

CRISIS OF THE GREAT STEPPE OR HOW CENTRAL ASIA FOUND ITSELF BETWEEN TWO FIRES

*Uspanova M.U¹., Eraliev D.²

¹Doctor of Economics, associate professor

Kazakh Ablai Khan University of International Relations and
World Languages, Almaty, Kazakhstan, mairaus@mail.ru,

²Master student of the 2nd year of the specialty
"Public administration and management"

Kazakh Ablai Khan University of International Relations and
World Languages, Almaty, Kazakhstan, Eraliev.dias@gmail.com.ru

Annotation: This article discusses the negative consequences of the special military operation of the Russian Federation in Ukraine from the point of view of the domestic economy and international relations.

In the article, the authors analyze the assumptions about the possibility of turning Russia's war in Ukraine into a catastrophe for Central Asia, based on information from various publications.

Anti-Russian sanctions against Russia are more likely to lead to global instability than politicians expect, and the West should focus on Russia-dependent and vulnerable economies such as Central Asia, according to an analysis by Bradley Jardine, director of the Wilson Center in the United States. Kissinger at the Institute for Central Asian Studies in Oxus He notes that he is suffering.

Keywords: Russian Federation, Ukraine, military operation, negative consequences, domestic economy, international relations, Central Asia, anti-Russian sanctions.

Basic provisions

President of Kazakhstan Kassym-Jomart Tokayev directly told Russian leader Vladimir Putin at SPIEF 2022 that he does not recognize the LPR and DPR. "If the right of nations to self-determination is realized, it will lead to chaos," said the head of state, considered one of Moscow's main allies. And this is not the first such statement from Russia's neighbors: the republics of Donbass have also been refused recognition in Uzbekistan. The armed conflict in Ukraine has led to a breakdown in the former system of international security and diplomacy. All countries are experiencing this crisis in different ways. Former Soviet republics in Central Asia are at a disadvantage to the West due to close ties to Moscow and are forced to find ways to adapt their economies to the new world order. These countries are in no hurry to publicly support the Russian special operation and stubbornly declare their neutrality. What prevents Russia's allies from taking an unequivocal position on the Ukrainian crisis, and how might this affect their future?

Introduction

Strictly neutral

The Ukrainian question has remained a deeply peripheral issue for Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Turkmenistan over the past eight years. And although Nur-Sultan, Bishkek and Dushanbe are military allies of Moscow through the CSTO, their claims to Kyiv have never bothered them too seriously. Tashkent and Ashgabat preferred to refrain from any assessments at all. But that was until February 24th.

After the start of the special military operation, the heads of the Central Asian republics nevertheless spoke more widely on the subject of Ukraine. For example, in Kyrgyzstan, they noticed that Ukraine is not the only victim of circumstances and has itself provoked and fomented hostilities for many years. European countries and the United States, as is believed in Central Asia, also did not stand aside and contributed to the disruption of peace agreements.

This was stated, for example, by the President of Kyrgyzstan, Sadyr Zhaparov, who blamed mediators between Moscow and Kiev for everything. "The Minsk agreements were signed not only by Russia and Ukraine, but also by Germany and France," he stressed and added that if the mediator countries had strictly followed the observance of the agreements, nothing would have happened.

However, he stressed that it is realistic to maintain neutrality in this situation and Kyrgyzstan will adhere to it, since it still cannot influence anything. "If we support one side, will they win?" Zhaparov asked a rhetorical question. And a similar position was expressed in one way or another by all the former Soviet republics of Central Asia.

"The conflict between Russia and Ukraine has nothing to do with Kazakhstan. We do not support either side. In this regard, there can be no questions" - Ministry of Defense of Kazakhstan

The desire of the allies to maintain the status quo does not look strange if one knows the nature of their relations with Moscow. On the one hand, Russia is the main trading and military partner of these countries, it de facto keeps the relatively weak economies of its neighbors afloat and helps them to ensure security against the backdrop of regional threats.

They also recognize dependence on Russian industry in critical industries from mining to heavy engineering.

Description of materials and methods

Kyrgyzstan, Tajikistan and Uzbekistan are completely dependent on the Russian Federation. Remittances from migrants to their homeland bring income to Dushanbe and Bishkek that exceeds export. Together with Tashkent, Moscow is implementing a number of economic projects in the region. They support its basic economic sectors: mining metallurgy, oil and gas, energy, food industry.

In addition, in 2021, Russia, virtually alone, managed to negotiate with the Taliban (the Taliban movement was recognized as terrorist and banned in the Russian Federation) on the inviolability of Tajik borders and the prevention of drug trafficking and arms smuggling into the territory of the former USSR from Afghanistan. She also became the main mediator in resolving the border conflict between Tajikistan and Kyrgyzstan in the upper reaches of the Isfara River. This help has not gone unnoticed.

