



**Corvinus University of Budapest**  
**Doctoral School of International Relations and Political Science**

**The Role of Kazakhstan in the Eurasian Economic Union Development Process:  
Discussing *Eurasianism* through the Kazakhstani External Policy Prism**

**Supervisors: Mr. Peti Marton**

**Bauyrzhan Urazymbetov**

**Budapest, 2024**

## Table of Contents

Acknowledgments .....	1
List of Tables and Figures .....	2
Abbreviations .....	3
Abstract.....	4
CHAPTER 1.....	6
1.1 Introduction to the Study .....	6
1.1.1. Case selection.....	7
1.1.2. Significance of This study.....	8
1.1.3 Research Questions .....	10
1.2. Concepts and Definitions.....	15
1.2.1 Small States.....	15
1.2.2. Definition of the Region and the Role of Regional Powers .....	16
1.2.3. Terms of ‘Eurasianism’ and Central Asia.....	18
CHAPTER 2.....	19
The Literature Review.....	19
2.1. Geopolitical Dynamics and Implications for the EEU.....	19
2.2. Small States in International Landscape .....	22
2.3. Regional Dynamics and Role of Institutional Factors .....	23
CHAPTER 3. Data inventory and Research outcomes .....	25
3.1. Eurasian Integration Context .....	25
3.1.1. Outline for the Eurasian Economic Union's Founding .....	25
3.1.2. Characteristics of the Treaty on the EEU.....	28
3.1.3. Organizational Structure of the EEU .....	30
3.1.4. General Characteristics of the EEU .....	34
3.1.5. Assessments of Foreign Experts of Eurasianism and EEU.....	36
3.1.6. Recent Dynamics of Integration in the Eurasian Economic Union.....	38
3.1.7. Immediate Tasks of the EEU .....	40
3.2. Results of analysis and Data inventory .....	41
3.2.1. Priorities and Expectations of the Member-States from Integration into the EEU .....	42
3.2.2. THE EEU STAKEHOLDER’S MATRIX.....	57
3.3. Kazakhstan’s Integration into the EEU and its Effect on the National Economy and Policy Context. ....	61
3.3.1. Kazakhstan’s Vision of Eurasian Integration and Eurasianism .....	61
3.3.2 The Leadership Perception of Eurasian Integration .....	64
3.3.3. Kazakhstan’s Overall Assessment for the Eurasian Integration General Public Assessment .....	68
3.3.4. Institutional and Legislative Amendments with the Eurasian Integration .....	75
3.3.5 Economic Effect of the Eurasian Integration .....	77
3.3.6 Kazakhstan’s Geopolitical Strategies and Policy Instruments.....	83
a. Relations with Asian giants.....	85
b. Contemporary Foreign Policy in Kazakhstan.....	89
3.3.7. How do anti-Russian sanctions Affect Kazakh Entrepreneurs Today? .....	93
CHAPTER 4.....	102
CONCLUSION AND DISCUSSIONS .....	102

<b>Recommendations for Further Development of Eurasian Integration.....</b>	<b>112</b>
<b>References.....</b>	<b>115</b>
<b>Appendix 1.....</b>	<b>132</b>

## **Acknowledgments**

I would like to express my sincere gratitude to the Head of my Dissertation Committee as well as the other Committee members for their kind assistance and expert advice during this Thesis compiling process.

My family's support and willingness to allow me to continue this protracted academic journey has been enormous and I will always be grateful for their incredible patience and help; without them, this study would not have been possible. This dissertation is dedicated to them in appreciation of their steadfast loyalty and dedication.

## **List of Tables and Figures**

Table 1	Main tasks of the EEU
Table 2	Main stages of integration of the Eurasian countries
Table 3	The stakeholders' influence over the EEU policy landscape
Table 4	Reasons for stakeholders' engagement in the EEU system
Table 5	Kazakhstan's trade turnover with the EEU countries
Table 6	Dynamics in the number of registered and operating legal entities from the EEU countries in Kazakhstan.
Table 7	Aspects of integration within the EEU

### **Figures**

Figure 1	The Eurasian Intergovernmental Council
Figure 2	System of official authorized bodies of the EEU
Figure 3	The Eurasian Economic zone
Figure 4	Russia's investment to EEU member-states
Figure 5	Doing Business Ranking within the Main EEU States
Figure 6	Principal Areas receiving Foreign Investment in Kazakhstan, 2023
Figure 7	Indicators of economic cooperation of Kazakhstan Country East in separate spheres
Figure 8	Dynamics of the volume of trade turnover between Kazakhstan and Asian countries and its share in the total volume of foreign trade
Figure 9	Volume and share of trade turnover of Kazakhstan's main trading partners from Asia in 2022.
Figure 10	Volume and share of accumulated foreign investment of all types in Kazakhstan from leading Asian partner countries as 2023

## Abbreviations

AIFC -	International Financial Center in Astana
CCT -	Common Customs Tariff
ASEAN -	Association of South-East Asian Nations
CICA -	Conference on Interaction and Confidence Building Measures in Asia
CIS -	Commonwealth of Independent States
CES -	Common Economic Space
CSTO -	Collective Security Treaty Organization
EEC -	Eurasian Economic Commission
EurAsEC -	Eurasian Economic Community
EEC –	Eurasian Economic Court
CU -	Customs Union
EEU -	Eurasian Economic Union
EU -	European Union
FTA -	Free Trade Area
GNP -	Gross National Product
KISR -	The Kazakh Institute of Strategic Research
NATO -	North Atlantic Treaty Organization
OSCE -	Organization for Security and Co-operation in Europe
RKDF -	Russian-Kyrgyz Development Fund
SCO -	Shanghai Cooperation Organization
SES -	Single Economic Space
SREB -	Silk Road Economic Belt
UN –	Unaided Nations
US -	United States of America
WTO -	World Trade Organization

## Abstract

While extensive work has been conducted on analyzing the emergence of the Eurasian Economic Union (EEU) as a potential competitor to the European Union, generating scientific inquiries about its structure and objectives, there is less work being done on examining whether this new economic union will remodel the economic relations within the Member-States and shape the economic landscape of the Eurasian continent. There is no doubt that unions can bring together diversified States with independent internal affairs, various foreign policy goals, and different economic indexes. The understanding of how these States with diversified characteristics can generate unique and common policies through proportionate contributions is crucial in the field of international relationships.

The theoretical framework is connected to institutionalism theories as the study concerns the creation of the EEU. Considering the prevalence of interstate dynamics, the study will also integrate discussions on small states and their strategies. For a more in-depth and comprehensive argument, it will analyze the motivations and mechanisms incentivizing the member states to join the EEU and how the concept of Eurasianism shapes their integration path and policy directions.

This research will further focus on Kazakhstan's involvement in the EEU and its impact on the country's geopolitics, dealing with various interests due to its geographical proximity and abundant natural resources. As the competition between the Western and Eastern policies intensifies, the country encounters growing challenges in determining its geopolitical alignment.

It also attempts to investigate how Kazakhstan has emerged as the driving force behind the formation of the EEU, the origination of this idea, and the motivations behind Kazakhstan's pursuit of its foreign policy. The research is targeted at reaching a better understanding of Kazakhstan's place in the international arena and its efforts to shape regional dynamics. According to experts, Kazakhstan has the potential to elevate the power of cooperative diplomacy within the Central Asia region and to safely enter the world's geopolitical system (Supyaldiyarov et al., 2024). By examining Kazakhstan's contributions and assessing the impact of the EEU on its economic growth, this research is oriented toward the expansion of the existing scope of knowledge and the provision of a comprehensive understanding of the topic.

Meanwhile, scholars emphasize that the geopolitical order in Central Asia, including Kazakhstan, has been influenced by fluctuating relations between the US and Russia (Bohr,

2004). This condition has pushed the Central-Asian States to navigate among the complexities of balancing sovereignty and the influence of stronger powers. Despite the fact that these States are exercising the solid sovereignty and freedom to remain neutral and pick their partners, the geopolitical context and strategic geographical location put them amidst overlapping interests and competing global powers (Perini, 2023).

According to the results of this study, the EEU member-states pursue specific national objectives while joining the Eurasian integration, mainly due to the limited national resources and locational disadvantage. Such activities are more typical for small states with political and economic capabilities, relying accordingly on group actions (Keohane, 1960). Thus, they utilize integration organizations to safeguard their interests and foster a collective identity in the global community.

The EEU has likely been unsuccessful from an economic point of view despite entering the Russian labor market as one of the main motivating factors for member-states to join the union. On the other hand, the current geopolitical situation related to the Russian-Ukrainian war and sanctions towards Russia inevitably impacts the volume of mutual trade within the EEU. Yet, the legal status of migrant workers inside the EEU has improved, and the benefits from the harmonization of customs and trade regulations could be considerable in the long run.

## CHAPTER 1.

### 1.1 Introduction to the study

The purpose of this research is to examine the effectiveness of integrational processes within the Eurasian region and the impact of this integration on the economic development of the Member-States. The primary focus was placed on the Kazakhstani role in the Eurasian Economic Union (EEU) and on the Kazakhstani interpretation of the idea of Eurasianism.

According to the EEU records, Kazakh former President Nazarbayev was the first to propose creating the EEU in 1994 to support the post-Soviet States to overcome the challenges of building statehood and economy. Respecting Member-States' political systems was one of the fundamental union principles initiated by Kazakhstan, while some seem to be pursuing more political goals. Thus, this study analyzes the unexplored international role of Kazakhstan and fills the gap regarding its specific contributions to regional economic integration.

The dissertation research also sought to examine the level to which Kazakh experts and citizens assess Kazakhstan's participation in the Eurasian integration and the public perception of the potential benefits and drawbacks of this integration. This goal was achieved by analyzing secondary data available on the media platforms and scholarly works.

The novelty of this work similarly lies in exploring the motivations behind the Eurasian integration among the member-states and the range of obtained outcomes, whether positive or negative. It offers political science scholars and policymakers some insights regarding the challenges of involvement in regional integration organizations and power dynamics within such associations. One of the recent challenges has been the Russian-Ukrainian war, which has impacted the mutual trade volumes and overall functioning of the EEU. Some EEU initiatives are likely to be under serious threat due to the crisis in Russia. Another challenge is to maintain long-term mutually beneficial relations with both Asian and Western countries, which is not easy given the geopolitical situation in the region.

In this sense, the first chapter includes the case selection objectives that capture the context, framing the current study within its specified field of investigation, the introductory discussion of the significance of the study, and the study contributions. After these initial discussions, the chapter concludes with research questions, concepts and definitions, the theoretical framework, methods, and data collection tools.

The logical roadmap of this dissertation work also involves several chapters consisting of the following subjects:

2) A review of the Literature on the main theories of international relationships and geopolitics,

3) Data inventory and Results with historical, institutional, and legislative contexts of the union, expectations of the Member-States from the regional integration, analysis of Kazakhstani participation and its outcomes,

4) Discussion and Concluding remarks with relevant recommendations for further development.

The researcher's expertise as a civil servant with the government of Kazakhstan for more than a decade, coupled with his experience in international relationships and economic development, has incentivized the compilation of this study.

### **1.1.1. Case selection**

Kazakhstan has played a prominent role as the initiator of this economic cooperation and introduced the idea of the EEU. By taking this step, Kazakhstan expressed its desire to carve out a significant role in international relations and position itself as a potential key player within the Eurasian Economic Union.

In 2002, an important agreement known as the Eurasian Economic Community was signed in Astana. This agreement involved Central Asian and post-Soviet countries and aimed to stimulate trade cooperation among its members. As a small state with an insignificant population size of 20 million people, Kazakhstan's active participation in this regional economic integration initiative demonstrated its commitment to strengthening ties within the region to secure economic development. Furthermore, the nation views the EEU as a means of bolstering its standing in an increasingly competitive global context and accomplishing significant economic objectives.

This project has also shaped Kazakhstan's main external policy pillars, challenging the notion of its foreign policy being strictly multi-vectorial. The country has remained within the orbit of its regional actors, recognizing the unchangeable influence of geography on its foreign policy.

After 2002 Kazakhstan experienced a significant shift in its foreign policy, gaining more autonomy in its trade relations with foreign states and redirecting its focus towards the West and other post-Soviet countries. This shift is attributed to a key event at the end of 2001 when the leadership of Kazakhstan visited Washington to promote a multi-vector approach to international relations rather than remaining solely within the sphere of post-Soviet influence.

Since then Kazakhstan has made significant progress in expanding its export of strategic goods, particularly gas and other materials.

These processes signify a turning point in Kazakhstan's foreign policy, as the country asserted its independence, diversified its trade partnerships, and aimed to play a more prominent role in international decision-making processes.

The importance of researching the role of relatively small powers, like Kazakhstan and other Central Asian states, in the international economic communities and explaining the rapid involvement of the integrational processes will constitute the essence of this research work.

While reviewing the international system as a community of states, it becomes evident that the majority consists of relatively small powers. These states are striving to exert influence on institutions and increase their contributions significantly. However, despite the abundance of small states, a single state with limited political and economic capabilities is unlikely to have a substantial impact on the overall economic development of economic unions, especially when confronted by much stronger states.

In the case of Kazakhstan, it is important to recognize the country's strategic economic capacities, particularly in the energy sector. Kazakhstan's energy resources and infrastructure play a crucial role in shaping the union's economic dynamics and outcomes. These factors contribute to Kazakhstan's capacity strengthening to wield a significant influence on the capabilities of the Eurasian Economic Union. By leveraging its strategic position and economic capabilities, Kazakhstan can exert a strong impact within the Eurasian Economic Union. This highlights the significance of Kazakhstan's role and underscores the potential for the country to shape the direction and development of the union, despite its relatively smaller size versus its counterparts.

Therefore, appreciation of the unique attributes and capacities of Kazakhstan is essential for comprehending the dynamics and potential of the Eurasian Economic Union as a whole. Kazakhstan's strategic economic statute positions it as a key player in influencing the union's economic policies and initiatives.

### **1.1.2. Significance of This study**

The main issue with the topic stems from the lack of sufficient scientific attention given to Kazakhstan's integrational objectives and its efforts to enhance economic ties within the post-Soviet region. The limited focus on this subject is attributed to a logical explanation; during the Soviet Union era, Kazakhstan was not a subject of analysis since it was a part of the large

empire. Even after the collapse of the Soviet Union Kazakhstan remained within the sphere of the Russian influence, as its leadership emerged from the ranks of the Communist Party and continued to lead the newly independent state.

In 2012 the Kazakh government introduced a new foreign policy concept aimed at propelling the country into the top thirty developed nations in the world (Voloshin, 2014). However, such an ambitious aspiration cannot be achieved in isolation within this interconnected world, necessitating collaboration with the other regional States such as Russia, Belarus, Armenia, and Belarus.

The study aims to shed light on emerging cooperation activities in the Eurasian region, considering the involvement of China, Russia, the USA, and Kazakhstan itself. It emphasizes the significance of Kazakhstan's unique position between two superpowers and its geographical focus within the region. The research is well-timed, considering the ongoing energy crisis in the EU and the war in Ukraine, which has led to the sanctions imposed against Russia, the state with abundant natural gas reserves.

In regionalization studies primarily more powerful states and their external policy principles are being analyzed. In our case, we are focusing our attention on a small power, Kazakhstan, analyzing the importance of such States in the new international agenda and researching their foreign policy, which could be considered as an attempt to raise awareness of small powers in the new international political environment. It is also worth noting the sanctions and isolation process of the Russian Federation. Such a process increases the importance of relatively small powers, like Kazakhstan, and makes them more attractive to regional powers seeking to further their interests.

The author of this study applied attempts to explore the process of formation of the Eurasian Economic Union (EEU) between 2008 and 2015, examining whether structural or systemic factors influenced decision-making and examining the effects of the EEU on Kazakhstan's ability to make foreign policy decisions and its economy.

