DOI: https://doi.org/10.30525/978-9934-26-191-6-5

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ECONOMIC DEVELOPMENT OF COUNTRIES DURING THE PANDEMIC CRISIS[1]

Summary
The year 2020 was one of the toughest years for the entire global economy. Countries faced a protracted crisis related to the coronavirus pandemic. To cope with this problem, many countries were forced to declare national quarantines. Many sectors of the economy were affected. Almost every country in the world is experiencing a decline in GDP. Governments around the world, including the BRICS and EAEU groups, have introduced measures to stabilize their economies. The analysis conducted in this paper allowed us to identify the problems that countries faced during the coronavirus pandemic and to identify ways to overcome their crisis.

Introduction

Since the beginning of 2020, all countries of the world have found themselves under very difficult conditions to deal with the coronavirus pandemic. Many states were forced to introduce self-isolation and suspend the work of some industries. This period of sharp decline in the world economy has been called the «Great Self-Isolation. Such sectors of the economy as the manufacturing sector, tourism, air transportation, hotel business, restaurant business, the fashion and beauty industry, the fitness industry and the entertainment industry suffered the main damage. The IT, telecom and medical industries were in a more favorable position during the recession. The coronavirus pandemic has affected every country in the world. This study will examine the economic development of some of the world's countries during this difficult period, but will focus in more detail on such groups of countries as BRICS and the EAEU, in the strategic cooperation with the states of which Russia is interested.

The International Monetary Fund (IMF) predicts a 3% decline in the global economy in 2020. It is expected that in 2020 China's GDP will grow by 1.2%, the Indian economy will increase by 1.9%. Brazil's GDP will fall significantly by 5.3%, South Africa's economy will decrease by 5.8% [1]. The negative value of this indicator is projected in 2020 in all EAEU countries as well.

[1] This study was financed by a grant from the Plekhanov Russian University of Economics, Moscow, Russia # 969 05.08.2020, #1232 08.10.2020

Thus, in Armenia it will be -4.5%, but in 2021 the country's GDP growth rate is planned to increase to 3.5%, in Belarus (-3.0% and 2.2% respectively), in Kazakhstan (-2, 7% and 3.0%), in Kyrgyzstan (-12.0% and 9.8%), in Russia (-4.1% and 2.8%) [2].

Part 1. The world economy before the pandemic

The significant decline in economic performance in the global economy since 2015 was due to a slowdown in China's economy, lower oil prices and prices of metals and other natural resources, as well as increased volatility in global stock markets. Experts from the Foundation for International Economics Nouriel Roubini note that China is facing a «crash-landing» [3]. Famous American economist Joseph Stiglitz, while confirming the influence of the Chinese economy on the state of economic development around the world, at the same time noted that the negative phenomena in the world economy, associated with a significant decline in aggregate demand, were also associated with the introduction of harsh spending cuts programs in Europe [4].

The coronavirus pandemic of 2020 has affected the economies of all countries in the world, including the BRICS and EAEU states. According to the experts of the international rating agency (Fitch), no country in the world will be able to avoid the devastating consequences of the coronavirus pandemic [5].

The development of the economies of all countries in the world is greatly influenced by changes in oil prices as the main energy resource, despite the development and introduction of alternative innovative, «green» energy sources. Oil-exporting countries are interested in increasing oil prices, while oil-importing countries, on the contrary, prefer to reduce them. A decrease in oil production leads to an increase in the price of this energy resource, and an increase in oil production leads to a decrease in its quotations. The world's leading oil exporters are Russia, the Middle East, the USA and Canada. Kazakhstan is interested in the growth of oil prices. Fluctuations in oil prices have a negative impact on the economies of many countries, especially developing countries, including the BRICS countries and the EAEU.

Venezuela had the largest amount of proven oil reserves in the world economy in 2018 – 303.3 billion barrels (17.5% of the world's volume). In terms of proven oil reserves, Russia is in sixth place in the world – 106.2 billion barrels (6.1%), proven reserves of Kazakhstan – 30 billion barrels [6].