However, a series of anti-Russian sanctions hit Central Asia and the entire EAEU hard. The dependence of agriculture on imported seeds and equipment affected, supply chains were disrupted, fluctuations in the ruble reduced the income of exporters, migrants began to move to more prosperous countries. The ban on the export of food and electronics from Russia, the lack of components in the industry and the disruption of supply chains have led to a decrease in production capacity.

Thus, Kazakhstan exported most of its oil products through Russian ports, including the port of Novorossiysk. The impossibility to export oil abroad created the prerequisites for a crisis in the fuel sector of the republic.

But most of all, the Central Asian republics are afraid of the possibility of falling under secondary sanctions for helping Russia to bypass restrictions. The countries of the former USSR are well aware of the price that Moscow had to pay for open opposition to the West, and they understand that they cannot afford such a thing. Tokayev also touched on this topic at SPIEF, continuing the discussion with Putin on the future of the region.

“In this regard, Russia has a special responsibility for the security of the CIS states, and for their development, and for ensuring that the citizens of our states look positively at Russia” - Kassym-Jomart Tokayev President of Kazakhstan.

Results.

Western countries really have a whole arsenal of measures that can seriously worsen the political situation in the countries of Central Asia and destroy their economies. In fact, they are the main reason for the restrained reaction of the leadership of the republics to what is happening.

“On the one hand, we are well aware of our ties with Russia. On the other hand, Kyrgyzstan is in a difficult economic situation, and international financial institutions, EU countries and the United States allocate financial assistance to our country” - Dastan Bekeshev Deputy Chairman of the Parliamentary Committee on the Budget of Kyrgyzstan.

In Kazakhstan, European and American companies control from a quarter to a half of gas production at the largest fields (Tengiz, Kashagan, Karashyganak). The United States is the second largest investor in the country's economy after the Netherlands, implementing projects in the field of engineering and energy.

A significant part of tax revenues to the treasury is brought by foreign firms. In addition, Nur-Sultan clearly wants to become the main hub for the supply of goods from the list of parallel imports to Russia. In case of falling under sanctions, this will be impossible.

The Americans are actively providing military and humanitarian assistance to Tajikistan. Western humanitarian organizations literally feed the poorest sections of the population, supply the country with medicines and essential goods. A similar picture is in Uzbekistan.

In addition, Washington is seriously considering the possibility of placing its military bases there. High-ranking American diplomats often met with the elites and leadership of the Central Asian countries before, and with the start of the military

operation in Ukraine, they even made frequent trips to the region. So, on May 23, Assistant Secretary of State for South and Central Asian Affairs Donald Lu began his tour of the former Soviet republics. Together with high-ranking officials of the Ministry of Defense, he plans to visit Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan. The official agenda includes issues of economic cooperation and security.

Discussion

In fact, we are talking about attempts by American agents of influence to saddle the foreign policy of the countries of Central Asia. This can lead to serious complications.

The head of the Eurasian Analytical Club, political scientist Nikita Mendkovich, believes that the main purpose of the trip will be to undermine relations between these republics and Russia through the threat of secondary sanctions. “This is not the first [since the beginning of the military operation] American tour of the region. Less than a month ago, it was made by U.S. Deputy Secretary of State Uzra Zeya. These countries are really under strong American pressure right now,” Mendkovich said.

He explained that the partners' refusal to publicly support Russia during the hostilities was dictated by threats from Western countries through diplomatic and lobbying channels. With the same circumstance, the political scientist explains, the statements of individual officials about their intention to comply with Western sanctions, as it was in Kazakhstan, are connected. The Ministry of Foreign Affairs of the republic had to refute these statements more than once.

But Washington, in addition to the economy, has other levers of pressure on Central Asia. We are talking about interaction with radical groups in the region and attempts to ignite social conflicts within the republics. In particular, they include the situation in the Tajik Gorno-Badakhshan and the aggravation on the Afghan border. There is no direct evidence of US involvement in these incidents, however, as Mendkovich assures, the desire of Western countries to take advantage of the turbulent situation here will only grow. “Dushanbe is perceived in the US as pro-Russian,” the expert explained.

Although diplomatic pressure on Russian allies has indeed become systemic, this is not the only explanation for the indecision of the elites in supporting the military operation. Intensification of economic upheavals and social contradictions against the backdrop of the international crisis is probably also feared by ordinary citizens of the Central Asian republics.

39% of Kazakh citizens support Russian military operation in Ukraine (according to DEMOSCOPE survey).