This analysis of the creation and integration process within the EEU will clarify the economic synchronization and its effects on Kazakhstan's economic environment. It is essential to consider the challenges encountered within the single economic space treaties in Belarus, Kazakhstan, and Russia. These challenges stem from the differences in political identity between Kazakhstan and Russia, as well as variations in the institutional foundation of internal policymaking and levels of bureaucracy. For the purpose of becoming a part of the international agreements the States should implement the relevant legislation within their local judicial systems. However, the technical processes involved in this implementation can vary from State

to State. The Member-States of the EEU have sought ways to establish a more efficient and flexible process that enhances institutional capabilities and facilitates economic interactions among the Member-States.

One of the key issues to address in this study is the willingness of the States to become members of the economic unions, as discussed by numerous analysts. However, there is a restricted number of references on the EEU due to its relatively recent establishment.

To provide a comprehensive analysis of the topic, several tasks will be addressed at:

1. Defining the concept of a small power and its relevance in international relationships.
2. Exploring the relationship between economic unions and the development of economic capabilities for small States.
3. Examining the role of institutions within economic unions in facilitating effective integration processes.
4. Analyzing Kazakhstan's economic policies toward the EEU.
5. Assessing the impact of the EEU on Kazakhstan's economic capabilities.

By investigating these integrational aspects and exploring the unique dynamics of the EEU, this study will contribute to the existing sources and provide valuable insights into the decision-making process and economic implications of the regional economic integration in Kazakhstan and the broader Eurasian region.

### 1.1.3 Research questions

This study focuses on the research design it would use in answering the following questions:

1. What are the implications and potential impact of introducing and establishing the Eurasian Economic Union?
2. How has Kazakhstan emerged as the driving force behind the formation of the EEU?
3. How does the integration into the EEU affect economic capabilities and foreign policy decision-making process in Kazakhstan?

**Methods.** The key research questions of this research are: *What are the implications and potential impact of introducing and establishing the Eurasian Economic Union? How has Kazakhstan emerged as the driving force behind the formation of the EEU?*

Examining the role of relatively small powers in regional development such as Kazakhstan and other Central Asian states and providing an explanation for the integrational processes' quick evolution is the main goal of this research. For that purpose, a *discourse*

*analysis* will be the primary qualitative research approach used. In social and political studies, this kind of scientific investigation is frequently employed. It permits any regularity in the things that are discussed and seeks to expose the ontological and epistemological presupposition ingrained in language (Pederson, 2009). This approach also consists of the prerequisites for a statement to be construed as logical and significant, and it cannot be used in isolation from context (Fairclough & Wodak, 1997).

**Information and Data Collection.** Documents and people are the two most prevalent sources of information, data, and ideas in qualitative research (Bardach, 2009). Almost all other sources do not fit into this category. In this sense, the primary methods of data collecting, and analysis used in this research are document analysis and expert opinion that is available to the public. Separating the political interests of the parties involved in the EEU will also be done using stakeholder analysis.

*Document Analysis.* This method of scientific inquiry refers to an organized technique for examining existing documents concerning the research subject, including paper-based and electronic documents or materials. According to Corbin & Strauss (2008), in order to create awareness, make sense of, and form knowledge, the facts must be evaluated and understood. Therefore, this research inspects a range of regulatory, strategic, and functional documents, as well as action plans and policies of the EEU and its member states, to obtain solid information related to the topic. Finding the benefits and drawbacks of the EEU and its effects on regional growth is the aim of the analysis.

*Stakeholders' Analysis.* This methodology is commonly employed in policy research to analyze diverse actors and interests present in the policy environment, specifically within the Eurasian Economic Union (EEU). Stakeholders can impact policy dynamics at all levels, including national, regional, and global ones. The requirements and interests of the major stakeholders both inside and outside the EEU can be identified with the use of stakeholders' analysis. Assessing stakeholders' relationships and disparities could also help map shared concerns, competing interests, and possible influence over the EEU.

This analysis serves as the foundation for this research's attempt to construct a stakeholder matrix, which includes a range of significant stakeholders and their primary interests, possible influence over the EEU, and the relative importance of each policy player to other actors. More powerful stakeholders are often assumed to have the ability to influence and affect policymaking inside the union. Thus, identifying the interests of the main EEU stakeholders and comprehending their possible influence on the functioning of this economic union should be beneficial outcomes of the current research.

**Data Analysis Technique.** In order to examine the data this method will involve several coding processes, including manual coding, which entails reading the received documents and data, making comments, and emphasizing links (Sandelowski, 2000). Following that, general evaluations for word usage and stated nodes were conducted in conjunction with manual and paper-based coding. Despite the time-consuming nature of paper and pencil coding, the current research depended more on it.

This study is targeted at utilization of a variety of data sources by using the deductive coding technique (publicly available interviews of key actors and regulatory and policy papers). Coding is unquestionably a cyclical process that requires the application of various coding strategies to different sequences. In the current study there has been an attempt to create a coding procedure with a list of codes that divides the available data into more in-depth themes.

The resulting codes have been categorized into more prevalent subjects and combined into clusters that make sense when all the data has been coded. It is imperative that code clusters be categorized using more interpretative and simple categories to search for underlying patterns and structures. The simple or fundamental patterns, or themes, ought to be grouped into more comprehensive and structured themes.

## **THEORETICAL FRAMEWORK**

Despite the vast territory, some EEU states including Kazakhstan can be considered relatively small countries within the international community. Olson and Richard Zeckhauser focus on burden-sharing embarrassment and point out that it is a competency of great powers to administer development and sustainability if they are part of the international community (Olson & Zeckhauser, 1966, p.268). However, in 2014, the Eurasian Economic Community shut down its activity but later in 2015 Belarus, Kazakhstan, Russia, Armenia, and Kyrgyzstan became members of the new Eurasian Economic Union. The fundamental changes in the working style of this cooperation and decision-making process have revealed that in 2000 Baldur Thorshallsson observed that small states expressed their willingness to determine some decision-making process in the international arena, which ensured a solid niche in leadership and transformed their internal policy acceptable to the coalition (Thorshallsson, 2000). The abovementioned facts are derived from the fundamentals of the so-called *theory "institutionalism"*, which has been widely analyzed on how and why relatively small countries are striving to get integrated and get involved in international institutions with the purpose of elevation of their role and boosting their economic capacity on the international arena. However, it should be mentioned that contradictory theory of liberal

institutionalism, such as “realism”, underlines the symbolic and figurative role of small countries in the international system, as well as the role of international institutions, which are mostly limited (Mearsheimer, 1995, p.29).

Murat Laumulin, D. Sc. (Political Science), Chief Research Associate at the Kazakhstan Institute of Strategic Studies founded by the President of the Republic of Kazakhstan (2020) states that Russia has never been a threat to Kazakhstani development, quite the opposite Russia has always been helping its neighbor and has been investing in our country. According to David G. Tarr, a consultant, and former Lead Economist with the World Bank, Kazakhstan was the greatest proponent of Eurasian integration since early 1990 (Tarr, 2016). Thus, it is reasonable to say that Kazakhstan was seeking integration with Russia. Due to the enormous agricultural production, huge population, and vast territory, the Eurasian Economic Union seemed to be the best option for the fast economic growth of Kazakhstan.

When analyzing Kazakhstan’s role in cooperation between the countries there arises another question, why and which countries are using interstate organizations for collaboration? A profound analysis mentioned as *a new institutionalism theory* and democratic peaceful approach will add more benefits to this work. After the collapse of the Soviet Union, the role of international organizations increased considerably. They have created powerful monitoring and cooperative tools over the regions (or even the world) in which they are operating. The main phase in which Kazakhstan has shaped its foreign economic policy towards a new economic union could be found in Kindleberger’s study, according to him a high level of interdependence between the states shapes some new criteria for how and why it could govern the system (Kindleberger, 1970). Ideally, the stated comment can guarantee that a state may join or stand apart from the union. However, unions are founded with a purpose to “give and get” and economic competition between the countries cannot guarantee that a country will stand aloof and watch the ongoing situation from outside. Supporting this argument Henry R. Nau argues that countries have an attitude to earn as much as possible from international organizations (Nau, 2019). Following this idea even organizations in their first phase, while the organization should naturally construct the structure and the framework of the cooperation is derived from countries’ interests.

Furthermore, according to Keohane and Nye (2012), neo-liberal institutionalists contend that nations may subdue the inherent anarchy by establishing a certain structure with some degree of self-government. So thus, states are required to abide by the rules and conventions established by these institutions. This idea argues that the establishment of these institutions will lead to mutual wealth, peace, and arrangement (Keohane & Nye, 2012). Some post-Soviet

countries sought to obtain peace and prosperity and establish some standards to overcome the instability caused by the Soviet Union's dissolution. Yet, Palánkai (2006) highlights that the integration maturity with relevant accession criteria is essential for establishing such institutions. It also distinguishes the capability of countries to exploit the benefits of the given form of integration to the maximum. Neo-liberal institutionalism, which requires some relinquishment of sovereignty in order to achieve wealth and peace, is likely to be the foundation of all regional integration initiatives. The economy of scale approach also allows for greater mutual prosperity through integration into international organizations. Accordingly, the Member-States could profit from reduced-cost commodities based on unrestricted market access inside the economic zone (Rosencrance, 1963).

Thus, neoliberal institutionalism creates a suitable framework as one tool to analyze what role Kazakhstan's foreign policy has played and created an emergence to establish a new economic union on the continent. The suggested theory should be considered as the most relevant approach to identify how the State (Kazakhstan) has been trying to reshape the region's economic structure and maintain a significant niche within it. Because the EEU incorporates a zero-trade taxation system within the Member-States, it goes without saying that it boosts the economic interdependence among the members, and the economic institutions of the organizations (primarily) start issuing new norms and regulations for the Member-states. In this regard, the institutions begin playing the duplex role. If we consider Kazakhstan as the initiator (and in this case we do) of the EEU, we can consider interstate institutions of Kazakhstan as the principal generator of economic regulations after which the organization issues the relevant corresponding organization chart for the member-states. In this regard, the international organization should be considered as a tool for Kazakhstani external policy.

Randel Stone remarks that the legal position of organizations is used as the central core of states (and or organizations) to clarify the main policy, however, actions determine its final role (Stone, 2013). In our case, Kazakhstan is an actor who acted and created such an economic union. In this regard, the analysis will cover how the country attempts to increase its economic ties.

By using neoliberal institutionalism theory, we will be able to define not only the impact of the international institutions but also to track an effect on the organizational policy. We are not trying to establish a new theoretical framework to analyze Kazakhstan's foreign policy goals towards the EEU, instead, we will try to introduce how interstate institutions (which are exchanged in foreign policy) can impact international (or regional) institutions and use them as a tool to increase its interests and solidify its niche. According to Lake, if the

country has sufficient and essential goods to be imported, then it may be dominant over other states (Lake, 2007 p. 66). In our case, Kazakhstan possessing abundant natural gas reserves and wheat stocks and endeavors to cooperate with the post-Soviet countries. Thus, analyzing the creation of a new economic union by Kazakhstan will allow us to break down the issue into several options.

## **1.2. Concepts and Definitions**

### **1.2.1 Small States**

Commonly accepted assumptions often assert a correlation between a state's size and its capabilities to pursue its interests. According to realist thinkers, military strength, and the quest for survival within an anarchic system dictate international relations dynamics (Waltz, 2001). Under this framework, smaller states are often compelled to align with the interests of major powers, lest they risk being overshadowed in their respective regions. While this perspective held sway during the Cold War era, the collapse of USSR ushered in a new paradigm, where several smaller states gained independence and now actively contribute to international norms and organizations. However, adhering solely to this realist lens restricts our understanding of the foreign and security policies of smaller nations.

Scholars offer various classifications of states, each providing insights into International Relations and global systems, yet they also impose limitations on our comprehension of reality. Despite being reductionist in nature, these classifications aid in deciphering the motivations behind different groups of states. It's commonly argued that state differences are relative and lack static measurements. While all states enjoy legal equality under international law, scholars like Vital (2006, p.77) and Robertson & Beech (2022) delineate categories such as small states, middle powers, regional powers, and superpowers. This underscores the nuanced power distribution and variations in threat perceptions among states, highlighting disparities that challenge the notion of absolute equality in practice.

Small states are also considered from the perspective of their heads, defining them as countries where statesmen perceive a lack of unilateral action capability in the international arena, necessitating reliance on group actions (Keohane, 1971). He posits that such states utilize integration organizations to safeguard their interests and foster a collective identity in the global community. David Vital (2006), on the other hand, considers factors such as various wellbeing indicators and social perceptions in defining small powers.

Rothstein introduces a comprehensive framework merging psychological and material dimensions to characterize such states. He observes that small powers recognize the need for external support to counter external threats, leading to the cultivation of alliances with other states or institutions. Rothstein emphasizes the role of small powers in shaping others' perceptions and garnering external assistance (Rothstein, 1968).

While quantitative measures of state size play a role to some extent, they vary widely. The World Bank, for instance, categorizes small states based on population, setting the threshold at ten million. Michael Handel employs multiple criteria, including population, space, people concentration, and economic growth indicators, to define weak states (Handel, 1981).

Scholars differ in their population-based definitions of small states. Marriot suggests a population threshold of less than thirteen million (Marriot, 1943), while Simon Kuznets argues that populations should not exceed ten million (Kuznets, 1960). Ronald Barston proposes a threshold of fifteen million (Barston, 1971). Despite these discrepancies, Kazakhstan could fit within these categories based on the research's analysis.

### **1.2.2. Definition of the Region and the Role of Regional Powers**

The thesis adopts the definition of a region as a spatial entity comprising entities in close physical closeness, considered by consistent connections among stakeholders as a separate area. In this paradigm, relationships are primarily political and can have a favorable or bad effect on international activities, economic cooperation, and stability (Prys, 2010). A region can be conceptualized as a cohesive unit based on shared behaviors exhibited by groups, territories, or states (Holsti, 1996).

Regional powers typically encompass states with robust military capabilities, high GDPs, and relatively large populations compared to their regional counterparts or subordinate states. Both Iran and Turkey according to the focus of this research meet these criteria.

Understanding shifting patterns of influence within regions is crucial, as few regions or subregions exhibit clear dominance by a single regional power. More often, multiple surrounding regional powers contest influence, leading to ambiguous and complex relationships. Regions can either mitigate or exacerbate the power projection of regional powers globally, with neighbouring great powers often competing directly or indirectly for regional influence.

The choice of core theory for the thesis aligns with its objectives. To assess the spread of influence within the region, certain theoretical frameworks are essential. The primary theoretical framework associates with a well-known American political scientist D. Lake, a proponent of the English school in international politics, examining hierarchical relationships and the influence of the United States on smaller states. He explores the deeper connections and indicators of dependency that lead smaller states to align with the hegemon's interests.

Lake views political authority as derived from productive abilities, knowledge, and military prowess, with formal-legal institutions following rather than driving this process. Regional authority, according to Lake, operates as a contract between states rather than as law. A dominant state can wield authority over subordinate states by delivering economic and military security, fostering compliance.

Hierarchical relationships between states evolve gradually as authority increases. Lake illustrates this with the example of a dominant state possessing authority over a subset of actions within a subordinate state's sphere of influence. Hierarchical relationships deepen as the dominant state expands its authority over a broader range of actions.

The differences in regional powers can also be explained within asymmetric relations, referring to disparities in relative capacity and power among states. Brantly Womack, Professor Emeritus of Foreign Affairs at the University of Virginia, introduced a new paradigm for understanding international relations in which the smaller states cannot threaten the larger states (*Asymmetry and International Relationships*, 2016). He contends that bigger states cannot impose their will on smaller ones even in the face of superior power. On the other hand, variations in risk perception, attention, and interactive behavior are brought about by the differential in capacity and power between states, which results in a vicious cycle of systemic misperception (Womack, 2016).

Hungarian researcher Máté Szalai (2022) highlights the differences in the leverage of small states, particularly in the Middle East and North Africa. According to him, regional norms related to statehood and conflict can impact the behavior of small states. Szalai proposes to alter the traditional concept of small states into “small regimes” since it mirrors the behavioral patterns of the actor in a more precise way. Governmental leverage in the Middle East and North Africa (MENA) is influenced by social homogeneity and intra-regime dynamics rather than state size. The framework of their regime and the vulnerability of their borders, which compels states to achieve omni-balance are signs of their statehood. Arab unity amid interstate conflicts ensures regional security (Szalai, 2022).