The world's top oil producer in 2018 was the United States, which produced 15.3 million barrels per day (or 16.2% of global oil production), ahead of Saudi Arabia (12.3 million barrels per day, or 13% of global production). Russia ranks third among the oil-producing countries of the world (11.4 million barrels a day, or 12.1% of world oil production), Kazakhstan produces 1.9 million barrels a day. Not only the availability of oil reserves and the volume of its production, but also oil refining and production of petroleum products are of great importance for the development of the world's economies. The leading petroleum-producing country in the world in 2018 was the United States – 17 million barrels per day (20.4% of global production). In second place was China – 12.4 million barrels per day (15% of global production). In terms of oil refining (5.8 million barrels per day – 7% of world production), Russia was in third place in the world, India was in fourth place with 5.2 million barrels per day (6.2%). Brazil was the world's ninth largest producer with 1.7 million barrels per day (2.1%). Kazakhstan refined 0.4 million barrels per day [6].

In 2020, against the backdrop of the coronavirus pandemic, an «oil war» broke out between Saudi Arabia and Russia. Problems in the OPEC+ cartel related to the decision to increase oil production and Russia's disagreement with this decision led to the cancellation of previous agreements. On April 1, 2020, the deal made by OPEC+ in 2016 to reduce oil production and keep oil prices at around $50 per barrel expires. The increase in oil production by OPEC countries led to a sharp decline in oil prices, which, in turn, influenced the collapse of global stock indices and a significant strengthening of the U.S. dollar. For example, on the New York Stock Exchange (NYSE) on March 12, 2020, trading was suspended as the key exchange index (DJIA) fell 9.33%.

This also affected the decline in stock indices in the BRICS countries. On March 12, 2020, the RTS (Russian Trading System) index fell by almost 1,000 points (to 966.40 points) for the month [7]. The São Paulo Stock Exchange Index (IBOVESPA), the main stock indicator in Brazil, dropped 1.6 times to 72,582.53 points by March 12 (for the month) [8]. The Shanghai Stock Exchange Index (SSE Composite) fell 1.2 times in two months (to 2660.17 points on March 23) [9]. The main indicator of the Indian stock market is the Bombay Stock Exchange Index (BSE Sensex 30). During the month this index decreased 1.6 times to 25981.24 (March 23) [10].

European share prices were affected by the news that the Saudi company (Saudi Aramco) is planning an oil expansion in Europe.

A new OPEC+ meeting was held on January 9, 2020 at the initiative of Saudi Arabia to restore balance in the global oil market. The deal was completed on January 10, 2020 (at the G20 meeting). As a result, it was decided to gradually reduce oil production until mid-spring 2022. From May to June 2020 the daily oil production will be reduced by 10 million barrels per day. Then the volume of oil production reduction will change: from July 1, 2020 – by 8 million barrels per day, from January 2021 to April 2022 – by 6 million barrels per day. Russia and Saudi Arabia will reduce oil production by 2.5 million barrels per day each. The volume of oil production by OPEC+ countries will be cut by 23%. Mexico, which will have to cut production by 400 thousand barrels per day, did not agree to these terms of oil production reduction. The agreement will not come into force until Mexico joins it. In the future, the United States, Canada and Norway may join the deal, despite not being members of the OPEC+ cartel [11].

The BRICS and EAEU countries help each other to cope with pandemic problems and provide each other with economic, expert and humanitarian assistance. To this end, the five states are expanding intragroup cooperation in both the economic and political spheres in the context of a change in the geopolitical paradigm of development and the formation of new systems of leadership on the world stage.

Part 2. The impact of the pandemic on the development of the world economy

The Asian Development Bank estimates that the global economy will decline by \$5.8–8.8 trillion in 2020 because of the coronavirus pandemic [12].

