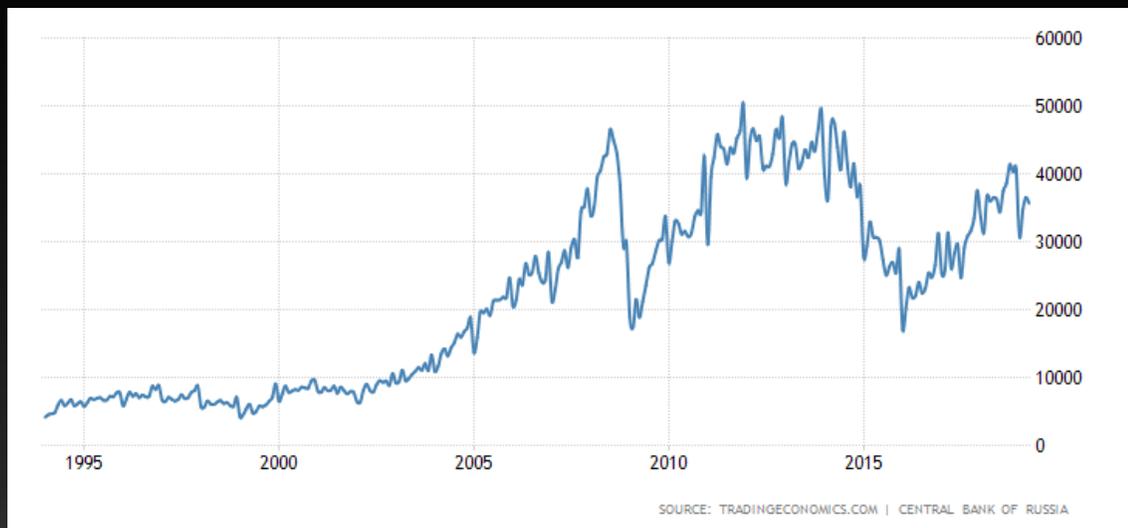
(EUR billion)



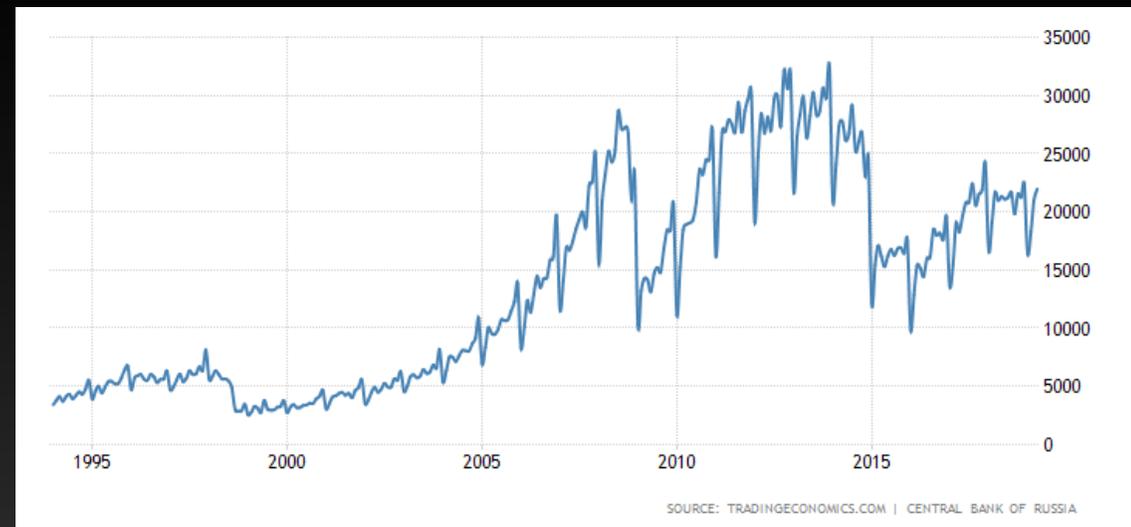
Source: Eurostat (online data code: ext_lt_maineu)