### 1.2.3. Terms of ‘Eurasianism’ and Central Asia

The term Eurasianism is a new geopolitical definition. As the term itself contains historical as well as geographical concepts the etymology and geopolitical definition of mentioned terms, it could be hard to understand why Eurasianism is a synonym for the term integration in Eurasian Economic Union (Laruelle, 2008). Russia has implemented this policy to confirm its role as a regional power (Shlapentokh, 1997).

According to Golam Mostafa, Eurasianism is not just a subject of debate over the definition. It is the ideology shaping domestic and regional policies. In his detailed work on Eurasianism Mostafa G. brings the study by the British Geographer Sir Hartford MacCKinder, where he describes the east lands of the mountain chain Ural as the “pivot” and grants the lands core place over the control of the region. As we can understand from Eurasia, it consists of Europe and Asia with a vast territory.

The term Eurasia derives mostly from the discourse of Russia. As the Soviet Union was created Russia was trying to unify the culture under the rule of Moscow (Jones, 1984). As Russia was trying to become the center of decision-making and constructing domestic as well as foreign policy, it could be logical why Eurasianism has been established in the roots of Russia, as its vast land covers the East and West sides of Ural. In numerous works, some researchers even introduced the term European Russia.

If we are talking about the region, called Central Asia, we must analyze if this term has a geographical or geopolitical definition. We will make a parallel with the term *The Middle East*, which even nowadays is a subject of debate. According to Lewis, the Middle East unites Turkey, Persia, and maybe; Afghanistan, Iraq, Arabian Peninsula, Syria, Lebanon, Israel, Jordan, and Egypt, and the north “border” was fixed with the southern borders of the Soviet Union (Lewis, 1982).

Following this logic, the term Central Asia, (which is not a geographical center of Asia) has the same connotation as interests, influence, integration, and cooperation. After the collapse of the Soviet Union the southern borders were “opened”, and other actors and unions such as the United States, European Union, and NATO received access. In the 90s emergence of new geopolitical terms was in the interest of Russia, as it was still the successor of the Soviet Union to maintain its influence and hegemony over the region. The Central Asian states also with their internal economic and political factors were trying to (re)integrate with Russia. However, after the globalization process boosted and increased the ties over the region, a new integration process was required.

## **CHAPTER 2. THE LITERATURE REVIEW**

### **2.1. Geopolitical Dynamics and Implications for the EEU**

The idea that resources and location are essential to exercising political power over territory is the foundation of geopolitics (Kjellen, Haushofer, MacKinder, etc.). When the term "geopolitics" was first used in 1899, it assumed it was likely to view the world in its totality (Kjellén, 1899). This idea is defined in several ways. Dodds (2000) defined geopolitics as a type of geographical reasoning states' ability to act in a dynamic international arena. According to Dalby (2014) this idea alludes to the global battles for political supremacy. Cohen (2002) states that geopolitics is a result of interactions between political processes and changing geographic locales. It's also recognized as socially constrained and influenced by historical and current power structures (Tuathail, 1999).

Within the academic community, there are two opposing schools of thought about geopolitics: critical and classical. Classical geopolitics treats geographical space as an existential prerequisite for all policies. This framework of analysis has been active and influential in policymaking of the postwar years. British geographer Halford J. Mackinder (1943) was the first who introduced the concepts of classical geopolitics. According to Mackinder human behavior is not solely determined by geography; rather, human behavior can reshape terrain in a way that is strategically relevant using suitable technology and imagination. Due to his service as the British High Commissioner to the White Russians from 1919 to 1920, Mackinder was aware of the Black and Baltic Seas' strategic significance to Russians. According to Mackinder, there was a "pivot" in the middle of the "heartland," which stretched from Eastern Europe into Russia. Mackinder's "Heartland Theory" states that the ruler of Europe and Asia the two largest landmasses on Earth will eventually take control of the entire world. Mackinder's definition of the Eurasian heartland and its significance for geopolitical evolution were exploited by international leaders to defend their geopolitical agendas. The Eurasian Economic Union could be examined within the framework of McCkinder's thesis as well.

Thus, geography and technology are two different factors used in classical geopolitics. Furthermore, three categories of geopolitical entities are emphasized: maritime powers, terrestrial powers, and land-sea hybrid forces. Technology is essential to classical geopolitics rather than incidental, so while it may change the political or strategic implications of the spatial determinants of policy and strategy, it does not invalidate them.

Meanwhile, the study of critical geopolitics focuses on how geographic space is portrayed and understood as a greater effort to consolidate and increase power. It clarifies the methods by which political actors depict global politics as a "world" with places as its defining characteristics and spatialize it (Ó Tuathail & Agnew, 1992). Additionally, critical geopolitics challenges the current power structures and acknowledges that knowledge is a product of certain cultures and subjects (Agnew, 2003). Because of this, officials' power to change the world is reliant on their access to resources and knowledge related to their social, cultural, and geographic backgrounds (Dodds, 2000; Power & Mohan, 2010).

Alexandr Dugin, one of the most well-known and active proponents of critical geopolitics in Russia, views geopolitics as a science of how to rule, a science about and for the sake of power. In addition to Eurasianism, Dugin is associated with National-Bolshevism (seeing the USSR as an extension of Russia) and the Conservative Revolution (which seeks to establish a new order based on neo-traditional paradigms of religion, state, nation, and economy). According to his Eurasian view, geopolitical security can only be ensured by controlling a Great Space.

Dugin advocates for Russia to regain its power in Eurasia through annexations and alliances, while the "Atlantic societies," chiefly represented by the United States, should lose their greater geopolitical sway in the region. He saw the Eurasian Union Project fundamentally as an attempt to create a Russian empire that could take on the United States by combining the territory of the former Soviet Union with Eastern Europe and the Eurasian bloc. His concept of "multiculturalism," which he criticizes as a unipolar international system headed by the United States of America, is inextricably linked to his Eurasian vision. It is also inextricably linked to his demand for a worldwide "multipolarity" structure. In a multipolar world, where Russia and China form a pair that together with the West form something akin to a three-polar system, Dugin claims that Russia is reasserting itself not as the second pole in the bipolar system but as one of the few poles within the framework. There is also a chance that other independent poles, like those in the Muslim world, India, Africa, and Latin America, will eventually emerge. The leader of the Russian Federation kind of appreciated Dugin's Eurasian vision, particularly regarding his Eurasian geopolitics and strategic policies, which prompted Russia to confront the US and engage in real intervention over regions of the former USSR, beginning in Georgia and concluding in Ukraine, as suggested by Dugin's theory.

Meanwhile, the shortcomings and inconsistencies of critical geopolitics have been carefully outlined by Nuno Morgado. He was among the first who made the baseline for the theoretical-methodological framework of neoclassical geopolitics, combining international

and domestic variables to explain foreign policy and international politics' outcomes, within the geopolitical reasoning. This model acknowledges some ideas, elements, and variables from classical geopolitics that have been shown to have scientific validity and adds to them an awareness and emphasis on the agents who have been somewhat influenced by critical geopolitics. The innovative model of neoclassical geopolitics presented by Morgado constitutes a two-level approach, without departing from a soft positivist sphere in which the procedures of the scientific method predominate. The structural variable of systemic stimuli runs through the dual intervening variable of the perceptions and capacities of the geopolitical agent, shaping the state's behavior as a dependent variable. In other words, a novel assertion is made that investigating the perspectives and abilities of geopolitical actors who frequently provide useful information for elucidating political outcomes is a subject of investigation in geopolitical research. With its notions and methods, geography is ever-present through systemic stimuli as well as the perceptions and abilities of geopolitical actors. Therefore, promoting the growth of geopolitical culture and raising decision-makers and the public's level of literacy are among the researcher's primary goals (Morgado, 2020, 2023a).

Morgado's framework simultaneously recognizes geography as a set of factors affecting a state's potential and as a driver of systemic constraints—the latter of which refers to the limitations imposed by geography—as one of its most original contributions. The author highlights that in the paradigm of neoclassical geopolitics, the incentives offered by geography are not considered decisive; they only create space for the wider impact of the intervening factors, which are the perceptions and abilities of the geopolitical agent (Morgado, 2023b).

According to Morgado, while geopolitical studies address more than just international conflicts, they are not interchangeable with international relations in general. It is more of a descriptive-analytical method that explains how the geopolitical agent's perceptions and capacities shape the influence of potential elements and the physical environment on foreign policy and, ultimately, on global politics.

Nuno Morgado's analysis of Neo-Eurasianism, which tests the claim that it is an ideology and a geostrategic plan with global dimensions is another contribution to the area. He claims that from an intellectual standpoint, Neo-Eurasianism is a collection of contradictory ideologies that fall somewhere along the leftist spectrum. Neo-Eurasianism's ultimate revolutionary goal is to restructure the entire international order. Its strategic goal is to recreate a Eurasian empire under Russian control. While creating a "multipolar world" is the stated goal of Neo-Eurasianism, the true goal at hand is the establishment of an oligarchic global

system. Morgado clarifies the connections between Neo-Eurasianism and ideas about Russian history, Christianity, conservatism, and science (the geopolitical approach) by illuminating the ideological and strategic facets of the movement. Neo-Eurasianism can be defined as the product of a revolutionary mindset (Morgado, 2021).

Thus, the reasoning of the EEU establishment can be analyzed in the scope of the above-mentioned geopolitical theories.

## **2.2.Small States in International Landscape**

Defining small states and determining whether they constitute a distinct group deserving of research are the first steps in many studies. The most often used single variable to determine a state's size is its population (Thorhallsson, 2018). Small states are defined as those with resident populations of less than 10 or 15 million in the majority of political science and economics studies (Armstrong & Read, 2000).

A State's size is also frequently determined by GDP and territory (Archer & Nugent, 2002). In actuality, economy and territory by themselves are not very efficient factors to explain the role of small nations in IR. There may be certain benefits and drawbacks of having a limited territory, which are not quite visible. It is feasible for a state with limited land to be powerful due to its high population, robust economy, and strong military capacity. States possessing a large area, however, might not always be powerful. States do not always inherit strengths from their territory; this is not always the case with huge populations and robust economies. Small economies do face many difficulties, yet these difficulties don't always translate into insurmountable obstacles (Vital, 1967; Archer & Nugent, 2002).

Population density generates unique static needs, benefits, and drawbacks. Whether a state is a little enclave or governs a large expanse of land, its small population produces requirements and challenges that must be met, regardless of whether it is extremely wealthy or extremely impoverished. It is difficult for a state with a little population to muster a sizable military force with a wide range of capabilities. Additionally, a state's diplomatic troops' number and competence level are likewise limited by a small population (Corbett & Connell, 2020).

According to the study of "Size of Nations" the ideal size of a nation is determined by weighing the benefits of size against the drawbacks associated with a larger state's greater propensity for variety and plurality (Alesina & Spolaore, 2003).

Katzenstein's groundbreaking research (1984, 1985) indicates that democratic corporatism reflects the liabilities of small states since they depend on free trade and are therefore subject to swings in the global economy.

The widely held belief that an analysis of the international system's structure alone could explain the behavior of such states was challenged in the middle of the 1990s. According to Wendt (1992) small state studies in general saw a resurgence with the advent of another approach that aims to question the nature of some international theories as neorealism social construction. This new paradigm, known as constructivism, arose in part from the public's growing sense that actual political developments in small states were occurring more quickly than IR theory could explain (Neumann and Gehl, 2006).

A growing body of research has been done by recent international relations scholars who argue against popular narrative in IR literature characterizing small nations as vulnerable and weak in the international arena (Chong, Browning, Braveboy-Wagner, etc.). Braveboy-Wagner (2010) using weakly realist lens made the case in a 2010 case study of African states foreign policy behavior that if they take the required steps, small governments can nevertheless expertise an external strategy that pursues to remove poor images of small states. Small nations' foreign strategy decisions are nevertheless severely limited by systemic considerations. The majority of small state analysts agree that small states possess greater flexibility in their foreign policies than is commonly thought (Ponížilová, 2018; Reeves, 2014; Subotić, 2016).

Meanwhile, scholars highlight that the concept of multi-vector foreign policy is quite well-developed in small countries (Novikova, 2022). From the point of view of representatives of the school of neorealism small countries that find themselves between strong powers (like China and Russia) endeavor to either balance between them or choose the strategy of joining the strong, trying to ensure their security. This strategy may be survival and protection of present norms; integrating into a more robust group can be interpreted as an ambition to gain preferred norms. If there appears a threat, a balancing strategy will be chosen in an effort to avoid losses. As soon as the situation changes small states can join the strong one to gain benefits (Schweller, 1994).

### **2.3.Regional Dynamics and Role of Institutional Factors**

Derrick Frazier included regional institutions in his research and labelled regional institutions as the ones that help to build up influence towards the region. Regional formation in terms of security and economics is based on the redefinition of norms and the creation of

identities through collective institutions (Frazier, 2010). As D. Nolte noted: *“The shape of the institutions of regional governance can be used as an indicator for the power distribution in the region and the type of regional hegemony. For strong states (rule makers) regional institutions are often more cost-effective and reliable instruments for dominance.”*

Collective institutions ease the bilateral dialogue and make the interactions between countries more often (Nolte, 2011).

The Ideological factors that were briefly mentioned at the beginning of the theoretical part are mainly connected to shared historical experiences and culture. The Central Asian countries share a common history primarily connected to occupation and conflicts. Such events shape the policies of the countries in many aspects, these ideological factors lead to the aim to guarantee support from bigger states that surround the region to ensure safety and security.

Regional cooperation is also a part of foreign politics, in which countries are seeking ways to improve their relationships with neighboring countries. When two states which are located nearby, do not have diplomatic relations there is always a probability of a conflict. For example, the Ukrainian Conflict, when Russia invaded Crimea, shows that “the fraternal nations” can easily start fighting due to political reasons. The issue is that any conflict and hostile relations with the neighboring countries may provoke danger to the citizens of a state. The recent territory-based conflicts in the South Caucasus or the clashes between the Democratic People's Republic of Korea and the Republic of Korea may display how dangerous and long-term might be conflicts between the two neighboring countries (Bailes and Cottey, 2007).

Therefore, to ensure sustainable development, provide a stable economy, and guarantee security to a nation, a state should avoid conflicts with neighboring states. Otherwise, if a state does not surpass a conflicting neighbor in military and economic power, it will be too difficult for it to survive a conflict with minimal losses for the nation. For instance, the conflict between the Republic of Cuba and the United States of America resulted in the economic crash of Cuba, because the US had implemented a trade embargo on Cuba since 1960.

Among the main aspects of foreign policy in terms of regional cooperation and integration are security provision and economic improvement. Both these aspects are the core factors for the sustainable and successful development of a state, therefore, the implementation of the foreign policy, which will improve the defensive and economic capabilities of a state, remains a priority for a country. The following sections will provide a

detailed information about aspects of the security and economy of a nation in terms of regional cooperation and integration with supporting evidence.

## **CHAPTER 3. Data inventory and Research outcomes**

### **3.1. EURASIAN INTEGRATION CONTEXT**

#### **3.1.1. Outline for the Eurasian Economic Union's founding**

Upon the declaration of independence in the 1990s the post-Soviet governments struggled with developing national economies and joining the global community. They were likely to realize the challenges of adapting to the new conditions. Building relationships with their neighbors and other developed states was a prerequisite for maintaining their sovereignty.

The idea of forming the Eurasian Union of States for the first time was initiated by the President of Kazakhstan, N. Nazarbayev on March 29, 1994, in his address at the Moscow State University. It was based on a large-scale project for newly independent states developed by the Kazakh leader on a qualitatively new, pragmatic, and mutually beneficial economic basis. Nazarbayev noted that the post-Soviet states should strive to form their statehood and unite to strengthen mutual relationships (Nurymbetova & Kudaibergenov, 2010).

The innovation was to create along with further improvement of the Commonwealth of Independent States, a new integration structure, the purpose of which would be a coordinated economic policy and joint strategic development programs. The Eurasian initiative of N. Nazarbayev voiced at the peak of post-Soviet State disintegration was not promptly accepted. The tasks of strengthening national independence and economic development cooperation were opposed. Gradually there appeared an understanding that this integration is ensured by the recognition of national interests and sovereignty, and it began to be perceived as a “lever” of economic growth and a necessary condition for new opportunities (EEU, 2014).