The global economy in the first quarter of 2020 will be greatly influenced by the following processes: a) the pandemic that broke out in early 2020, which brought some sectors of the economy of many countries to a halt; b) problems in the OPEC+ cartel («price war» between Russia and Saudi Arabia, which led to a sharp drop in oil prices); c) the overflow of oil in storage in the global economy; d) the slowdown of the global economy has affected the decline in demand for energy resources in many countries around the world, primarily in China; e) the lifting of the embargo on Iran has led to an influx of Iranian oil to the world market, not only by increasing its production, but also from oil storage facilities. The decision to reduce oil production has smoothed uncertainty, reduced volatility, and stabilized global financial and energy markets, which in turn influenced the beginning of recovery processes in the global economy.

In the second quarter of 2020, global financial markets deteriorated; it was the most difficult period in the development of the world economy in recent years. While in the first quarter the decrease in total GDP in the 28 EU countries was 2.5%, and in the eurozone – 3.1%, then in the second quarter there was a decrease in GDP in the EU zone by 11.9% (in annual terms), and in the eurozone – by 12.1%. It was the largest recession in the European economies since 1995. In Spain, the economic decline in the second quarter of 2020 was 18.5% (the largest recession among EU countries), in Portugal – 14.1%, in France – 13.8% [13].

The decline in the U.S. economy was deeper, with real GDP falling 31.4% year over year in the second quarter of 2020 (the record fall in a single quarter since 1947) [14].

In recent years, the *Chinese* government has paid great attention to changes in aggregate demand as a major factor in shaping the country's socio-economic development trends. During the years of China's reforms, the Chinese economy continued to grow rapidly, expressed not only in maintaining high rates of GDP, but also in the volume of foreign trade, attracting foreign direct investment, and the accumulation of foreign exchange reserves. The growth of the Chinese economy for a long time was determined by internal and external factors. From 1979 to 2009, China's GDP growth rate averaged 9.9%.

For the years of the 13th Five-Year Plan (2016–2020), a much lower GDP growth rate of 6-6.5% was planned. Between 2001 and 2017, China's GDP grew 10.5 times. China's economy grew 6.9% in 2017, with GDP growth supported by an increase in net product exports and high levels of private consumption. The main indicators were outlined in four areas: economic growth, development of science and technology, living standards of the population, and environmental protection. China's GDP grew by 6.1% in 2019. The 4th session of the 12th NPC (March 2016) set the goal of «building a Xiaokang (small prosperity) society across the country» by 2020.

In the early 2000s, China lagged far behind the world's leading countries in terms of GDP and GDP per capita. But already in 2010 China ranked second in the world after the U.S. in nominal GDP. But in terms of GDP per capita, it continued to lag far behind developed countries. Later on, China began to converge on this indicator with the United States and the European Union countries. In 2017, according to the IMF, GDP per capita in China was $10,090, approaching Russia ($11,950 – the best value of this indicator among the BRICS countries) and almost equal to Brazil ($10,220), well ahead of South Africa ($6,460) and significantly ahead of India ($2,130) [15].

China's GDP for the first quarter of 2020 declined 6.8% due to the coronavirus [16]. China's GDP for the first quarter of 2020 declined by 6.8% due to the coronavirus. The negative dynamics of the Chinese economy was recorded for the first time since 1992. The decline in China's GDP growth rate was affected not only by the suspension of many businesses as a result of the pandemic, but also by the «trade war» between the PRC and the United States. In May 2020, the U.S. again decided to tighten sanctions against China, suspecting it of withholding information about the coronavirus and demanding full information about the causes of the pandemic. The United States continued its confrontation with China, taking a policy of restricting the access of Chinese companies to the U.S. capital market. China responded to U.S. actions by introducing a special law against Hong Kong, which could lead to new protests. The U.S. Department of Commerce has prepared new sanctions against 33 Chinese companies and governmental organizations for repression in the Xinjiang Uygur Autonomous Region and for importing military goods and technology from the United States. The U.S. also threatened to impose new sanctions if the Chinese government extended the National Security Law to Hong Kong, which led to renewed mass protests there, suspended as a result of the coronavirus pandemic.