So, according to opinion polls in Kazakhstan, the majority of local residents - 46 percent of respondents - are in favor of maintaining neutrality in the conflict between Russia and Ukraine. At the same time, support for Moscow's actions also remains high - 39 percent. No more than 10 percent of respondents are on the side of Kyiv.

The authorities of other countries of Central Asia also express their unwillingness to undermine the unity of citizens. In Kyrgyzstan and Uzbekistan, the public display of

unofficial symbols of support for the Russian army - Z and V - was tacitly banned. Tashkent approached the issue more delicately and, after the start of the conflict, banned drivers from placing any political symbols on cars in principle. In Bishkek, the security forces unofficially force drivers to remove such stickers, and they were openly fined for displaying them at the Victory Day parade on May 9.

A similar practice was approved in Nur-Sultan. There, drivers with Z and V symbols on their cars risk getting a fine of 15,000 tenge (about 3,500 rubles). The voices of the Central Asian countries are not heard on international platforms either. When voting in the UN General Assembly, both Kazakhstan, and Kyrgyzstan, and Tajikistan, and Uzbekistan, and Turkmenistan consistently abstained when voting on anti-Russian resolutions after February 24.

At the same time, such decisions did not prevent the leadership of Kyrgyzstan and Kazakhstan from agreeing on a series of rallies in defense of Ukraine. At different times they were held in Alma-Ata and Bishkek, although they soon disappeared. All the countries of Central Asia, with the exception of Tajikistan, sent Ukraine multiple consignments of humanitarian aid. The authorities decided not to support similar measures against Donbass. In other words, the leadership of the former Soviet republics, under the pretext of not wanting to incite ethnic hatred, decided to stop the manifestation of pro-Russian sympathies in society, fearing both internal strife and a negative reaction from outside.

It is unacceptable that external conflicts that have been and will be used to incite interethnic hatred and form fault lines among our citizens - Kassym-Jomart Tokayev President of Kazakhstan.

Political scientist Nikita Mendkovich is sure that such demarches from the allies are a consequence of the fears of individual diplomats and politicians to fall under personal Western sanctions and lose assets abroad. He believes that in such cases "we are talking about the microeconomic interests of individuals." "This is the result of tough American influence. Very tough threats of secondary sanctions, provocations of revolutions follow... As far as I know, even the US representative in Kyrgyzstan during closed negotiations did not hesitate to use threats against the president [for approving Moscow's actions]," the political scientist summed up.

Any country, before the start of hostilities, seeks to build a coalition of the most loyal and politically closely connected states. In the case of the Central Asian republics, some of which are allies of Russia in the CSTO and the EAEU, this problem has not been fully resolved. Probably, in the future, "work on the mistakes" will follow, but now Moscow cannot count on the unambiguous support of the former Soviet republics. Nevertheless, as often happens, the rhetoric of neighbors can change radically in the face of success or failure at the front. Being with a winner is profitable and honorable, and failures inevitably increase centrifugal tendencies. Whether Russia's closest friends will be able to break free from external pressure and make an informed choice in this regard, we will find out pretty soon.

Economic difficulties

Anti-Russian sanctions have already affected the economies of Moscow's partners in the EAEU. The dependence of agriculture on imported seeds and equipment has affected, supply chains have been disrupted, the fall of the ruble reduces the income of exporters

So, Moody`s experts in a report on how the restrictions imposed on Moscow will affect the economies of the CIS countries (available to RBC), among other things, predict an increase in unemployment and a decrease in remittances from Russia (this is an important source of income for Central Asian countries) . There are already problems with the transit of goods from the CIS through Russia, which is especially sensitive for Kazakhstan. Given the rising inflation, these problems will lead to a slowdown in GDP growth throughout the post-Soviet space, concludes Moody`s. Experts from Renaissance Capital have already adjusted the forecasts for GDP growth in 2022 for Russia's partner countries: for Kazakhstan - from 5.3 to 3-4%, Uzbekistan - from 6 to 4-5%, Armenia - from 5.5 up to 1–2%.

Logistical difficulties

The business of the countries of Central Asia, primarily Kazakhstan, suffers largely because its logistics is tied to Russia. Kazakhstan exports most of its oil products through Russian ports, including the port of Novorossiysk. Oil from Kazakhstan gets there through the Caspian oil pipeline: out of 1.5 million barrels. 91% of daily pumping through it is from Kazakhstan. In total, Kazakhstan exports about 1.5 million barrels. in a day.