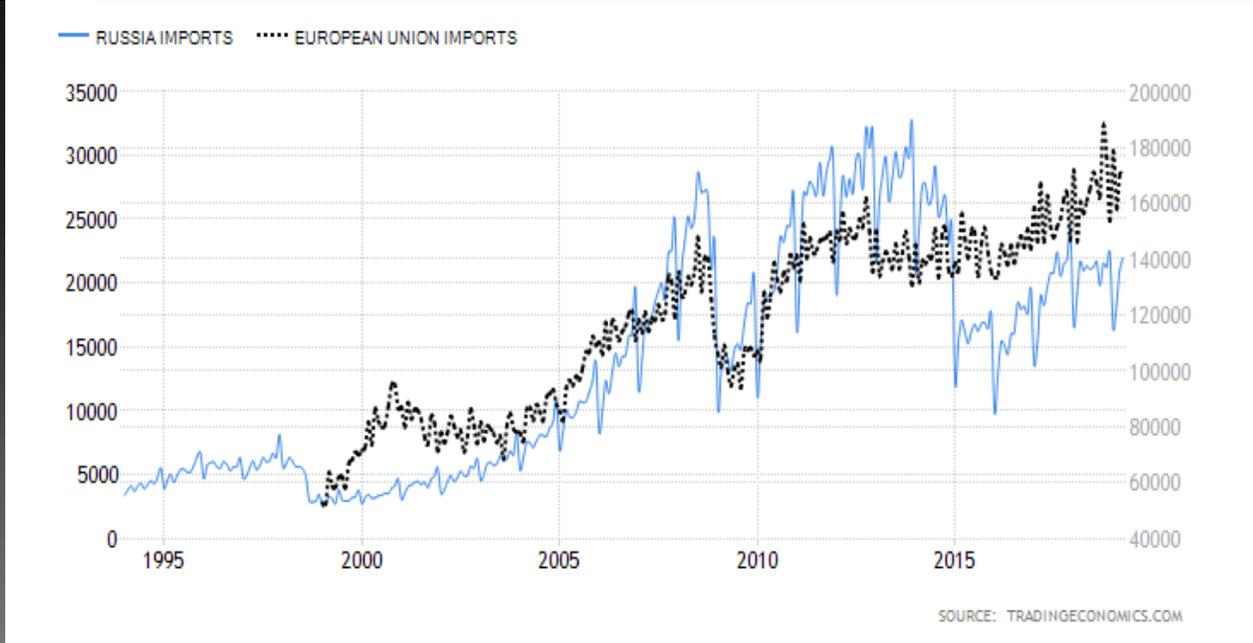
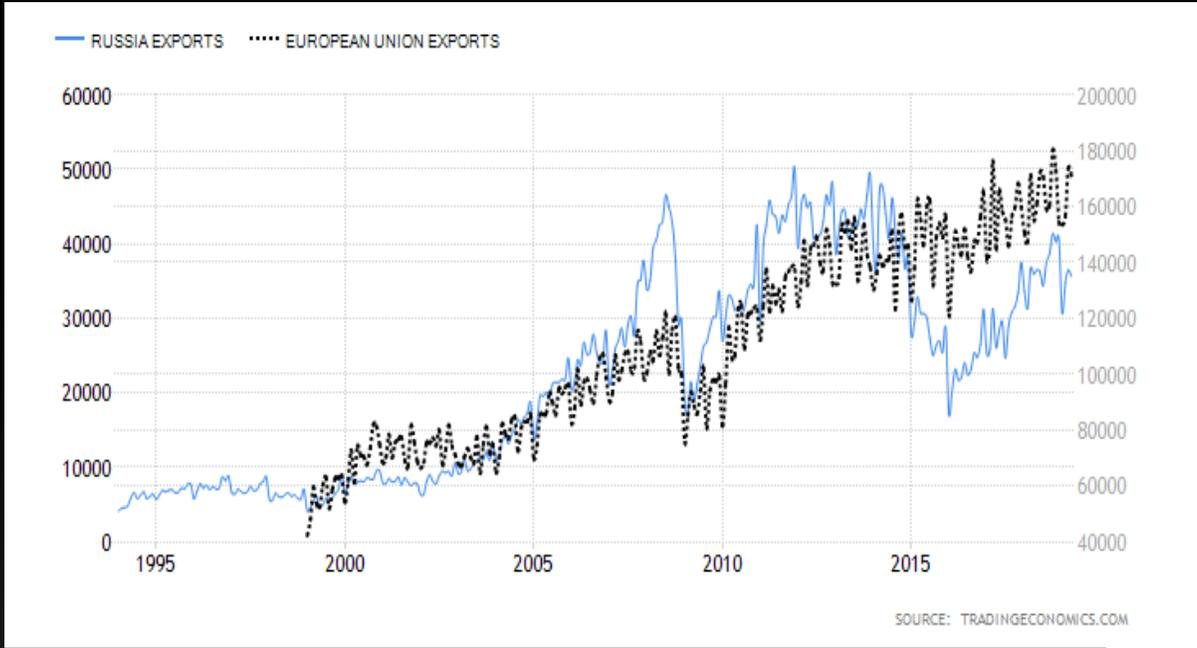
Russia