In March 2020, the situation in China's economy began to gradually improve. According to various expert estimates, taking into account the coronavirus pandemic that hit the country in early 2020, GDP growth in 2020 is 1 to 4% per year [17]. Premier of the State Council of the People's Republic of China Li Keqiang said that China no longer aims for GDP growth, the new goal set for 2020 is a budget deficit of 3.6% of GDP and an inflation rate of 3.5%. Experts believe that the Chinese government has thus prioritized economic stability over growth, keeping unemployment and inflation low in the country. Investors saw this as a signal that we should not expect a rapid economic recovery in China, which means that the pre-crisis level of oil consumption will not happen.

In the second quarter of 2020, it became clear that the situation resulting from the coronavirus epidemic affected medium and small enterprises and microenterprises the most. This situation was outlined in the «Report on the Work of the PRC Government» at the 3rd session of the 13th NPC in June 2020. In 2017, the PRC government introduced the «Sectors of the National Economy Classification,» which divided enterprises into four types: large, medium, small and micro enterprises. It takes into account the number of employees, the amount of income from economic activities, the value of fixed assets and some other indicators. The role of private business in China's economy is described by the «5-6-7-8-9» formula, meaning that the private sector in China accounts for over 50% of taxes, 60% of GDP, 70% of technical innovation, 80% of urban and rural employment, and 90% of the total number of enterprises.

To support companies after the coronavirus epidemic, the PRC government reduced the value-added tax rate as well as old-age insurance rates for workers and employees of companies. A new tax and fee cut of 500 billion yuan was announced. All small, microenterprises and sole proprietorships are granted income tax deferral for the next year, 2021, and the new amount of tax cuts and fees will exceed 2.5 trillion yuan.

As a result of the measures taken, China's GDP grew by 3.2% in the second quarter of 2020 [16]. At the same time, all macroeconomic indicators began to grow. In the second quarter of 2020 the growth rate of value added in industry was 4.4%, in services – 1.9%, retail turnover – minus 1.8%, investment in fixed assets – minus 3.1%, in export-import trade – minus 0.2%. In terms of job creation, with a plan of 9 million new jobs per year, 5.64 million new jobs (62.7% of the plan) were created in cities and towns in June. Unemployment in cities and towns was 5.7%, below the projected 6%.

China's GDP grew 4.9% in the third quarter of 2020, and the economy grew 0.7% in the first nine months of 2020 [18].

The global economic situation in the world and the degree of renewal of external demand have a major impact on the Chinese economy.

According to Chinese economists, there are three scenarios for China's economic development. According to the realistic scenario, GDP growth in 2020 will be about 2.5%, and the country's GDP will be 101.6 trillion yuan.

Under the pessimistic scenario, a prolonged epidemic would lead to a marked decline in global demand for Chinese products, GDP growth in the fourth quarter of 2020 would remain low, and economic growth in 2020 would not exceed 1% of GDP. In this case, GDP is unlikely to reach the 100 trillion yuan mark in 2020.

In the optimistic scenario, the epidemic will subside, external demand will emerge, and the positive measures proposed at the June 2020 NPC session will yield results. In this case, the fourth quarter will see a return to the previous rate of GDP growth and will be about 3.5% year-on-year, and GDP volume in 2020 will reach 102.6 trillion yuan.

Chinese President Xi Jinping noted that the strategic cooperation between Russia and China, having passed the test of the epidemic, will become even stronger, and the friendship between the two countries will certainly continue to grow stronger day by day [19]. China and Russia intend to strengthen anti-epidemiological cooperation, share experience in coronavirus prevention and treatment, and respond jointly with other BRICS countries to common health threats and challenges. Chinese pharmaceutical company CanSino Biologics together with Russian specialists began the third phase of clinical trials of a vaccine against coronavirus.

In all BRICS and EAEU countries, the pandemic has seen a drop in domestic and foreign demand for goods and services, a decline in activity in the services and manufacturing industries, a significant drop in corporate revenues in many sectors of the economy, and a decline in trade volumes.