This idea later found its practical realization through the Eurasian Economic Union. The rapprochement of Eurasian states began in 1995 with the Agreement on the Customs Union between Belarus, Kazakhstan, and Russia. It determined the “integration core” of states, which moved towards the Common Economic Space and the Eurasian economic union. On February 26, 1999, Russia, Kazakhstan, Belarus, Kyrgyzstan, and Tajikistan signed the Treaty on the Customs Union (CU) and the Single Economic Space (SES).

This collaboration aimed at the implementation of the following phases of integration:

In the first phase - to guarantee the operation of the free trade regime while avoiding the measurable limitations in mutual trade, the introduction of a combined scheme for aggregation of indirect taxes, the abolition of fiscal, administrative, and supplementary restrictions that constrain the free movement of goods.

In the second phase - to establish a Customs Union, a single customs zone with shared customs tariff, and the abolition of customs control at the national borders.

The third phase includes the formation of the SES that provides the base for the establishment of a common market for services, goods, capital, and labor, the execution of a mutual economic policy, the development of a unified infrastructure, and the accomplishment of the harmonization of the legislature that ensures the functioning of the SES.

On October 10, 2000, Russia, Kazakhstan, Belarus, Kyrgyzstan, and Tajikistan established the Eurasian Economic Community (EurAsEC) representing the highest level of collaboration until the creation of the Eurasian Customs Union. The purpose of the EurAsEC was the development of economic cooperation, mutual trade of the Member-States, and effective promotion of the formation of the Single Economic Space and the Customs Union.

The EurAsEC was granted the observer's status at the UN in 2003. It implies the organization's acceptance as a serious player in the post-Soviet area. The fact that EurAsEC's five member states have signed more than 75 accords attests to its significance (Bykov, 2009).

The catalyst for Eurasian integration was, among other things, the global financial and economic crisis of 2008. The widespread decline in markets and production launched the Customs Union in an intensive search for new cooperation formats, ensuring sustainable economic growth and development of models for minimizing economic risks.

Eurasian states moved towards agreed positions in finding a balance of interests and a "resolution" to most questions. The initiative to create a Customs Union within the Eurasian Economic Community (EurAsEC) with Russia, Belarus, and Kazakhstan as founding members came next. On January 1, 2010, the Customs Union was established. According to the Eurasian Economic Community notes', the establishment of the Eurasian Customs Union and mutual economic space allows the Eurasian states to grow as a speedily developing organization for regional integration and to guarantee the application of existing economic potential to increase the living standard of its peoples (the Eurasian Economic Community, 2013). Since July 1, 2011, when customs control at internal borders was lifted, the Customs Union started working to fullest extent. It ensured an unlimited movement of goods throughout the entire customs territory based on unified regulations.

On January 1, 2012, the next stage was launched - the formation of the Single Economic Space, which represents a higher level of integration, providing not only the free movement of goods and a unified trade regime but also the free movement of services, capital, and labor force, uniform rules and principles of competition, regulation of natural monopolies.

On May 29, 2014, the presidents of Belarus, Kazakhstan, and Russia signed an agreement on the creation of the Eurasian Economic Union (the EEU). The EEU ensures a free movement of goods, services, capital, and labor, as well as the implementation of a unified policy in the sectors of the economy defined by treaties within the Union.

**Table 1. Main Tasks of the Eurasian Economic Union**

The EEU tasks				
Reducing transporting costs to decrease prices for goods	Stimulating competition in the EEU common market	Stimulating an efficient economy by reducing costs, increasing labor productivity, and introducing new technologies	Increasing the consumer demand	Increasing the level of well-being of EEU countries

*Source: Compiled by authors based on the documents analysis*

Therefore, we can conclude that the EEU was created to promote the competitiveness of national economies and create conditions for the stable development of the Member-States. Conjointly the primary target of the EEU is the coordination of the policies for the effective movement of capital, goods, services, and labor and provision of support for the legal regulation of all the spheres of integration.

**Table 2. Eurasian Countries Integration Primary Stages**

1991–1994	1996	2000-2001	2007-2010	2007, 2011, 2012	2014, 2015
Declaration on the CIS Foundation	Agreement of Integration Deepening	Agreement on the Eurasian Economic Cooperation Establishment	Agreement on the Single Customs Territory Foundation and the Customs Union Formation	Declaration on the Eurasian Economic Integration	Treaty on the Eurasian Economic Union Formation
				The Eurasian Economic Union	
				The Customs Union	
				The Single Customs Territory	
				The Eurasian Economic Community	
The Commonwealth of Independent States					

*Source: Compiled by authors based on the document analysis*

### **Why was the EEU formed by three states?**

The records indicate that the economies of Kazakhstan, Belarus, and Russia are more promising versus the economies of Tajikistan or Kyrgyzstan. Russia, Belarus, and Kazakhstan formed the vital hub of the Eurasian integration. The trade volume between these states rose by a third in the first half of 2011. Kazakhstan's exports to Belarus have increased by more than 2.3 times, while exports to Russia have expanded by 60% (Nazarbayev, 2011).

The heads of the Member-States signed the documents establishing the Single Economic Space on November 18, 2011, which was the next step towards laying the groundwork for the Eurasian Union. The free flow of people, capital, products, and services was the primary objective of the single economic space.

According to Putin (2011), the Commonwealth of Independent States (CIS) has enjoyed a comparatively strong understanding of the way to integration over the past 20 years. The Single Economic Space as the new cooperation initiative for Eurasia was considered as a brand-new prospect generated today.

Nazarbayev (2011) clarifies that the Single Economic Space between the Eurasian Community will guarantee regional stability and enhance economic competitiveness and technological progress.

Meanwhile, the Eurasian Economic Union's development has advanced quickly: from the Eurasian Economic Community (EAEC) in October 2000 to the Customs Union in 2010, the Eurasian Economic Integration Declaration in 2011, and the EEU in 2012, the members have completed four stages of integration.

On October 10, 2014, at the EAEC summit, the presidents of Russia, Kazakhstan, Belarus, and Armenia signed the Treaty on the Accession of the Republic of Armenia to the EEU. In the same year, on December 23 in Moscow during a meeting of the EAEC at the level of the States' heads the Treaty on the accession of the Kyrgyz Republic to the Eurasian Economic Union was signed. On May 8, 2015, additional protocols to the mentioned treaty were signed in Moscow, detailing the process of the new members' accession to the Union.

#### **3.1.2. Characteristics of the Treaty on the EEU**

The main legal document of the EEU is the Treaty on the Eurasian Economic Union. It was signed on May 29, 2014, by the presidents of Belarus, Kazakhstan, and Russia and entered into force on January 1, 2015. The document contains four parts and 680 pages with 33 annexes.

A thorough study of this document will be required for a better understanding of the essence of the Eurasian economic integration. This section provides an analysis of the most significant provisions of the Treaty.

Part One is introductory and it consists of four sections. It contains general provisions on the EEU and its legal personality. “The Union is an international organization of regional economic integration with international legal personality.” Within the framework of the EEU, “the freedom of movement of goods, services, capital, and labor is ensured, the implementation of a coordinated, agreed upon or unified policy in the sectors of the economy defined by this Treaty and international treaties within the Union” (Article 1).

This part sets out the basic principles of operation, goals, and competencies of the Union. The main objectives of the EEU are creating conditions for the stable development of economies of the Member-States to improve the living standards of their population; the desire is to form a single market for goods, services, capital, and labor resources within the Union and to achieve comprehensive modernization, cooperation, and increased competitiveness of national economies in a global economy” (Article 4).

The same part also regulates the legal framework of the EEU and its international activities. It explains which documents and supranational bodies regulate legal relations within the EEU and relations of the Union with third parties, and the supranational powers of the Union are consolidated.

The first similarly defines the work procedure and powers of the bodies EEU, which includes the Higher Eurasian Economic Council, Eurasian Intergovernmental Council, Eurasian Economic Commission (EEC), and the Eurasian Economic Court.

It highlights the procedure formation of the Union budget and financing of the activities of bodies of EEU, implementation of external audit (control) of the financial and economic activities of the Union bodies. The budgeting is under the jurisdiction of the Supreme Eurasian Economic Council, and its control is carried out by representatives of the financial control of the Member States.

Part Two of the Treaty on the EEU is devoted to the functioning of the Customs Union within the framework of the Eurasian Economic Union. It regulates information interaction in all spheres using the integrated information system of the Union and the formation of official statistical information of the EEU. Official statistics of the Union (on foreign and mutual trade in goods, financial and socio-economic statistics, etc.) are being posted in a special section of the EEU website - “EEU Statistics.”

This part also establishes the principles of trade regulation within the single customs territory of the EEU. The rules for the functioning of the internal market emphasize that “in mutual trade in goods, member states do not apply import and export customs duties (other duties, taxes, and charges having equivalent effect), non-tariff regulation measures, special protective, anti-dumping and countervailing measures, except for the cases provided for in this Agreement” (Article 28). Yet, the EEU states are allowed to apply exceptions and restrictions in mutual trade in goods but on non-discrimination terms, that is, in general, in compliance with the all-Union principle of mutual provision of national treatment to member states or most favored nation treatment in trade in goods. The single customs territory carries out a coordinated policy of consumer protection, guaranteeing their observance of all persons living on the territory of the EEU.

Part Three of the Treaty regulates the functioning of a single economic space within the Union, and it covers the range of agreed policies of the member states in various fields. This part also establishes the right of the Member-States to international agreements on economic integration with third countries by providing the EEU members with no less favorable conditions than such a third country. Thus, the EEU states are autonomous in determining their foreign trade policy, business activities, and investments with third parties.

The last and fourth part of the Treaty contains transitional and final provisions. It includes transitional provisions on the preservation in the law of the Union of the validity of international treaties concluded within the framework of the Customs Union and the Common Economic Space, the technical nuances of the functioning of the EEU bodies, and the implementation by the Member-States of the agreed politics, etc.

It similarly combines final provisions reflecting social guarantees, privileges, and immunities of the EEU and the Court of the EEU, assigning to the Russian language the status of the working language of the Union bodies, rules for obtaining the status of an observer state, and a candidate state, the procedure for entry into the Union of Candidate States and the withdrawal of member states from it.

The Treaty covers all aspects of the current and future economic interaction of the Union Member-States, details the directions of development of the EAEU, and reflects the complex integration process.

### **3.1.3. Organizational Structure of the EEU**

The Eurasian Economic Commission (EEC) serves as the chief administrative and executive body of the Eurasian Economic Union. It assembles the model of the European

Commission administering the European Union. The EEC was established in 2012 to oversee the Single Economic Space. With the adoption of the 2014 Treaty on the EEU the Commission was integrated into the EEU's governing body.

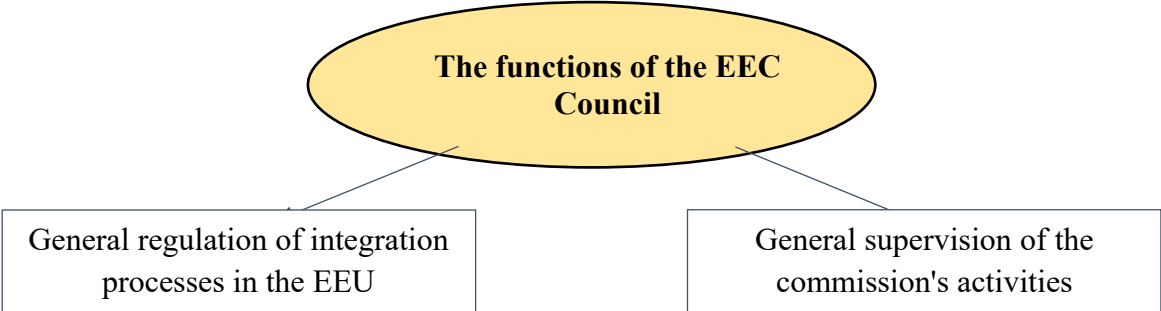
The Council of the Eurasian Economic Commission and the Board of the Eurasian Economic Commission are the two principal units of the EEU, and there are currently about 2,000 employees working at the headquarters (EEC Structura, 2017).

The first is the Eurasian Intergovernmental Council involving the Deputy Prime Ministers from each state that alternate in electing a president. It implements ten functions, among them:

- ensuring control over the implementation of the Treaty on the EEU and decisions of the Supreme Eurasian Economic Council;
- consideration of issues on the initiative of the EEC Council, on which no consensus was reached;
- approval of the draft of Union budgets and consideration of proposals from the member-states to cancel or amend decisions of the Commission;

The Council can veto decisions made by the Board and is primarily responsible for approving decisions made by the Board. Meetings of the Council are held at least twice a year. Extraordinary meetings are subject to the member-states or the Chairman of the Council initiative.

**Figure 1. Eurasian Intergovernmental Council**



*Source: the EEU database*

There are 14 Ministers on the Board of the Eurasian Economic Commission, with three representatives from each member state and two from Kyrgyzstan. Bureaucrats (mainly ministers) from 23 operational departments, including the Department of Energy and Antimonopoly Regulation, are employed by the Board of Ministers. With one vote for each minister the Eurasian Commission Board uses qualified majority voting to make decisions. Decisions accepted by the board getting the support of two-thirds of the Ministers are legally

binding. While these two groups decide on the Eurasian Union's daily operating policy, the Council of the Eurasian Union consults contentious issues.

According to Yesdauletova and Yesdauletov (2012), the Eurasian Economic Commission possesses the authority to function as a fully supranational entity. It can transfer authority from federal governments to international organizations through its decision-making process. For example, the Commission, by its decision, may oblige the government of one Member State to repeal the regulation, contrary to the law of the EEU and infringing on the interests of another member state. At the same time according to the Treaty on the EEU, the member states have the right to submit to the EEC Board a proposal to cancel one or another decision of the Commission or to make changes to it.

However, the Commission has no actual authority to impose sanctions. It uses political clout and peer pressure to enforce its choices. In addition, political leaders who prefer to strike compromises over abide by the law frequently sideline the Commission, making it challenging to function as a rules-based body (International Crisis Group, 2016).

In view of the fact that political leaders mostly use the Supreme Council of the Eurasian Union as a platform for negotiating concessions and acquisitions, critical problems are elevated to that level. The Eurasian Union's highest-level body is the Supreme Eurasian Economic Council. It resembles the model of the European Council, a gathering of European leaders to deliberate on the course and long-term goals of the Union (Eurasian Economic Commission, 2015). Deciding the future of the EEU, including potential new members, areas of integration, and ongoing projects, is the responsibility of the Supreme Council. It is responsible for sanctioning the budget and ascertaining the member states' share. Yet, the Supreme Eurasian Economic Council is regarded as the "main body" of the EEU, while the European Council is one of the EU's many significant organs (Eurasian Economic Commission, 2015). The Supreme Eurasian Economic Council also oversees most decisions within the Eurasian Union and receives task delegations from the Commission.

The Supreme Eurasian Economic Council appoints two justices from each member state to the Court, who serve nine-year terms. Comparable in scope to the European Court of Justice, the Court's mandate is to guarantee that EEU treaties are applied consistently by all member states.