At the same time, many countries refuse to accept oil delivered from Russian harbors, according to Reuters. The Ministry of Trade of Kazakhstan confirmed that “due to the introduction of a package of anti-Russian sanctions and the absence of new mechanisms for determining the country of origin of goods, there are facts of delays in a number of seaports of Kazakh cargo transiting through Russia to the markets of the EU countries.”

Kazakh businessman, co-owner of Kusto Group, Kanat Kopbaev, in his open letter to the business community of the country, described the situation with the transit of Kazakh cargo through Russia as a “catastrophe”: “I have been doing international business for 20 years, but I have never seen anything like this in my life.” The authorities of Kazakhstan have begun negotiations with Latvia to redirect the goods in Russia to the ports of Latvia. In addition, a special “operational headquarters for responding to problematic issues in the field of transport and logistics” has been launched under the government of Kazakhstan.

Kazakhstan is more dependent on the Russian economy than other Central Asian countries, says Temur Umarov, a Carnegie Moscow Center researcher and expert on China and Central Asia. “Kazakhstan is included in almost all integration projects of Russia. And the tenge is actually pegged to the ruble. If you look at the chart of currency depreciation, we will see an almost identical picture,” he says. Another effect of sanctions against Russia is a blow to the technological development of Central Asian countries, Umarov continues. “Most of their imports from Russia are technological

products, engineering goods,” he explains. - From Russia they received agricultural products and components for existing combines, machine tools and so on. But now, when Russia itself cannot provide itself with these goods, naturally, it will not be able to export them.”

WILL SANCTIONS AGAINST RUSSIA LEAD TO CHINA'S DOMINATION?

Russia's war in Ukraine is a disaster for Central Asia, writes the American magazine Time. Anti-Russian sanctions against Russia could lead to more global instability than politicians expected, and the West should focus on Russian dependent and vulnerable economies such as Central Asia, according to a publication written by Bradley Jardine, Kissinger Institute Fellow at the Wilson Center and Director of Central Asian Studies at Oxus. He notes that Central Asia is suffering from economic pressure on Moscow.

“Energy-rich Kazakhstan, which exports two-thirds of its oil reserves through Russian ports, is failing to cope with international sanctions and is burning critical foreign exchange reserves to support its national currency, the tenge. These issues come at a challenging time for Kazakhstan, which is working to restore investor confidence in the wake of the violent unrest in January 2022.

Conclusion.

The authorities of Tajikistan, Kyrgyzstan and Uzbekistan are preparing for high unemployment and budget deficits. Last year, 7.8 million labor migrants went to Russia from these countries. Migrant remittances account for 30 percent of Tajikistan's gross domestic product, 25 percent of Kyrgyzstan's GDP, and 12 percent of Uzbekistan's GDP.

Russia's role in the region is still strong, but in the long run China could push it out. Economically, Beijing is ahead of Russia. Central Asia's current trade with Russia is \$18.6 billion, which is only two-thirds of the region's trade with China. As the author writes, the economic downturn in Russia will lead to the loss of its position and will accelerate the process of turning Beijing into a strategic partner in Central Asia.

China will become more assertive and domineering, taking advantage of the growing power asymmetries between it and its neighbors. Beijing already accounts for more than 40 percent of the public debt of Tajikistan and Kyrgyzstan. The economic crisis could lead to new concessions to China in exchange for debt relief.

REFERENCES

[1] Министр прокомментировал последствия войны в Украине // https://tengrinews.kz/kazakhstan_news/ministr-prokommentiroval-posledstviya-voynyi-ukraine-463016/ Accessed 11.12.2022.

[2] Экономика Центральной Азии. <https://www.brif.kz/blog/?p=3338>. Accessed 07.12.2022.

[3] Слишком нейтральный союзник. Ждет ли Казахстан судьба Украины // <https://carnegieendowment.org/politika/87625/> Accessed 24.11.2022.

[4] Как война России с Украиной будет влиять на Казахстан // <https://vlast.kz/politika/48832-kak-voyna-rossii-s-ukrainoj-budet-vliat-na-kazahstan.html>. Accessed 14.11.2022.

[5] Боррель Ж. Последствия войны в Украине влекут за собой испытания для Казахстана // <https://informburo.kz/novosti/zhozep-borrel-posledstviya-voyny-v-ukraine-vlecut-za-soboj-ispytaniya-dlya-kazahstana>. Accessed 18.11.2022.

REFERENCES

[1] Ministr prokomentiroval posledvtiya voyny v Ukraine [The Minister commented on the consequences of the war in Ukraine] // https://tengrinews.kz/kazakhstan_news/ministr-prokomentiroval-posledstviya-voynyi-ukraine-463016/ Accessed 11.12.2022.