The Russian economy in the first half of 2020 was in a state of triple shock. On the one hand, due to the pandemic, the global demand for oil decreased, hence the volume of Russian oil and petroleum product production and exports decreased. On the other hand, in March 2020 there was a sharp decline in the size of oil prices. Moreover, the development of the Russian hydrocarbon sector continued to be negatively affected by sanctions imposed by the U.S. and a number of European countries, which affected the inflow of foreign direct investment into this sector of the economy. In addition, sanctions pressure on the Russian economy from the U.S. and Western countries intensified during this difficult period.

According to the forecast of the Central Bank of the Russian Federation, the decline in Russia's GDP by the end of 2020 will be 4–6%. It is expected that the volume of Russian exports in 2020 will decrease by 10–15%, the volume of investments – by 6–10% [20].

The Russian government developed several programs to help low-income populations and small and medium-sized businesses during the crisis, allocating 1 trillion rubles. Assistance was provided not only to businesses, but also to non-profit organizations, self-employed citizens and families with children, doctors and social workers. To support small and medium-sized businesses, 520 billion rubles were allocated from the state budget and 430 billion rubles from state guarantees. Small and medium-sized enterprises from the affected industries are given a loan at 2% to support employment (in addition, the loan and interest will be written off if the company can maintain employment at 90%) and a full write-off for the second quarter of 2020 taxes and insurance premiums (excluding VAT). Small and medium-sized enterprises are granted a deferral on payment of fines, as well as a deferral of rent payments for up to one year. Small enterprises producing or selling excisable goods (alcohol, tobacco, gasoline, medicines, veterinary drugs) can apply for state aid.

500 billion rubles are allocated for general measures to support the economy. The backbone enterprises, provided they retain their personnel, will receive assistance in the form of a 6% subsidy of the loan rate and provision of 50%. In total, there are 1,151 Russian strategic enterprises in Russia in 2020. The decree «On Measures to Support Backbone Organizations» specifies how backbone enterprises in need of state support are selected. At the same time, backbone enterprises with the participation of foreign capital will not receive support.

It is planned to allocate about 300 billion rubles of state guarantees for social protection. Enterprises in the affected industries that have not laid off their workers will be able to receive support for the payment of wages in the amount of one minimum wage per employee. In addition, companies will be able to get an interest-free loan to pay salaries. Small businesses from the affected industries will also be able to get a six-month deferral of payment of insurance premiums.

Self-employed people will get a refund of their income tax for 2019. They will also receive a capital of one minimum wage to pay the tax.

Targeted support is provided to the most vulnerable segments of the population. Allowances to needy families with children were doubled, as well as the amount of child care allowance for non-working citizens and students. A special federal supplement was established for doctors and social workers.

Some analysts believe that an increase in state support under the restrictions imposed during the quarantine period will not have a positive effect. At the same time, it is noted that measures to support the Russian economy lag behind the anti-crisis programs of other countries. Thus, the amount of aid from the Russian government is 2% of the country's GDP, in Germany – 37% of GDP, in Italy – 20%, in Great Britain – 16%, and in France – 14%. Russia assisted China in the fight against the coronavirus. From Russia 23 tons of medical masks, goggles, gloves and clothes were sent to China. If necessary, Russia and China are ready to provide such assistance to other countries, including the P5 states.

Even before the pandemic, there were problems with the development of the *Indian economy*. In 2016, the government removed 85% of paper money from circulation as part of a demonetization policy aimed at stamping out corruption. This decision caused irreparable damage to small businesses dealing with cash. The new goods and services tax scheme passed in 2019 was intended to simplify the tax code, but in fact harmed large manufacturers. Finally, last year, unemployment in India reached its highest in four decades.

As elsewhere in the world (including the BRICS countries), the Indian government imposed isolation measures in the country to combat the impact of the coronavirus. The development of the pandemic led to serious disruptions in value chains, cancellation of previously concluded contracts. The results of the pandemic primarily affected the slowdown in India's agriculture, trade, transport and hospitality sectors. As a result, imports of goods declined 1.6 times from April 2019 data, from $41.4 billion to $17.1 billion. Due to the decline in business activity, oil imports declined 1.6 times to $4.7 billion in April 2020 [21].