Russia Exports

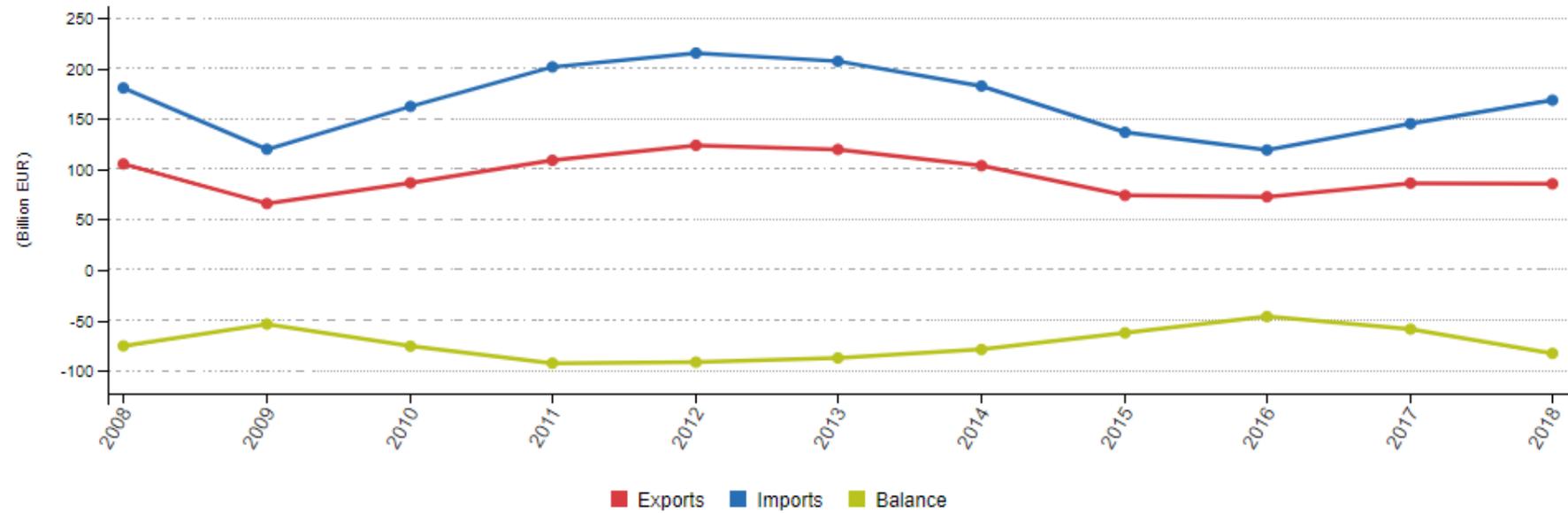


Russia Imports





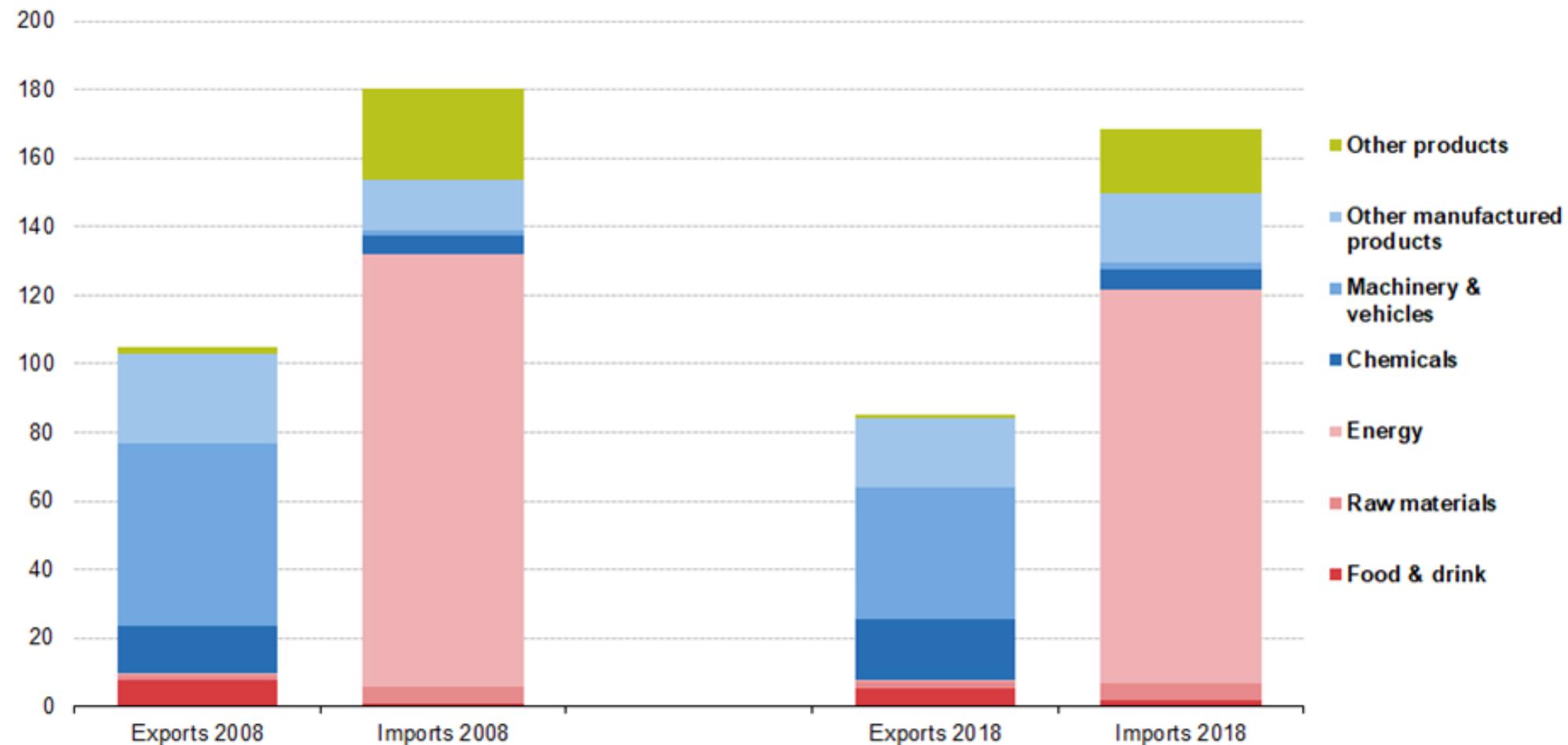
Imports, exports and balance for trade in goods between the EU and Russia, 2008-2018