In addition, the EEU Court has an advisory function, the demand for which will likely grow. According to the Statute, the Union Court clarifies the norms and provisions of the EEU law and the provisions of the Union's international treaties with a third party. Applications for

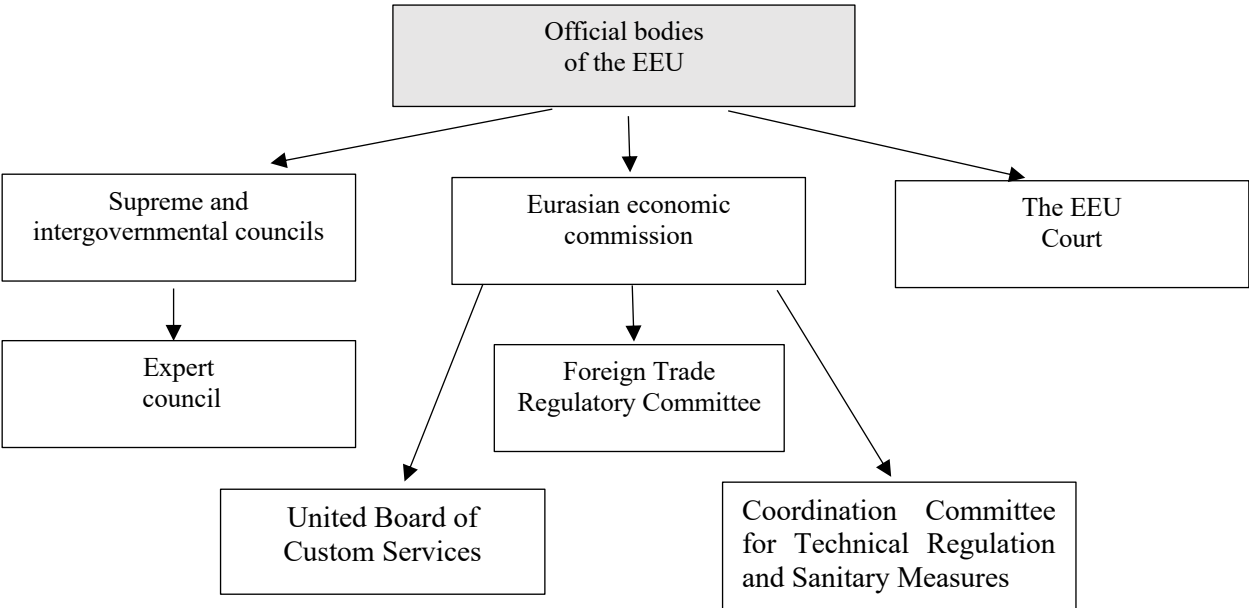
advisory assistance can be submitted either by EEU member-states (on issues related to Union law) or by employees and official bodies of the Union.

One of the problems faced by the EEU Court is the priority of national law over the Union law in case of conflicts between them. Thus, the duality of the EEU legal regulation may lead to additional difficulties. For example, business entities may be provided with different benefits, and preferences or requirements applied to legal entities may vary within the member states. Moreover, the Constitutions of Russia and Kazakhstan have priority over the EEU legal norms. Thus, the member-states may opt for alternative dispute resolution mechanisms, such as head-of-state meetings in the Supreme Economic Council, instead of using the court system to resolve conflicts among themselves.

The permanent regulatory body of the Union is the Eurasian Economic Commission. It consists of a Council and a Collegium. The EEC has 25 structural departments, while its Collegium includes 20 advisory committees to develop proposals for the Collegium and consultations with the government authorities of the member-states.

The EEC departments ensure the activities of the Collegium, and the EEC Council will prepare draft decisions, orders, and recommendations. The EEC functions also include the preparation of the drafts of international treaties, monitoring the implementation of the EEU decisions, and developing cooperation with third countries.

**Figure 2. System of Official Authorized Bodies of the EEU**



*Source: the EEU database*

So far, the EEU does not have a common currency, but it should be established by 2025. The activities of the EEU institutional bodies are financed through funds from the Union budget and formed in Russian rubles through equity contributions from the member states. The budget regulations, the budget itself, and the report on its execution are subject to the approval of the Supreme Eurasian Economic Council. According to Resolution No 9 of the Supreme Eurasian Economic Council dated May 8, 2015, the amounts (scale) of shared contributions of the member states to the budget of the Eurasian Economic Union shall be determined as follows:

- Republic of Armenia - 1.11%.
- Republic of Belarus - 4.56 %.
- Republic of Kazakhstan - 7.11%.
- Republic of Kyrgyzstan - 1.90%.
- Russian Federation - 85.32 %.

As can be seen, a large share of the budget comes from the Russian Federation, while Armenia and Kyrgyzstan share the lowest portion of the EEU budget.

#### **3.1.4. General Characteristics of the EEU**

The Eurasian Economic Union as an economic community has several structural characteristics:

1. The predominant weight of Russia in the economy of the Union (in terms of GDP, population, trade, and investment flows). About 86% of the total GDP is produced in Russia, approximately 10% in Kazakhstan, and the remaining 4% in Belarus, Armenia, and Kyrgyzstan. The same applies to population size: 146.8 million people live in Russia, or 80% of the total population of the EEU. Kazakhstan is the second with 20 million people (10%). The remaining countries collectively amount to about 10% of the population of the Union (EEC, 2023).

2. Dependence on raw material exports. The economies of Russia and Kazakhstan are based on the oil, gas, ferrous, and non-ferrous metals export while the other EEU countries depend on these industries indirectly due to economic ties with Russia and Kazakhstan.

3. Common economic background (the USSR and Russian Empire) from which many thousands of production chains, linguistic communities, close family, and social ties kept between nations.

4. Small volumes of mutual trade in the Union. The EEU members trade mainly with Russia. The exception is the trade volume between Kazakhstan and Kyrgyzstan, which is significant.

5. Long distances and high transportation costs are obstacles to mutual trade, especially considering the large size of Russia and distances between other states, for example, between Belarus and Kazakhstan. It limits the mutual trade and status of Armenia's relation to the other member countries: trade flows reach Armenia almost exclusively through the territory of Georgia.

6. The geographical position of the EEU countries is unique not only by regional but also as per the global standards. Armenia is the only country in the Western Asian region that does not have access to a large water area. Belarus is the largest landlocked country in Europe. Kazakhstan is the largest landlocked country in the world. Kyrgyzstan shares with Tajikistan the 3rd–4th place in the world among landlocked countries with the highest average elevation above sea level. Only Russia has access to the sea but taking into account the remoteness of most of the territory from the sea, the country can be considered more continental versus its partners in the EEU.

Figure 3. Eurasian Economic Zone



Source: Eurasian Economic Union

**EEU: Economic indicators**

- **Total GDP:** \$1.74 trillion (3.2% of world GDP)
- **Total population:** 184 million (2.4% of global population)
- **Economically active people:** 93.6 million (2.7% of global total)
- **Unemployment rate:** 4.8%

- **External trade with third countries (2020):** \$731 billion (2.4% of global export)
- **Population with internet access:** 83.7% (3.9% of total internet users globally)
- **Agricultural production:** \$114.5 billion (2.6% of global production)
- **Industrial production (2020):** 2.2% of global industrial production
- **Oil production:** 600 million tons (14.4% of global production)
- **Gas production:** 750 million cubic meters (19.5% of global production)
- **Power generation:** 1,256.3 million kilowatt-hours (4.7% of global production)
- **Steel production:** 84.3 million tons (4.2% of global production)
- **Mineral fertilizers production:** 17 million tons (35.7% of global production)
- **Rail mileage:** 145,500 km (10.3% of global rail mileage)
- **Roads:** 1.76 million km (4.5% of global)

### **3.1.5. Assessments of Foreign Experts of Eurasianism and EEU**

Regarding Eurasia as a political and geographical reality researchers use this term to refer to Russia and the newly independent states (Bazavluk, 2018). According to M. Laruelle (2008), Eurasianism is a political doctrine in its strict sense that refers to a theory of nation and ethnicity, a new pragmatic formulation of “Sovietism,” the replacement of global explanatory schemes of Marxism-Leninism, a set of expansionist geopolitical principles for Russia and others.

Many Western authors have focused on Dugin's theoretical works, seeing a link between classical Eurasianism and integration within the EEU. A few authors indicate that Dugin's influence on Russian geopolitics and military strategy is self-evident, although it is debatable how much Putin believes in the underlying theories behind Dugin's ideology. The Russian government accepted his “Fundamentals of Geopolitics” as the basis for its foreign policy (MacCormac, 2015). Others tend to simplify Eurasianism and see it as exclusively anti-Western rhetoric. For this reason, the conviction arises that Eurasianism sounds truthful enough to make it convincing for some scholars. Overall, it is a theory based on strange and false ideas (Robinson, 2014).

Meanwhile, Mankoff (2012) highlights that the economic and political logic of deepening integration in parts of the post-Soviet space is quite strong since regional associations help strengthen weak economies, especially in Central Asia. However, such integration initiated by Russia carries a different threat towards the increased dependence of the neighboring states on Russia, which harms not only their development but also their independence in conducting foreign policy. At the same time, he emphasizes that integration trends on the Eurasian

continent fit well into global patterns. The most significant advantage of creating a new Eurasian Union will be the emergence of a single market and the removal of barriers to the movement of goods and labor. Migrant workers from Central Asia can legally travel to Russia to work and use remittances.

P. Stronski and R. Sokolski (2020) compare the roles of the EEU, the Shanghai Cooperation Organization, and BRICS as international organizations that contribute to the implementation of Russia's aspirations for multipolarity. Russia continues to use a combination of coercive tactics and economic incentives to encourage its neighbors to join and current members to remain in the organization. Russia continues to use a combination of coercive tactics and economic incentives to encourage its neighbors to join and current members to remain in the organization. The significance of BRICS and the SCO for Russia is more symbolic than substantive. They help Russia to emphasize that it retains international authority and diplomatic means to counter the expansion of Western influence around its periphery.

Regarding the practice of integration processes in EEU, experts highlight the development of Eurasian regionalism is influenced by Russian concerns about external threats and its control over Eurasian space (Libman & Obydenkova, 2020).

At the initial stage of Eurasian integration, the Western community seemed to react quite aggressively to the processes taking place in Russia and the countries included in the Customs Union which was later reformatted into EEU. In particular, Moscow's initiatives in the post-Soviet space are nothing more than another Russian attempt to act against Europe's transatlantic ties. It was argued that Putin's Eurasian Union is based on the EU model and considered part of a "Greater Europe," including values such as freedom, democracy, and a market economy.

In a comparative analysis of two integration models foreign experts regard the EEU as a kind of quasi-state like what has happened in EU states based on the Maastricht Treaty and Directives on the rights of citizens, representing a de facto codification of earlier existing case law. Granting certain rights to economically inactive migrants such as family members and job seekers in EEU member-states seems to be an analogous step in this direction. In the EU case the fundamental role was played by the court whose case law contributed significantly to changes in the EU. Therefore, the question is whether the EEU court can follow the same path and based on a teleological interpretation, contribute to a gradual change in the normative procedural framework (Pirker & Entin, 2020).

Western experts showed particular interest in the process of creating a free zone trade (FTA) of the EEU with Vietnam in 2012. Essentially, the agreement provided for the liberalization of 88% of trade in goods. This model is based on the "outreach" principle caused

concern regarding the establishment of Russian influence in the regions of Asia, Africa, and Latin America (Dragneva, 2018).

There are also some positive assessments on the development of the Eurasian Partnership which could have significant implications for global supply chains. Eurasian integration creates new opportunities in the region and has the potential to impact the economies of partnering third countries (Devonshire-Ellis, 2019).

In general, changes in the Eurasian space could determine China's participation in many aspects of the Eurasian process, with China increasingly calling for regional transformations and forming partnership relationships (Ferguson, 2018).

The Chinese view of Eurasian integration as a Russian foreign policy strategy differs from the Western point of view. According to Yongquan (2018) the development of Russia and the EEU is inseparable from the development of the world economy. Despite Russia cannot bear the reality that it cannot impact global trade rules, the Eurasian Partnership is a new approach to influence the trade turnover form at the regional level. In this sense, Russian and Chinese strategies are crucial not only for building the Eurasian Economic Partnership but also for the prospects of this organization. The likelihood of connecting the Eurasian partnership with the Belt and Road Initiative is high due to the political and economic relations between China and the EEU countries and the level of cooperation between China and the ASEAN countries.

Meanwhile western experts warn that such a situation can lead to global changes, not just regional ones. Although Eurasian countries have abundant natural and social resources, their economic connection remains relatively weak. Yet, the Chinese-Russian partnership can jointly create a gravitational pull attraction, an alternative to the Western-centric model (Roberts, 2019).

Accordingly, the emphasis on multipolarity complements the vision of the Eurasian partnership as a unique civilizational megaproject (Yakovets, 2018). Latin American researchers share a similar opinion, seeing Eurasian integration as an integral part of the movement toward multipolarity (Serbin, 2020).

### **3.1.6. Recent Dynamics of Integration in the Eurasian Economic Union**

2022 was one of the most challenging years in the history of the Eurasian Economic Union. On the one hand, this is a period of great economic upheaval and international tension, and on the other, the start of a new progressive stage in the development of the EEU. Despite the unprecedented sanctions pressure on some member states of the EEU through the joint

efforts of national governments the Eurasian Economic Commission, and business, the Union ensured positive dynamics in the real sector of the economy (EEC, 2024a)

In particular, since March 2022 prompt anti-crisis measures have been taken to soften the impact of sanctions on the Union's economy. Specifically import customs duties have been zeroed out for more than 465 types of goods (more than 1,300 EAEU HS codes), a higher threshold (1,000 euros) has been provided for duty-free import of goods for personal consumption by individuals, "parallel" imports have been promoted and much more. These and other measures support companies and citizens for about \$2 billion (EEC, 2024b).

Despite a slight decrease in the EEU GDP (by approximately 2% at the end of 2022), according to the results of 2023, the GDP of Armenia increased by 12.6%, Kyrgyzstan - by 7.2%, Kazakhstan - by 3.0%, and with the insignificant decrease of GDP in Russia and Belarus.

In general, the EEU likely demonstrates its ability to overcome serious challenges. The rate of industrial production in the EEU amounted to 99.4% compared to 2022; an increase in industrial production was observed in Kyrgyzstan (+11.4%), Armenia (+7.8%), and Kazakhstan (+1.1%). Agricultural production in the EEU increased by 9.4% and in all countries: Armenia – by 1.6%, Belarus – by 3.6%, Kazakhstan – by 9.1%, Kyrgyzstan – by 7.3%, Russia – by 10.2% (EEC, 2024a).

In addition, trade also likely demonstrates successful dynamics. More specifically, in the foreign trade of the EEU in 2023, an increase in the export of goods was recorded by 21%, and in mutual trade - by more than 14 percent. At the same time, cooperative supplies within the Union have increased significantly.

The positive dynamics have been similarly fixed in the investment sector. For 2023 the index of the physical volume of investments in fixed capital in the EEU amounted to 105.3% compared to the corresponding period in 2022. According to the balance of payments data of the Union member states there was an influx of foreign direct investment into the economies of Armenia (3.1 times), Belarus (1.6 times), Kazakhstan (2.0 times), Kyrgyzstan (1.5 times) (EEC, 2024a)

Russia is the major investor in the EEU, with a share of more than 80% of the total volume of mutual investments. In 2023 Russia supported 11 out of 16 new projects worth \$0.9 billion. The Russian investment mostly goes to Kazakhstan for oil, gas, and logistics projects.

For the economies of the EEU countries the intensification of mutual investments means a steady increase in the volume of mutual trade, the exchange of technologies and knowledge, and an increase in opportunities for new processing industries. Against the backdrop of

procedures for the movement of capital, labor, goods, and services within the EEU, joint productions of the region receive additional competitive advantages (Svinova, 2023).

Meanwhile, the EEU experts explain the drivers of growth in the economies of the Union during ongoing sanctions as follows.

According to the Head of the Department of International Economic Relations of the RUDN University, Inna Andronova,

*“Under the sanctions, we were forced to switch to payments in national currencies, which led to economic growth. It showed the effectiveness of the EEU and sanctions, which had the opposite positive effect.”*

Azganush Migranyan, Head of the Department of International Commerce and Logistics at RANEPA forecasts:

*“In 2024 we can expect a more modest growth in the economies of the EEU. We may also observe a smooth and prolonged increase in national currencies in calculations. The transition to national currencies allows for the reduction of commercial losses from fluctuations in exchange rates.”*

### **3.1.7. Immediate Tasks of the EEU**

The formation of a common financial market, a common market for trading goods and resources, and a space for technological development – these are the primary tasks of the EEU for the coming years and the medium term. The main directions of long-term integration until 2030 and 2045 were defined in the declaration on the further development of the Eurasian integration. The Declaration focuses on the key areas of cooperation. For the development of the common market for goods the parties agreed to jointly develop the infrastructure for storing agricultural products and form independent seed and breeding funds (EEC, 2019).