In the first quarter of fiscal year 2020-2021 (which ended in June 2020), the economy contracted by 23.9% (annualized, the worst rate since 1996) [22]. According to the Organization for Economic Cooperation and Development, this is the worst recession among the world's largest economies.

In late March 2020, when the number of COVID-19 cases in India was relatively low compared to other countries, the Indian government announced the strictest isolation measures in the world. Only a small segment of the working-age population has adapted to working in isolation, but hundreds of millions of poor Indians, deprived of their livelihoods, find themselves in urban centers and industrial areas with little or no food or medical care. The government tried to open shelters and food distribution points for them, but by then the pandemic had gained considerable momentum. In this situation, millions of migrant workers tried to return to their native villages, sometimes hundreds of kilometers away. It was this mass exodus of the population that contributed, according to health experts, to the spread of the coronavirus on a dangerous scale throughout the country.

In April 2020, 70.4% of manufactured goods experienced a decline of more than 50%. In May 2020, as the government began easing restrictions on isolation, Indian Prime Minister Narendra Modi announced a $265 billion (the equivalent of 10% of GDP) stimulus package for the pandemic [23], much of which is for the poor. However, manufacturing and consumer spending in the state have still not recovered, and most Indians have not been able to take advantage of these funds. The Indian government has announced structural reforms in several sectors of the economy, but these reforms will not affect the development of the Indian economy in the short term, as they are designed for a longer period. In July-September 2020, India found itself in a technical recession for the first time, with the country's GDP declining for the second quarter in a row. To restore India's strong economic recovery, the government is introducing additional measures to boost consumer purchasing power.

India is the world's largest producer of hydroxychloroquine. Russia has been supplied with 100 million tablets of this drug. Clinical trials of a Russian vaccine against coronavirus Sputnik V have begun in India.

The international rating agency (Fitch) forecasts a 4% decline in *Brazil's GDP*. This process is affected not only by the coronavirus pandemic, but also by the global recession, the slowdown of the Chinese economy (Brazil's main trading partner), the reduction of foreign investment, lower commodity prices, lower domestic activity and high unemployment. The Brazilian government, unlike other BRICS countries and many countries around the world, is not taking the coronavirus pandemic seriously. Brazilian President Jair Bolsonaro compared COVID-19 to a «mild flu». Therefore, the country did not take emergency measures to isolate the population. As a result, South America's largest economy faced a very alarming situation, ranking sixth in the world in the number of confirmed cases of coronavirus infection.

In the second quarter of 2020 Brazil's GDP decreased by 9.7% (year-on-year), during this period trade declined by 14.1%, industrial production by 12.7% (including manufacturing by 20%) [24]. The Brazilian government took measures to support small businesses, pay social benefits to 65 million people, and allocate funds to regional administrations to organize medical care.

Despite the measures taken, the Brazilian government cannot stop the growth of unemployment and the outflow of foreign investment from the country. In the first eight months of 2020, foreign direct investment inflows fell from $31 billion in 2019 to $23 billion in 2020; in addition, $15 billion in foreign currency assets were withdrawn from the country during that period (the largest outflow since 1982). From February to May 2020, foreign investors withdrew $11.8 billion from the Brazilian Stock Exchange and $18.7 billion from its bond market [25].

The Brazilian state of Bahia is researching a Russian vaccine against COVID-19. The Russian Direct Investment Fund and the Brazilian state of Paraná have agreed to jointly promote the Sputnik M vaccine.

The economic decline in the *South African economy* as a result of the coronavirus pandemic was 51%. All sectors of the economy, with the exception of agriculture, declined. Industries such as tourism, the hotel business and air transportation practically ceased their activities.

To combat the coronavirus, South Africa was quarantined for five weeks (until May 1, 2020) and aggressive early quarantine measures were adopted. This strategy of the South African government helped bring the pandemic under control, but the country's stagnant economy suffered greatly. For the first time since 1993, the country was in recession for four consecutive quarters.

This was followed by some easing due to possible social and economic problems. The country's National Treasury forecasts the South African economy to decline by 5.8% in 2020 and grow by 4% in 2021. In the second quarter of 2020, the number of jobs declined by 2.2 million.