[2] Ekonomika Tsentral'noy Azii Economy of Central Asia[. <https://www.brif.kz/blog/?p=3338>. Accessed 07.12.2022.

[3] Slishkom neytral'nyy soyuznik. Zhdet li Kazakhstan sud'ba Ukrainy [Too neutral ally. Does the fate of Ukraine await Kazakhstan] // <https://carnegieendowment.org/politika/87625/> Accessed 24.11.2022.

[4] Kak vojna Rossii s Ukrainoj budet vliat na Kazahstan [How the war between Russia and Ukraine will affect Kazakhstan] // <https://vlast.kz/politika/48832-kak-voyna-rossii-s-ukrainoj-budet-vliat-na-kazahstan.html>. Accessed 14.11.2022.

[5] Borrel' Zh. Posledstviya voyny v Ukraine vlecut za soboy ispytaniya dlya Kazahstana [The consequences of the war in Ukraine entail trials for Kazakhstan]. <https://informburo.kz/novosti/zhozep-borrel-posledstviya-voyny-v-ukraine-vlecut-za-soboj-ispytaniya-dlya-kazahstana>. Accessed 18.11.2022.

КРИЗИС ВЕЛИКОЙ СТЕПИ ИЛИ КАК ЦЕНТРАЛЬНАЯ АЗИЯ ОКАЗАЛАСЬ МЕЖДУ ДВУХ ОГНЕЙ

*Успанова М.У.¹, Эралиев Д.²

*¹Доктор экономических наук, доцент

Казахский университет международных отношений и
World Languages, Алматы, Казахстан, mairaus@mail.ru,

²Магистрант 2 курса специальности

«Государственное управление и управление»

Казахский университет международных отношений и
World Languages, Алматы, Казахстан, Eraliev.dias@gmail.com.ru

Аннотация: В данной статье рассматриваются негативные последствия специальной военной операции Российской Федерации в Украине с точки зрения отечественной экономики и международных отношений.

В статье авторы анализируют предположения о возможности превращения войны России в Украине в катастрофу для Средней Азии, основанные на информации различных публикаций.

Антироссийские санкции против России с большей вероятностью приведут к глобальной нестабильности, чем ожидают политики, и Западу следует сосредоточиться на зависимых от России и уязвимых экономиках, таких как Центральная Азия, согласно анализу Брэдли

Джардина, директора Центра Уилсона в США. Киссинджера в Институте изучения Центральной Азии в Оксусе Он отмечает, что страдает.

Ключевые слова: Российская Федерация, Украина, военная операция, негативные последствия, отечественная экономика, международные отношения, Центральная Азия, антироссийские санкции.

ҰЛЫ ДАЛА ДАҒДАРЫСЫ НЕМЕСЕ ОРТАЛЫҚ АЗИЯНЫҢ ЕКІ ОТТЫҢ ОРТАСЫНДА ҚАЛУЫ

*Успанова М.У¹, Ералиев Д.²

*¹Экономика ғылымдарының докторы, доцент

Абылай хан атындағы Қазақ халықаралық қатынастар және әлем тілдері университеті, Алматы, Қазақстан, mairaus@mail.ru,

²«Мемлекеттік басқару және басқару» 2 курс магистранты

Абылай хан атындағы Қазақ халықаралық қатынастар және әлем тілдері университеті, Алматы, Қазақстан, Eraliev.dias@gmail.com.ru

Аңдатпа: Бұл мақалада Ресей Федерациясының Украинадағы арнайы әскери операциясының жағымсыз салдары ішкі экономика және халықаралық қатынастар тұрғысынан қарастырылады.

Авторлар мақалада Ресейдің Украинадағы соғысы Орталық Азия үшін апат болуы мүмкіндігі туралы жорамалдар туралы әртүрлі басылымдардағы ақпараттарға сүйене талданып жазылған.

Ресейге қарсы антиресейлік санкциялар саясаткерлер күткеннен гөрі жаһандық тұрақсыздыққа әкелуі мүмкіндігі ықтималдылығы және Батыс Ресейге тәуелді және Орталық Азия сияқты осал экономикаларға назар аударуы керектігі туралы Киссинджер институтының Вильсон орталығының қызметкері және директоры Брэдди Джардин Оксустағы Орталық Азия зерттеулері туралы талдамалар сарапталған. Ол Орталық Азияның Мәскеуге экономикалық қысым көрсетуден зардап шегіп отырғанын атап өтеді.

Тірек сөздер: Ресей Федерациясы, Украина, әскери операциясы, жағымсыз салдар, ішкі экономика, халықаралық қатынастар, Орталық Азия, антиресейлік санкциялар.

Статья поступила 10.12.2022