

# Chapter 16

## Securitization and the Economy of Risks: Decision-Making in the Eurasian Union

**Oxana Karnaukhova**  
Southern Federal University, Russia

### ABSTRACT

*In the beginning of the 21st century the society of the Second Modernity with incalculable risks marks human conditions in orientation and self-categorization on the basis of historical memory. The dichotomy “We-Other” influences strategic risk decisions. Security is becoming the umbrella topic referring to public goods, transnational markets, “the specific way of life”. In the context of different agreements and regulations co-existence (such as European Economic Area, Eurasian Economic Union, BRIC etc.) claims for personal and collective safety together with the rhetoric of memorization influences decision-making process and becomes a burden of securitization. The “Eurasian” project of integration is observed in its transformation from being based on the post-Soviet memory toward economically beneficial cooperation. Still the Eurasian Economic Union is seen as vague in its goals and instruments, relying on the approach to economic integration with the reference to the common past, memories and identity.*

### INTRODUCTION

Since the second half of the 1980s, the approach to the institutional history of developing industrial society is observed as stretching, which sounds as a conflict-burdened process of establishing a system of rules, defined in the fight against dangerous and risky situations. Such situations are created by modern industries. Later, the rhetoric of security and risks sends our thoughts toward the conception of the risk society and culture of symbolic exchange (Beck, 1992; Baudrillard, 1993). The economy of risks relies on future contracts with long-duree effects, influencing economic perspectives at the micro- and macro-levels. However, these perspectives are defined and clarified by the cosmopolitan culture of symbolic exchange. Risk is positioned as the residual inevitability, the backside of incredible prosperity, and existence of welfare states.

DOI: 10.4018/978-1-5225-1031-4.ch016

The nature of contemporary risks lies in its global catastrophic effects, irreversible damage and, simultaneously, invisibility. Such risks are becoming visible only through the system of knowledge and, more detailed, through social definition and articulation. In comparison with pre-industrial and industrial stages the post-industrial risk is the result of decision-making process in which corporations and state governments bear responsibilities. Such responsibility goes hand-at-hand with the need to launch a set of controlling measures over elements involved in the economy of risk and security.

The most important for the industrial and postindustrial society is its capacity to apply to an uncertain future. Dealing with the basic ideas of globalised economic policy, Rothstein and Downer (2008, p. 6) assume that 'at its simplest, risk-based policy-making is the practice of targeting policy in proportion to potential threats to society, considering both their likelihood and consequences'. Risk calculation transforms future events and processes into present activities. An issue moves from untouchable danger into profitable security "for sale". This is how the society of risk is becoming the society without guarantees. As Beck (1992) stated, contemporary times with the constituting principle of uncertainty gains its counter-principle in a social pact against dangers and damage. Therefore, this pact is the internal logic of the common agreement on economic progress.

Two opposite lines were crossed in Europe at the end of the 20th century; namely, the line of development and security based on the performance of technological and bureaucratic norms and controlling tools, and the line of dangers and historically new damages stretching which extend through the borders of legitimacy and politics (Giddens, 2007; Beck, 2010). This contradiction is of social and political character which is hidden in a mixture of epochs. Such a situation will last as long as industrial stereotypes and symbols of control exist. Among these symbols are emblems of historical and cultural memory.

The comparative studies of the European Union (EU) and neighbouring countries in the beginning of the 21st century are grounded in the so-called "new regionalism approach" (Makarychev, 2008), according to which intra-regional relations could be defined along security as well as economic, political and communication lines. Regions with strong "security" direction are mostly based on We-Other emotional patterns. This leads us to the follow hypothesis. By case participants of security regions could securitize external relations as threatening and at the same time a necessary element of their regional identity.

Among such regions are different geographical and suprageographical configurations with active and emblematic engagement of Russia – the Black Sea region, the Eurasian Union (EAU), and so forth. For some obvious reasons, the situation around the EAU could be described as "symmetric securitization" (Makarychev, 2008). The mechanism of the process can be assumed as follows: Russia faces alienation and securitization from the EU and the North Atlantic Treaty Organization (NATO) and launches similar mechanisms against them. At the same time, the EU itself follows the logic of symmetrical securitization.

## **THEORETICAL FRAMEWORK**

According to classical economic theory, human decision-making process is based on the rational choice made by an individual. This choice is calculated as the estimation of outcomes and their value. Therefore, economists suggest that behavior is pressed by willingness to maximize potential benefits from a scope of possible decisions and practical steps. However, in reality human behavior deviates regularly from a rational choice. Behavioral economics attempts to overcome the contradiction between classical theory and biases, originated from the psychological nature of human behavior, via emphasis on emotional and even irrational character of decision-making process.

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