Source: Eurostat (online data code: ext_lt_maineu)

EU-28 exports to and imports from Russia by product group, 2008 and 2018

(EUR billion)



Source: Eurostat (online data code: DS-018995)

Methodology and data

VARIABLE		LABEL	EXPECTED SINAL	SOURCE
Economic Growth	Real GDP growth rate	GDPg	+	World Bank
Tourism Indicator	Number of departures in tourism	TOUR	+	Russian Fed. Federal State Statistics Service
Trade Globalization	Index value	GTRADE	+	World Bank
Befor 1991	Dummy variable	D1	+	

$$\text{GLOB} = \beta_0 + \beta_1 \text{GDPg}_i + \beta_2 \text{TOUR}_i + \beta_3 \text{GTRADE}_i + \varepsilon_{ij}$$

Where:

GLOB represents index Globalization

GDPg_i represents real GDP growth rate

TOUR_i represents number of departures in tourism

GTRADE_i represents trade globalization index

Data: 1996 to 2016

Results

VARIABLE	LABEL	EXPECTED SINAL	COEFICIENT OBTAINED
Economic Growth	GDPg	+	0,035 (0,148)
Tourism indicator	TOUR	+	0,0000003 (0,00)
Trade Globalization	GTRADE	+	0,0294 (0,361)

Conclusions

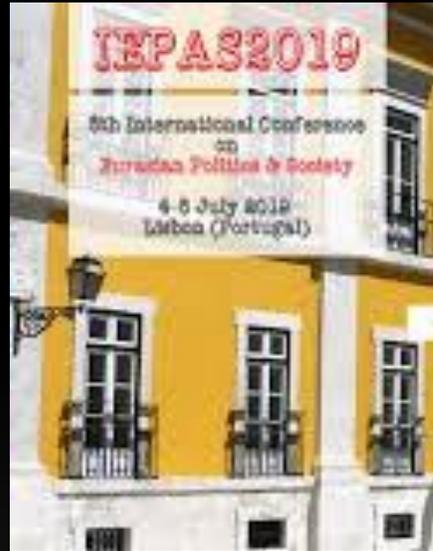
- 1** Eurasia geography is one of the ascending economic powers of the world due to its great economic potential.
- 2** The regions economy is based on natural resources and trade is limited.
- 3** Medida Globalization has positive effects on removing barriers of foreign trade and attract foreign direct investment.
- 4** Europe and Asia have a greater flow of trade, greater than between the United States of America (U.S.A.) and Asia; we note that Europe is investing more in Asia than the U.S. Also note the relevance of tourism flows to this geographical area, which occupies the largest part of the world's physical territory.
- 5** When analyzing Russia alone, we conclude that although economic growth, tourism and international trade have a positive and positive impact on the globalization index, the impact of tourism is almost nil.

Limitations

- 1** Number of observations very small.
- 2** Difficulty in obtaining better data concerning tourism
- 3** Inexistence of time series prior to 1990 (USSR)

Future research

- 1** Explore the existence of other variables related to tourism
- 2** Dividing the analysis by flows of exports and imports, and even of goods and services
- 3** Repeat the study, increasing the number of observations.



THANK YOU VERY MUCH

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