The EEU states will continue to form common energy markets. It is planned to develop civil law relations in digital trade and cooperation in technology. It is a mechanism to support industrial and scientific collaboration. The mutual transport and logistics space will increase the efficiency of the transport complex with minimal financial investments. It is expected to speed up the passage of cargo through checkpoints, optimize logistics, and improve forecasting. It is planned to reduce the cost of paperwork, and for the facilitation purpose there was the Agreement on Navigation Seals signed in 2022 (EEC, 2023a).

The Declaration sets objectives for coordinating the development of physical infrastructure. It primarily concerns projects that comprise parts of international transport corridors.

The priority tasks in finance are related to an independent payment infrastructure in the Union, which can serve as a guarantee for ensuring stable settlements between enterprises of the EEU countries in national currencies.

It has been redesigned to develop a single market of services. The countries passed a resolution to set up a single market for tourism services provision and expansion of intercourse in areas like science, education, etc. (EEC, 2023b).

In general, in 2023, 749 acts of various levels were adopted within the Union. Among them, there are 42 documents of the Supreme Eurasian Economic Council, 45 documents of the Eurasian Intergovernmental Council, 253 documents of the Council of the Eurasian Economic Commission, and 409 documents of the Board of the Eurasian Economic Commission (EEC, 2024a).

A significant event of the Russian presidency of the EEU was the decision to launch a mechanism for financing industrial cooperation projects from the EEU budget. The financial assistance for industrial cooperation will contribute to the further technological development of the EEU states. It ensures guaranteed access for small economies to the development of new technologies and serves as an incentive for the development of the integration process (EEC, 2024b).

### 3.2. Results of analysis and Data inventory

One of the goals of this study was to examine the effectiveness of integrational processes within the Eurasian region and the impact of this integration on the economic development of the member states. The primary focus was placed on the Kazakhstani role in the EEU establishment and the Kazakhstani citizens' perception of the potential benefits and disadvantages of this integration.

The study sought to answer the key research question: *What are the implications and potential impact of introducing and establishing the Eurasian Economic Union? How has Kazakhstan emerged as the driving force behind the formation of the EEU? How does the integration into the EEU affect economic capabilities and foreign policy decision-making process in Kazakhstan?*

Consistently, this section presents the results of the document and discourse analysis. Findings were divided according to the themes used as a structure for the document analysis. The investigation included policy and strategy documents, as well as relevant studies. Materials were obtained from the EEU open data portal ([www.eurasiancommission.org](http://www.eurasiancommission.org)), the

member-states government websites, media sources, and other research works. The list of analyzed documents can be found in the appendixes.

When searching for data combinations the following keywords were applied to the search engines: *The Eurasian Economic Union, the EEU history, the EEU foundation and ideology, the EEU objectives, the EEU geopolitics, the EEU structure, the EEU Member-States' expectations, etc.* Upon reading the abstracts of each publication the selection from the search results was made based on the relevance of the study topics. Since Russian is the official language of the EEU, most materials were translated from Russian into English.

### **3.2.1. Priorities and Expectations of the Member-States from Integration into the EEU**

Ensuring the conditions for the national economies of the Member-States and increasing their competitiveness in the global and regional arena have been the main objectives of creating the EEU. This principle was highlighted by Kazakh President Nazarbayev when he first initiated the creation of the EEU in 1994.

According to Resolution No 28 of the Supreme Eurasian Economic Council dated October 16, 2015, the participation of the Member-States in the integration processes aims to liberalize access to their products and improve the business climate for a further investment attraction. It goes without saying that each state has its scale of priorities and urgent challenges within the Eurasian economic integration. Thus, the researcher has applied efforts to review and analyze the priorities and benefits that each member might gain due to this collaboration.

#### **➤ Armenia**

Analysis of the official and expert discourse in Armenia upon joining the EEU shows that the rationales for its international efforts are linked to the following purposes: 1. Creation of infrastructure for regional trade (via FEZs), realization of transit potential and elimination of the transport isolation of Armenia. 2. Expansion of Armenian exports and a multi-dimensional foreign commerce policy (primarily to the EU, Iran, and other neighboring countries). 3. Reduction of power costs through integration into the emerging EEU single market for energy resources.

If we consider each of them separately, then one of the key factors influencing the interest of Eurasian integration in Armenia was related to the power prices. The price reduction for the Russian gas was the primary cause for joining the EEU. The creation of a single energy market of the EEU should provide a competitive environment for the Armenian enterprises. It was

expected that they will stabilize the energy prices and power supply to the national economies. In the conditions of a single energy market the companies from Armenia in accordance with the EEU documents will benefit from the equal non-discriminatory opportunities for conducting business activities just like the other EEU countries.

Besides, Armenia may pursue further development opportunities to export electricity outside the EEU, for example, to Iran. So far, this potential is limited due to the insufficient capacity of the interstate power transmission lines and the lack of connections between the energy systems of Armenia and other EEU countries. Despite the availability of the power grids between Iran and Armenia, Georgia and Russia which are being synchronized, they remain mutually disconnected. The construction of 400-kilovolt power lines Iran–Armenia and Armenia–Georgia is expected to resolve this problem.

According to Suren Papikyan, Minister of Territorial Administration, and Infrastructure (2019),

*“The construction of a 400-kilovolt Iran-Armenia power transmission line will allow Armenia to become an important transit country not only for Georgia and Iran but also for the EEU countries, and particularly the Russian Federation”.*

The completion date for the Iran-Armenia power transmission line project was originally announced as the end of 2018. However, in 2023, the responsible authorities stated that the line would be ready by the end of the year or later (Avanesov, 2023). As for the Armenia-Georgia power transmission line the parties have not yet started its construction.

Armenia also hopes to modernize the outdated Metsamor Nuclear Power Plant, which provides 40% of electricity production in Armenia. Due to the complexity of constructing a new nuclear power plant, the government continues to rely on this power plant.

To date, Armenia and Russia already signed an agreement, according to which the Armenian government will receive a loan of \$270 million and \$30 million as a grant to finance the modernization of nuclear power plants (Mamedyarov, 2017).

The overall implementation of the EEU plans in the single electricity market will allow the electric power companies of Armenia to become competitive participants in the common market of the EEU and realize the existing potential in the transit and export of electricity.

Armenia expects that integration within the EEU should promote the implementation of two major projects. The first, is a railroad connecting Armenia with Iran and the second is a free economic zone on the border with Iran, which is also strategically significant for Armenia. The construction of the Armenia-Iran railway is critical not only for Yerevan but also for the

EEU as a part of the Project implementation linking the EEU and the Silk Road Economic Belt and which will eventually facilitate an access to Iran and the neighboring countries (Regnum, 2016).

Another reason that encouraged Armenia to join the EEU was the creation of a free economic zone in Meghri. This project was first initiated at the meeting of the Heads of Russia and Armenia at the beginning of 2017. The Meghri FEZ was launched on December 15, 2017. The creation of FEZ infrastructure in Armenia was estimated at \$32 million (Alekseenko, 2017).

Thus, according to the Ministry's forecast the projects designed for a further economic development and investment in Armenia, investments in the economic zone over decades could amount to \$350-400 million. The average annual volume of goods produced in the FEZ is expected to be \$80-100 million, exporting to Iran, the EEU states, the Middle East, Turkmenistan, etc. (Avanesov, 2017).

So far, about 120 companies have become residents of the FEZ. The FEZ specializes primarily in agriculture, processing industry, commerce, electricity supply, transportation, warehousing, specialized and technical activities, culture, tourism, entertainment, recreation, etc.

Successful implementation of the FEZ project is equally important not only for Armenia but also for the entire EEU. For Yerevan, for instance it opens more trade prospects and enhances the development of economic relations with Iran and other markets in the region, receiving foreign investment, creating jobs, increasing the share of high-tech products, incentivizing Armenia to act as a bridge between the EEU and Georgia, and more significantly between the EEU and EU. For the EEU countries, this is also an opportunity to enter the market of Iran, Georgia, the EU, and other countries.

According to Vigen Sargsyan, Armenian Defense Minister (2017),

*“Our membership in the EEU does not impede the development of relations with the European Union, both in terms of political dialogue and economic ties. Today, Armenia has a GSP+ trading system with the EU, allowing Armenian producers to enter European markets. Russian manufacturers understand that having production in Armenia opens the prospects in European markets. We similarly have intensive relations with Iran.”*

Meanwhile, the Armenian economy gives priority to small-scale agricultural production. The structure of GDP accounts for: agriculture - 31.1%, industry - 21.8%, trade - 8.7%, construction - 8.5%, transport - 5.1%, other areas - 24.9%. Accordingly, the country has the

highest share of agricultural products in the EEU structure (16%). Membership in the Eurasian Customs Union is critical for promoting agricultural exports, as well as for the development of trade relations with other countries. In recent years, the EU has been a key trading partner for Armenia, accounting for 29.9% of exports and 24% of imports (RIAC, 2017).

➤ **Republic of Kyrgyzstan**

According to available data, the integration into the EEU likely links to the following prospects: 1. Expansion of export opportunities for domestic products to the EEU single market. 2. Implementation of transit potential Kyrgyzstan. 3. Coordination of the industrial and macroeconomic policies with union members. 4. Opening labor and human development prospects. 5. Solution of hydropower problems in Kyrgyzstan.

However, Kyrgyzstan's entry into the EEU was more painful for local businesses. One has to mention positive effects of integration which include opening the labor market with a negative impact associated with the losses for Kyrgyz producers supplying competitive products to the EEU market. For example, Kazakhstani products have become more competitive in the Kyrgyz market as compared to Kyrgyzstani products. In order to become a full-fledged participant of the EEU activities, Kyrgyzstan will have to equip its laboratories with modern equipment to ensure a better quality of products (Rakhimov, 2016).

The EEU records highlight that Kyrgyzstan aims to deepen economic integration and remove barriers for activation of the mutual commerce between the Member-States. According to the information of Sooronbay Jeenbekov, Prime Minister of Kyrgyzstan (2016),

*“Upon Kyrgyzstan’s accession to the EEU, the uniform requirements for products established by the EEU technical regulations came into force. The borders were equipped with four checkpoints, seven veterinary control checkpoints, 30 accredited laboratories of Kyrgyzstan, and seven certification bodies included in the Unified Register of the EEU. 18 Kyrgyz enterprises have been included in this register. They produce and supply food products to the EEU market. And this, we hope, is just the beginning.”*

Kyrgyzstan's membership in the EEU has provided Kyrgyz labor migrants working in Russia and Kazakhstan with favorable conditions for their stay and work activities, namely: jobs searching procedures have been simplified, also social living conditions for them in the EEU countries have been improved.

Meanwhile, one of the driving forces that boosted Kyrgyzstan's entry to the EEU was realizing its transit potential within the Silk Road Economic Belt (SREB). As part of this Belt,

it is planned to build China-Kyrgyzstan-Uzbekistan railroad, which should connect the north and south of Kyrgyzstan and ensure an access to supplies of goods to the markets of Western Asia. According to the Minister of Transport and Roads of Kyrgyzstan with the help of the China-Kyrgyzstan railway it will be possible to transport over 12 million tons of cargo per year, which will bring the country's budget of \$150-200 million per year only at the first stage, and later the State can receive about \$500 million a year from that transit (Tazabek, 2017).

According to the mass media records the construction of this railway has not been started yet due to the lack of funding, which had been confirmed by Adylbek Kasymaliev, Kyrgyz Deputy Chairman of the Cabinet of Ministers. Currently the government is seeking investors, and the construction will be started once the investors are found (Ulitin, 2023).

In the meantime, Kyrgyzstan like Armenia, has the highest share of agriculture in the EEU economy (13.8%). Thus, the country focuses its serious attention at ensuring food security and creating agro-industrial complex clusters.

Kyrgyzstan also expects an influx of investment and expansion of the market for its mining and light industry. On February 20, 2015, the government of Kyrgyzstan approved the “Strategy for the Development of the Mining Industry for 2015-2035.” The strategy involves modernizing the industry based on the best global practices, creating regulatory rules aligned to international standards, providing employment, attracting foreign investment, etc.

Hydropower supply is another reason for joining the Union since this is one of the most problematic sectors for the Kyrgyz economy. Kyrgyzstan expects the EEU's contribution to the solution of the hydropower problems, which is also associated with the attraction of the Russian investments. On February 16, 2017, the Tegirmentinskaya small hydro-electric power station was put into operation in the Chui region of Kyrgyzstan and was built due to the resources of the Russian-Kyrgyz Development Fund (RKDF). It is the first small hydropower plant funded by the RKDF and designed to supply the generated electricity to the national network of Kyrgyzstan. According to the Ministry of Justice of the Kyrgyz Republic 12 small hydropower plants currently operate in Kyrgyzstan. However, only 10% of the country's hydroelectric potential is being utilized. The EEU's assistance in realizing this potential will be the positive outcome of this membership (The World Bank, 2023).

### ➤ **Republic of Kazakhstan**

Kazakhstan adheres to the principle of multi-vector both in external politics and foreign economic relations. Kazakhstan's participation in integration projects is synchronized with national priorities and objectives. The country initially pursued two goals: firstly, creating a

single market of oil, gas, electricity, and secondly, ensuring a free access to the neighboring countries' markets.

Analysis of official and expert discourse in the country shows that for Kazakhstan, the rationale for Eurasian integration is connected to the following objectives (KazGov, 2023):

1. Expanding opportunities for exporting Kazakhstani products.
2. Promoting the EEU to realize the foreign trade potential of Kazakhstan.
3. The ability of the EEU to implement the transit potential of Kazakhstan.
4. Developing the macroeconomic regulation in the EEU.
5. Creating conditions for the business activity growth and foreign investments attraction.

According to the document analysis the EEU's single market upon its establishment created certain bureaucratic and informal barriers to accessing Kazakh goods in the Russian and Belarusian markets. It tended to cause the price increase for imported goods and the displacement of Kazakh products by goods from Russia and Belarus. Moreover, opening the borders with Russia and Belarus was perceived by the public as a "one-sided game" since the legislation of these states does not allow the import of a wide range of foreign goods, including Kazakhstani ones. On the other hand, it also was assumed that the Eurasian economic integration may increase the overall competitiveness of Kazakh businesses and strengthen their positions in the domestic and foreign markets. Anyway, critics of the Eurasian integration dispute that the trade volumes with the rest of the world could gradually decline, which reflects a drop in the import of advanced technologies. In the long term, this situation may harm productivity in Kazakhstan (Dodonov, 2020).

Nevertheless, according to statistics, the EU remains the main trading partner of Kazakhstan, accounting for about 30% of its foreign commerce. In 2022 trade turnover increased by more than 38%, amounting to about \$40 billion (Forbes, 2023). Kazakhstan is likely to strive to increase the volume of foreign trade with the EU.

As for the reasons that incentivized Kazakhstani integration into the EEU, the country aims to fully realize its economic and industrial potential. Kazakhstan's involvement in the Chinese Silk Road Belt Project (SREB) is a bright illustration of that objective. Kazakhstan used the SREB Project to construct and modernize the strategy for the country's transport corridors. The first was the Western Europe – Western China line, representing the northern part of SREB (The State program for infrastructure development "Nurlyzhol" in 2015-2019).

Another strategic path was a marine route that passes through the western part of Kazakhstan with an exit to the Caspian and Black Seas. At the end of this Project the country should obtain an access to the Russian pipelines and ports in the Baltic. The membership in the

EEU allowed Kazakhstan to use the EEU zone with reduced transport costs and bureaucratic procedures.

According to T. Zhaksylykov, Vice-Minister of National Economy (2016),  
*“The construction of the road transport corridor "Western Europe - Western China" within the SREB project provides the shortest road route from China to Europe and increases the transit potential of the entire Eurasian continent. The delivery time of goods along the route will be on average 10 days. The volume of transportation along this international corridor will amount to more than 30 million tons of cargo”.*

The construction of the Kazakhstani part of the SREB project was completed in 2017 and currently the transport corridor is fully operational. The part of the Project passing the Russian territory is still under construction. In general the length of the transport corridor from the Chinese port of Lianyungan to St. Petersburg is about 8 thousand 461 kilometers, and about 2,787 kilometers pass through Kazakhstan. This project provides transport cargo transportation in three main directions: China - Kazakhstan (25%), China - Central Asia (35%), and China - Kazakhstan - Russia - Western Europe (40%) (Sputnik.kz, 2019).