The first African trials of a Russian vaccine against coronavirus began in South Africa.

The New Development Bank of the BRICS (NDB) is helping the BRICS countries overcome the consequences of the crisis and fight the coronavirus. A credit line of 7 billion yuan (about $1 billion) has been approved for China and $1 billion for India. Brazil and South Africa are being considered to provide $1 billion each in emergency aid to fight the coronavirus. The NDB has the financial capacity to provide crisis assistance to the BRICS countries to recover from the coronavirus pandemic to the tune of $15 billion. The NDB will be able to finance health care support until March 2021. An Emergency Fund for NDB member countries will be created.

According to the World Bank, in 2020 *Kazakhstan's* GDP will fall by 3% (for the first time since the early 1990s), in 2021 the country's economy may recover slightly and grow by 2.5% [26]. The main blow of the pond came from the oil and gas industry. Fixed investment in the first 9 months of 2020 fell by 4.9% due to shocks caused by the coronavirus pandemic (in construction, trade, finance). To contain the spread of the coronavirus, the country's government imposed a quarantine and developed fiscal and monetary measures to help people in difficulty and support businesses.

In 2020, the *Republic of Belarus* faced several problems. First, there was a conflict with Russia over oil prices, as a result of which Belarus refused to buy Russian oil. Then almost all countries of the world were hit by recession due to the coronavirus pandemic. The economic situation was complicated by popular unrest after the presidential election. The economic difficulties caused a further devaluation of the national currency. The country is running a state budget deficit. In the first nine months of 2020, the national debt of the country increased by 27%. The increase in the national debt was due to the fact that during the pandemic, the government spent large sums to support industrial companies. Due to the political crisis, the country will face problems refinancing the national debt. During this period, the country's GDP declined by 1.3% (compared to the same period in 2019). The insignificant decrease in GDP was due to the fact that no quarantine was declared in Belarus, and all sectors of the economy continued to work.

Conclusions

The study of the economic problems of the BRICS countries and the EAEU revealed the main consequences that the «Great Self-Isolation» had on their development:

a) the closure of many businesses and industries, both large and small, has contributed to a deep recession in the global economy;

b) a significant decline in the activity of some industries (tourism, air travel, reduction in remittances, etc.);

c) decline in corporate and personal income (below the extreme poverty level of $1.9 a day, there were 90 million people in the world);

d) increasing shock to economies as a result of bankruptcies of companies, as well as new sanctions imposed by some governments against, for example, Russia and China; decreasing demand and consumption;

e) a decrease in the growth of foreign direct investment inflows;

f) the growth of accumulated public debt;

g) decrease in the number of labor resources, economically active population as a result of the loss of their jobs;

h) rising unemployment rate;

i) the deterioration of the standard of living of the population;

j) increased inequality;

k) closing some schools during the quarantine period, which can affect the accumulation of human capital.

In order to solve these problems of economic development, it is necessary:

Continued structural reforms aimed at restructuring the economy and developing innovative industries.

– Governments extend fiscal policy measures to support the economy, help the companies and populations most affected by the pandemic, and protect vulnerable populations.

– Increase the flow of investment in health care to combat pandemics, education, for infrastructure projects that help reduce the country's dependence on carbon-based energy sources.

– Expansion of multilateral cooperation between the BRICS and EAEU countries in the fight against the pandemic.

– Creation of joint investments of BRICS and EAEU countries in renewable energy sources, stimulation of «green» investments.

– Ensuring the growth of R&D costs, promoting innovation in industries and the introduction of innovative technologies in production.

– Expansion of multilateral cooperation of the BRICS countries in the field of international trade and investment and in the development of innovative technologies.

– The development of e-commerce.

– Abandoning the U.S. dollar in mutual settlements, the transition to settlements in the national currencies of countries.

– Changes in corporate taxation commensurate with their profitability.

– Introduction of a progressive tax scale for wealthier citizens.

– Providing professional retraining of the workforce, the formation of new skills and competencies.

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