The completion of the Kazakhstani section (from Almaty to Aktobe and from there to the Russian border) of a highway from Western China for onward travel to Europe was primarily funded by the World Bank, a consortium led by the Asian Development Bank and a contribution from the Kazakhstani authorities (Griffiths 2019).

Meanwhile, the economic crisis in Russia and the devaluation of its currency most likely affected macroeconomic and trade indicators in Kazakhstan. The inconsistency of devaluation measures in Russia and Kazakhstan led to a sharp drop in sales within Kazakhstan (Samedova, 2022). In such conditions experts suggest increasing the investment attractiveness of member-states, which is the strategic objective of the Customs Union and the Common Economic Space (CES).

Considering this objective Kazakhstan offers its assistance as a regional integrator of economic flows for the EEU countries. According to the National Bank of the Republic of Kazakhstan over the past five years Kazakhstan has attracted more than \$20 billion in foreign direct investment annually. The exception was in 2020: due to the COVID-19 pandemic, investment flows decreased globally by 35% and in Kazakhstan by 29.8%, to \$17.2 billion (Finprom. kz, 2022).

In 2022 the Kazakh government approved a new investment policy until 2026, which aims to provide more favorable conditions for investors as an alternative to doing business in Russia. In addition, Kazakhstan is likely to have high expectations from the formation of a single financial market of the EEU. To mitigate the risks of adaptation of the national legislative systems for the EEU's financial market, Kazakhstan proposes to use a regulatory platform based on English law. This platform is already being practiced in Kazakhstan within the International Financial Center in Astana (AIFC) established in 2018 (Finprom. kz, 2022).

The AIFC carries out the financial activities of foreign companies without their physical presence and raises their capital through the stock exchange. In this sense, Kazakhstan attempts to become a financial hub for the EEU states, and strategic steps are being taken to realize this ambition. Thus, in addition to economic and industrial objectives, Kazakhstan promotes its financial institutions (AIFC) at the regional level and aims to achieve international recognition. This effort likely endorses the typical desires of small states to exert their influence on regional institutions and increase overall contributions.

#### ➤ **Republic of Belarus**

In the Belarusian public space, both at the official level discourse and in the expert community, the emphasis is on the need to preserve the exclusively economic nature of integration and guarantees of national sovereignty of the EEU member states. At the same time, there is criticism concerning Russia's policy in the EEU, which most often pursues narrow national interests to the detriment of the union's interests (The Eurasian Development Bank, 2016).

According to the EEU records, Belarus is likely to pursue the following objectives within the EEU integration: 1. Expanding the export of Belarusian products to the EEU market and other markets. 2. Formation of a single market for energy resources. 3. Removal of remaining barriers to the movement of goods and labor. 4. Coordinated macroeconomic regulation and industrial policy at the EEU level.

At all stages of integration construction Belarus acted as an active participant. The initiatives from the Belarusian side aimed at eliminating barriers, reducing exemptions and restrictions on the EEU markets, preventing the possibility of new types of obstacles, increasing the efficiency of the Union's bodies, improving the institutional structure of the Union, strengthening the supranational competence of the Eurasian Economic Commission, increasing its responsibility and discipline." (MFA BR, 2020).

According to Belarusian President Alexander Lukashenko,

*“The current EEU began in President Putin’s kitchen when he invited us over, and this idea was good. The combination of integration efforts of the EEU, Shanghai Organization of Cooperation, and BRICS will contribute to the creation of the world's largest coalition of states.” (RgRU, 2023)*

Belarusian experts also highlight that Belarus benefits most from participation in Eurasian integration because the EEU is a huge market of 186 million people with free movement of goods (according to Article 1 of the Treaty on the Eurasian Economic Union). In 2020 mutual trade with the EEU countries amounted to 49.5% of the republic’s total trade. In 2021 this figure increased to 50%, which according to the latest official data the EEU accounts for half of Belarus’s total foreign trade (Eadaily.com, 2023).

The Russian Federation occupies a special place in the trade relations of Belarus, and it is the main supplier of energy resources and raw materials for industry and the buyer of the bulk of Belarusian industrial and agricultural products. The effectiveness of relations between the two states can be confirmed by the volume of trade turnover, which in 2022 almost reached a record \$46 billion (CIS, 2023).

Close economic relations with Russia are also reflected in Eurasian integration. From the EEU perspective, the economy of Belarus is characterized by a transit position on the way of Russian goods to Europe, strong dependence on Russia, and small volumes of trade with other EEU countries (Toma, 2021).

Yet, membership in the EEU provides an opportunity not only to establish trade and economic ties but also to open prospects for infrastructural transformations and logistics innovations. For example, Belarus tries to participate in SREB projects and expand economic cooperation with China.

Another big advantage of the EEU integration is a common labor market, providing employment opportunities in all EEU countries without obstacles or restrictions. It increases the social protection of labor migrants and strengthens labor ties within the entire Union.

Belarus also receives significant military-political benefits since Eurasian integration is not limited only to the EEU. Within the framework of the Union and the Organization of the Collective Security Treaty (CSTO), Belarus relies on the protection by Russia. A significant benefit is also the foreign policy support from its allies in the EEU and CSTO (ib).

In the meantime, Belarus is anxious about EEU’s single electricity, oil, and gas markets. The country hopes to obtain equal conditions for producers and supply prospects in the EEU and other markets. In addition, Belarus expects that the EEU single energy market will facilitate the entry of investors into Belarus, allowing them to compete with existing economic entities.

To date, the Belarusian legislation in electricity is being harmonized with those within the EEU framework.

According to A. Kozhoshev, Minister of Energy and Infrastructure of EEU (2023), *The EEU common market for energy resources will be launched by January 2025. It should open the opportunity for its participants to carry out cross-border trade in the Eurasian space, and the cost of electricity will follow exchange mechanisms, ensuring its transparency.*

Recently, Russian President V. Putin has noted that energy prices in the EEU countries are different from the West tariffs. The difference in gas prices in the EEU and EU countries is around ten times or more. It allows economic development in the EEU zone (Neftegaz.ru, 2022).

Another area of interest for Belarus is industrial cooperation within the EEU. Belarusian experts believe that the EEU can develop industrial projects between its members and achieve technological sovereignty. Moreover, Belarus and Russia have made significant progress by implementing joint import substitution programs.

According to the EEU records in 2023 the volume of industrial production of the EEU amounted to 103.7%. Industrial production growth was observed in Belarus – by 8%, Kazakhstan – by 4.7%, Russia – by 3.5%, Kyrgyzstan – by 1.2%, and decrease – in Armenia – by 0.5%. (CIS, 2023a).

### ➤ **The Russian Federation**

According to the Russian official and expert discourse, Eurasian economic integration is primarily a tool for economic advancement. The country put serious inputs into becoming an EEU leader, which was an objective of the National development plan for 2008-2020. The strengthening of Russia's leadership in the Eurasian region was a prerequisite for transforming into a global economic center. With this purpose, Russia also aims to transform its economy from a resource-dependency model to an innovative one in the long term.

In addition to national interests, Russia looks to pursue the overall interests of the entire EEU states. According to the Russian Foreign Policy Concept, deepening and expanding integration within the EEU is emphasized as a means of achieving sustainable development, comprehensive technological renewal, and increasing the well-being and economic competitiveness of the EEU members. Another task was assisting in the integration of the European and Eurasian regions, and the formation of a common economic and humanitarian

space from the Atlantic to the Pacific region, which could prevent the emergence of dividing lines on the European continent (paragraph 63).

President V.V. Putin outlined the prospects for the EEU in the article "A New Integration Project for Eurasia - the Future that is being born today." Particularly, President Putin notes that the creation of the EEU is not an attempt to recreate the USSR, but time requires political and economic unification in a new value format. The EEU, as a new supranational association, should become a link between Europe and the Asia-Pacific region in the form of a full-fledged economic union, the competitiveness of which should be ensured by the development of investments, the creation of advanced industries, and new jobs. The Union should become a starting point for further integration, but it is an open project in which other CIS members can participate. Most importantly, the EEU activities should not be considered as opposition to anyone or a desire to isolate from other CIS countries.

In the discourse of Russian scientists and experts, neighboring countries are natural partners of Russia, as the sales markets for Russian products are not so large, the country should not ignore the possibilities of trade expansion. In this regard, the rationales for Russian integration into the EEU assembled with the following objectives: 1. Expanding the trade markets for domestic goods by diversifying trade and economic relations. 2. Establishing a single financial market and the transformation of Russia into the world financial center. 3. Implementing overall transport potential and developing the domestic transport and logistic infrastructure. 4. Increasing access to the EEU labor market and developing human resources. 5. Creating a common electricity market.

In general, Russia is anxious about expanding its exports to the EEU single market, ensuring unhindered penetration of domestic goods, increasing the share of non-resource exports, and eliminating restrictions on trade. The effectiveness of the EEU integration in Russia is likely to be tied to the launch of a single market by 2025. Moreover, the expansion of the Eurasian integration can increase its attractiveness among other states and diversify imports entering the Russian market. The country has been promoting this idea by concluding the relevant agreements with Vietnam, Egypt, Iran, Singapore, India, and Serbia.

Among other factors, Russia links its integration into the EEU with a single financial market and Russia's transformation into one of the world's financial centers. According to experts, this factor can increase the volume of exports, imports, and financial services. The desire to become the financial center of the Eurasian space in Russia remains actual and the most optimal, considering the GDP share of member states and their financial potential (Osmanova & Chominich, 2021).

In addition, Russia, as the largest economy in the union, is also the largest importer of labor due to the aging population. According to the Ministry of Economy, in 2022, 1.7 million citizens of the EEU states came to work in Russia, and more than half of them are Kyrgyz migrant workers (1 million people).

Head of the Federal Service for Labor and Employment, Mikhail Ivanov, highlights that *“The EEU has achieved a great degree of liberalization of its common labor market, which remains comparatively stable despite some economic and political hardships. Working and socio-economic conditions among states vary significantly. Thus, it is necessary to provide easier access for migrant workers to the social protection system and medical care in the state of employment”*. (EAEU, 2023).

Another objective of Russia is to realize its transit potential. In October 2014 the Russian government signed an agreement with China aiming to build the Eurasian high-speed transport corridor “Moscow – Beijing.” It aimed to modernize the Trans-Siberian Railway and the logistics capabilities of the Eastern region. However, Russian participation in the Chinese SREB project was possible only through the “Moscow-Kazan” transport highway since the Chinese side was interested in the Central Asian transport direction. The highway from Moscow to Kazan will be completed and opened in 2024 (EAEU, 2023a)

Russian media platforms informed that the Chinese side agreed to invest about 300 billion rubles (\$5.9 billion). The total cost of the highway is 1.068 trillion rubles (\$21 billion). Russian President Putin claims that the EEU and the Chinese Silk Road Economic Belt project can harmoniously complement each other, implying a common economic space on the entire Eurasian continent. Yet, some Russian experts warn that the SREB project threatens Russia with a loss of influence in Central Asia since Russia will cover only the northern part of the project. On the other hand, experts agree that China will promote this project in any case, with or without Russia. Thus, EEU states should use Chinese resources for infrastructural development (BBC, 2015).

Russia is also interested in selling surplus electricity in the EEU countries and other foreign markets. The Russian system is superior to the power systems of the EEU countries by 10-30 times, and the current internal needs of Russia are 5 gigawatts, while it has a capacity of 12 gigawatts. According to British Petroleum estimates, Russia will remain the world's largest exporter of primary energy resources until 2040. The production of primary energy sources in Russia in this period will increase by 20% (BP, 2018).

For this reason, Russia promotes the formation of an EEU common market electricity, which allows the exporting of surplus electricity to EEU states and third countries. A gradual formation of the common electricity market of the Union in parallel with operating electric power systems is declared in Article 81 of the Treaty on the EAEU. The deadline for the launch of the common electricity market is planned for January 2025.

Consequently, Russia, as a regional power, holds superior ambitions within the EEU structure. This integration for Russia is not only a tool for economic expansion in the region but also a prerequisite for becoming a global economic center. Such asymmetric relations within the EEU (Womack, 2016) allow Russia to promote its ambitions since less powerful member states cannot openly oppose a regional power.

### **Recent Changes in the Russian Foreign Policy**

Against the backdrop of dramatic changes in the world, in 2023, Russia approved a new edition of the foreign policy concept. The document rethinks the relations of the Russian Federation with other countries. In particular, it was stated that the main initiator and conductor of the anti-Russian line is the United States. In addition, the approach to security has changed. Thus, in the updated concept, a thesis appeared on armed forces to repel or prevent an attack on the Russian Federation or its allies. A 43-page decree soon appeared on the official Internet portal of legal information (*Decree of the President of the Russian Federation No. 229, March 31, 2023*).

Foreign Minister Sergei Lavrov clarified that:

*“The adopted concept concerns “independence and focus on creating favorable external conditions for the progressive development of Russia. It reflects revolutionary developments on the external contour, which became even more after a special military operation. In particular, the existential nature of the threats to the security and development of our country created by the actions of unfriendly states is recognized. The United States is named as the main initiator and conductor of the anti-Russian line, and the Western policy aimed at weakening Russia is characterized as a new type of hybrid war.*

*At the same time, the concept clearly states that Russia is not isolated from the Anglo-Saxon countries and continental Europe and does not have initially hostile intentions towards them. However, they must realize the futility of a confrontational policy towards the Russian Federation” (Izvestia, 2023).*

In addition, Russia has prompted its interest in deepening Eurasian integration and strategic ties with China and India. The country is open to cooperating with the Islamic,

ASEAN, and Caribbean states, as well as with the African continent and Latin America. Among other things, Russia intends to develop relations with Iran, Turkey, Saudi Arabia, and Egypt, as well as support Syria. At the same time, Moscow suppresses any attempts to interfere with its cooperation with other countries. Russia aims to comply with the principle of indivisible security only on a reciprocal basis. Moscow will oppose the military infrastructure of unfriendly countries and other threats to its security. The country emphasizes its status as a country civilization and what place Russia occupies in the new world order (*Decree of the President of the Russian Federation No. 229, March 31, 2023*).

According to Sergei Shein, Academic Director of the Higher School of Economics: "Currently, not only the Russian Federation but other countries are suffering from the dominance of the West. The UN, as a platform for coordinating the interests of its members, is deliberately devalued. Also, the United States and its satellites consider Moscow's independent foreign policy a threat to Western hegemony. Thus, they unleashed a new type of hybrid war aimed at the weakening of Russia (*Izvestia, 2023*).

### **Russian Economy: Overcoming Sanctions**

In 2023 the Russian economy showed signs of a successful short-term adaptation to unprecedented sanctions challenges caused by a sharp increase in geopolitical contradictions with leading economically developed countries. Key factors that made it possible to achieve this result were the progressive reorientation of foreign trade flows in favor of neutral and friendly countries, expansion of domestic demand due to increased government spending, as well as sufficiently balanced macroeconomic policy, which made it possible to avoid destabilization of the national economy under conditions of severe external pressure (Dyngin & Baranovsky, 2023).

Throughout the year, Russian regulators and leading international Economic organizations have steadily raised their forecasts for the development of the Russian economy. If in January 2023, the IMF predicted Russian GDP growth at 0.3% of GDP, then in July, the forecast was raised to 1.5%, and in October - to 2.2%. Actual GDP growth in the first half of 2023, according to Rosstat, amounted to 1.6%, and in the third quarter, it accelerated to 5.5% compared to the same period of the previous year. At the same time, the output volume in the manufacturing industry in January-September increased by 7.1%, incl. production of electrical equipment - by 22.2%, finished metal products – by 30.0%, computers, electronic and optical products – by 34.5% (RBC, 2024).

Despite the forced reorientation of part of government spending and production capacity to serve defense and security priorities, the domestic sector firms also experienced the positive effects of economic recovery. Real disposable income of the population in the first three quarters of 2023 increased by 4.8% (incl. real wages - by 7.5%), the volume of retail trade increased by 4.7%, and the volume paid services to the population - by 4.2%. Food industry output, mainly focused on consumer demand, increased by 6.5%, and clothing production – by 6.0% (TASS, 2024).

According to the Federal Customs Service, the share of Russian exports to European countries fell to 20.6%. In contrast, the share of Asian countries increased from 45.8% to 71.5%. At the same time, in absolute terms, export indicators showed a decrease: for example, the total volume of exports in 2023 decreased by 29.4%, and exports of mineral products - by 36.3%.

As for imports, in 2023, they increased by 18.3%, incl. the import of machinery, equipment, and vehicles – by 32.8%. As in the case of exports, there was an active reorientation of trade flows from Europe to Asia: the share of the former decreased from 36.0% to 27.7%, and the latter increased from 55.6% to 65.5%. The expansion of trade relations with Asian countries provides the Russian Federation with both the replacement of Western export markets (primarily for raw materials) and alternative channels of access to imports of manufacturing products (including through those that are legitimate in terms of WTO rules, but not channels of intermediary trade that suit the initiators of unilateral sanctions) (GovRu, 2024).

Considering that when saving the rate at 15%, the Central Bank (CBR) predicts annual inflation rates of about 7.0–7.5% with a target level of 4%. In these conditions, the priority becomes balancing the goals of maintaining macroeconomic stability, with one on the other hand, and production growth at the level of industries and companies on the other hand.

Along with the problems associated with the CBR policy, the main risk factors for the Russian economy in 2024 are as follows.

- 1) Increased pressure from unfriendly countries on states and companies interested in continuing and developing economic cooperation with the Russian Federation. Tightening the secondary sanctions creates sophisticated mechanisms for potentially sanctioned transactions involving companies from third countries.

- 2) Reducing the range of countries with which constructive cooperation currently puts the prospects for long-term adaptation of the Russian economy to sanctions pressure in the investment and technology sector. In contrast to the foreign trade sphere, where the “switching” of commodity supplies to the countries of the Asian continent occurred quite dynamically, the replacement of economically developed countries as suppliers of investment and technology is

significantly more problematic. In these conditions, it is necessary to facilitate a thoughtful strategy for interaction with friendly and neutral countries for the opportunities associated with their potential in the specified areas.

3) The growing shortage of personnel in the real sector due to both expansion of aggregate demand and redistribution of part of the labor force from productive industries into the defense and security sector. Scale assessment of the corresponding problem and the search for ways to solve it promises to become an object of economic discussions in 2024. Although the total number of unemployed in January-September 2023 was 28.3% less than the same period of the previous year, the total number of unemployed was 2.3 million. The nature of the actual involvement of the relevant persons in economic activity, opportunities to provide productive employment to truly unemployed people, as well as the identification of other opportunities to meet the needs of the economy in personnel should become an area of close partner consideration from government regulatory agencies and private business companies (Dynkin & Baranovsky, 2023).

### **3.2.2. THE EEU STAKEHOLDER'S MATRIX**

According to the study results based on the documents analysis, the EEU member-states are associated with the EEU function and structural representation. Each member holds specific interests and expectations from the integration into the EEU and some degree of influence. For example, the Russian Federation with its leader V. Putin is likely to have a high level of impact on the EEU operation and prospects. Russia's primary priority is to strengthen its own global impact and to become one of the world's most powerful leaders. Other member states have a variety of rationales to involve in the EEU, they are primarily interested in pursuing national objectives and upholding historical ties with the neighboring states.

Russia exercises tight control over the EEU's general policy stance, which can be judged by the location of the EEU headquarters in Moscow, the application of the Russian language as an official language of the EEU, and Russia's contribution to the EEU budget by 85,32% according to Resolution No 9 of the Supreme EE Council dated May 8, 2015.

Kazakhstan and Belarus seem to have similar and medium influence over the EEU policymaking and operation. Despite Kazakhstan's comparatively sizable representation in the economy of the Union, around 10%, while Belarusian is below 4 percent. Historical-ethnic roots (Slavik nations) of Belarus and Russia, and close relationships between Presidents Putin and Lukashenko raise the influence of Belarus within the EEU. In addition, Belarus is a key member state providing mutually beneficial transit links on the Euro-Asian continent.

Kyrgyzstan and Armenia, due to their small economic share (1,9% and 1,1% respectively) and long geographic distance, are likely to have a lower level of influence within the EEU political structure. They use the EEU benefits to advance trade volumes within the EEU zone and to obtain direct investments for the modernization of domestic infrastructure.

**Table 3. The Stakeholders' Influence over the EEU Policy Landscape**

Stakeholder's name	Level of influence over the agenda	What is really important to the stakeholder?
The Russian Federation (President Putin V.)	High	Transforming the EEU to one of the world's powerful, independent, and self-sufficient centers. The strengthening of Russia's leadership in the Eurasian region was a prerequisite for transforming into a global economic center. Renovating its economy from a resource-dependency model to an innovative one in the long term.
Kazakhstan (Presidents Nazarbayev and Tokayev)	Medium	Developing economic cooperation by ensuring national interests and sovereignty of member-states: 1. Expanding opportunities for exporting Kazakhstani products. 2. Promoting the EEU to realize the foreign trade potential of Kazakhstan. 3. The ability of the EEU to implement the transit potential of Kazakhstan. 4. Development of macroeconomic regulation in the EEU. 5. Creating conditions for the growth of business activity and foreign investments.
Belarus (President Lukashenko A.)	Medium	Using the EEU structure to form common markets in various fields by enabling free movement of goods: 1. Expanding the export of Belarusian products to the EEU market and other markets. 2. Formation of a single market for energy resources. 3. Removal of remaining barriers to the movement of goods and labor. 4. Coordinated macroeconomic regulation and industrial policy at the EEU level.
Kyrgyzstan (Presidents Atambayev and Zhonibekov)	Low	Using the EEU support to increase economic potential and to modernize industrial infrastructure: 1. The expansion of export opportunities for domestic products to the EEU single market. 2. The implementation of transit potential Kyrgyzstan. 3. The coordination of the industrial and macroeconomic policies with union members. 4. The opening labor and human development prospects. 5. The solution of hydropower problems in Kyrgyzstan.

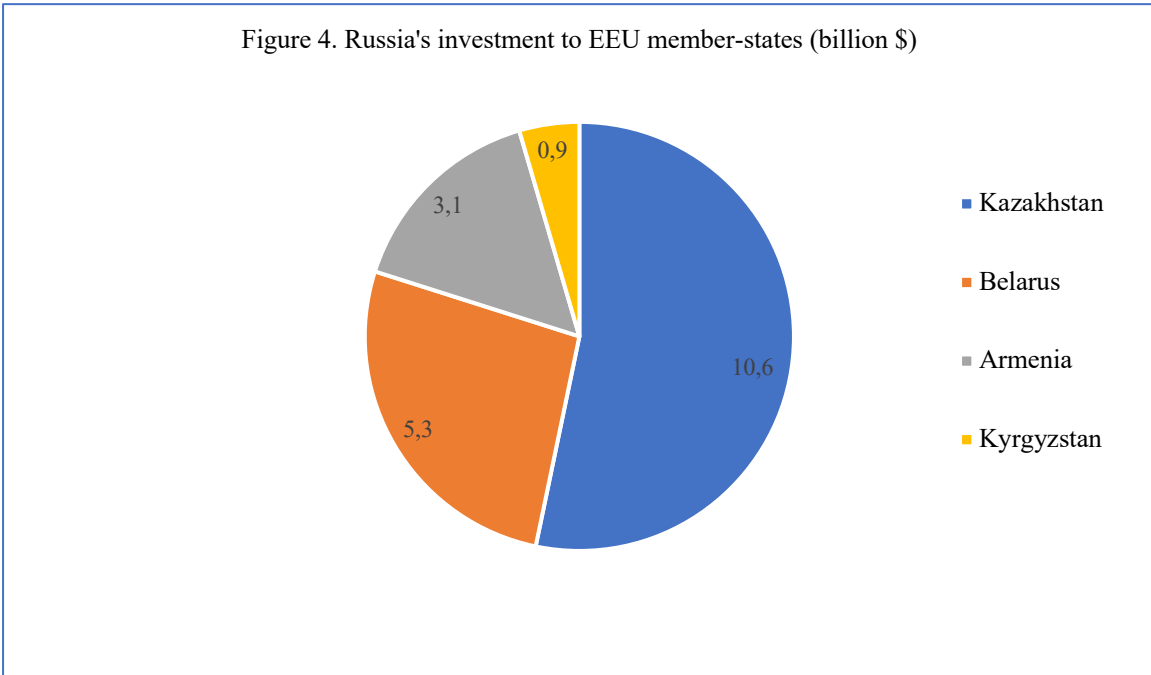
Armenia (Presidents Sargsyan and Khachatryan)	Low	Using the EEU system to realize economic objectives and to modernize industrial infrastructure: 1. The creation of infrastructure for regional trade (via FEZs), the realization of transit potential, and the elimination of the transport isolation of Armenia. 2. The expansion of Armenian exports and a multi-dimensional foreign trade policy (primarily to the EU, Iran, and other neighboring countries). 3. The reduction of energy costs through integration into the emerging EEU single market for energy resources.
---	-----	--

*Source: based on the results of document analysis.*

The results show that EEU member-states have specific reasons for Eurasian integration. At the same time, the findings demonstrate asymmetry of relations within the EEU. Russia, as a regional power and the largest economy within the union, holds superior power and influence over small states. The country presents more than 80% of the union economy and is the largest exporter of goods. The largest share of trade turnover also belongs to Russia. Other states, due to their limited economic potential and financial resources, are forced to join the union. Obtaining support from Russia and the EEU budget is crucial for implementing their local projects. In addition, a free trade zone within the EEU allows them to export certain goods at the lowest logistic and taxation expenses. Consequently, the EEU provides economic growth and stability in the region.

Russia is currently the leading investor in the EAEU. From 2016 to 2022, Moscow pledged \$10.6 billion to Kazakhstan, \$5.3 billion to Belarus, \$3.1 billion to Armenia, and \$946 million to Kyrgyzstan (Figure 4) (Smirnova, 2023).

Figure 4. Russia's investment to EEU member-states (billion \$)



Source: Smirnova, 2023

The Eurasian Development Bank (2023) similarly reports that Russia is the main investor in the EAEU, with a share of more than 80% of the total volume of mutual investments. In 2023, 11 out of 16 new projects worth \$0.9 billion are associated with the participation of Russian investors. The main recipient of Russian investments is Kazakhstan due to oil and gas and logistics industries. Other new projects in the region are Belarusian investments in Russia and Kazakhstan in the engineering industry, as well as Kazakh investments in Kyrgyzstan in the field of alternative energy.

The table below which was compiled on the basis of the data analysis represents the EEU stakeholders' engagement system and provides the rationale for their integration into the EEU. For example, stakeholders' contributions are required to advance national objectives and to secure the relevance of EEU policy to their priorities.

**Table 4. Reasons for Stakeholders' Engagement in the EEU System**

1. To distinguish the priority areas of cooperation and regional development.
2. To create a consistent legislative base for the effective functioning of the Union.
3. To promote transparency of resource allocation and planning system.
4. To pursue the interests of the broader community affected by the EEU policy.
5. To align the EEU policy agenda with the member-states expectations and needs.

6. To realize the economic and industrial potential of member-states within the EEU projects and relations.
7. To increase overall productivity and international influence of the Union.

*Source: based on the results of document analysis.*

However, prior political science research indicates that the reality of stakeholder participation in policymaking is frequently complex since differences among them might influence the level of their policy involvement (Siddiki et al. 2017; Schewe et al. 2020).

The stakeholders' contribution remains crucial for increasing the credibility of the EEU that affects the decisions of third states to join the Union. Mistrust regarding the equitable use of the Union's benefits and overall policymaking approach may affect stakeholders' perceptions about and participation in integration processes. The EEU administrative bodies should recognize the importance of stakeholders' involvement in the Union policy agenda.

### **3.3. Kazakhstan's Integration into the EEU and its Effect on the National Economy and Policy Context.**

This study has attempted to analyze how the EEU formation affected the national level and how the domestic institutions, experts, and the public assess Kazakhstan's membership in the EEU. The Kazakhstani case was generally used to analyze such structural and political transformations. The structural impact of the integration processes refers to the unification and harmonization of all relevant procedures. It cannot be denied that the structural inconsistencies may constrain the achievement of the EEU objectives.

The analysis of the Kazakhstani involvement in the EEU project and its effect started with the Kazakhstani perspective on Eurasianism and Eurasian integration.

#### **3.3.1. Kazakhstan's Vision of Eurasian Integration and Eurasianism**

According to the President N. Nazarbayev - his concept of Eurasian integration refers to the idea that mutual historical, economic, and cultural background and similar human aspirations offer the post-Soviet States a chance to build a new type of multilateral interstate ties, which is possible only through voluntariness, equality, and mutual benefit. In addition, the essence of the Eurasian integration initially lies in a sincere proprietary interest to ensure benefits for ordinary citizens. That is why the joint borders within the Customs Union have become transparent for the unimpeded passage of citizens, and transportation of cargo, goods, and currency.

Since 2009 Kazakhstan's trade turnover with partners in the Eurasian Economic Space and the Customs Union has increased by 88 percent or up to \$24.2 billion. The volume of exports to Russia and Belarus increased by 63 percent, including the doubled export of processed goods. The EEU states have opened joint ventures and agreed on the mutual recognition of higher, secondary, and vocational education (Akorda, 2023).

The Eurasian initiative has changed the character and given dynamism to integration processes throughout the CIS. As a result, the Collective Security Treaty Organization and the Eurasian Economic Community were established. The activities of the Commonwealth of Independent States and its structural units have become more specific. Almost 40 sectoral interstate bodies operate within its framework. Eurasian principles constitute the base for the Shanghai Cooperation Organization and the Conference on Interaction and Confidence Building Measures in Asia.

Kazakhstan has always been and remains an outspoken supporter of the formula - first comes the economy, then politics, which extends to its domestic and foreign strategies. This approach ensured consistency from the economic reforms to building pragmatic relations with foreign partners.

According to Nazarbayev, the mission of the EEU lies in two aspects. Firstly, to become one of the economic macro-regions of the world. Experts suggest that the world center (or economic gravity) is shifting to the East and Asia through the EEU. Its territory gives the Union a natural competitive advantage as a geo-economic bridge between East and West, Europe, and Asia. However, it cannot simply be an intermediary in goods and technologies from one area to another. The EEU should eventually emerge as a new center of global innovation and attraction for transnational business. Another mission of the Eurasian integration is to ensure that each participating country becomes a developed state.

Eurasianism in Kazakhstan is a state ideology, reflecting the inside of its foreign policy and regional integration (Mostafa, 2013). According to Kuanysheva (2007), the Eurasian world is a closed and complete geographical, economic, and ethnic whole, different from Europe and Asia. The collapse of the Soviet Union predetermined the desire of individual states for an independent path of development. In the condition of an ideological vacuum, Eurasianism has become a popular ideological concept. The development of the post-Soviet space was then determined by two trends: on the one hand, the formation of national statehood, and on the other, the trend toward integration of the CIS countries. The President of Kazakhstan began to implement the idea of Eurasianism not only in his country but also within the post-Soviet space.

In 1994 at a meeting with the teaching staff of the Moscow State University, N. Nazarbayev proposed the idea of a Eurasian Union within the CIS. Having put forward the idea of the Eurasian Union, which contained powerful integration potential, he emphasized:

*“Kazakhstan consistently defends the idea of economic integration of the CIS member countries. We have all the conditions to maintain the basis of our cooperation while respecting the interests of sovereignty, full respect for the principles of non-interference in internal affairs, and the right of each nation to determine the rules of their social order”.*

In the same year, N. Nazarbayev initiated a new stage in Eurasianism as an intellectual concept and integration practice (Muhamedzhanova, 2007).

The implementation of post-Soviet Eurasianism takes place in new geopolitical realities, and the concept of “Eurasianism” obtained different meanings and interpretations in its practical implementation. It mainly refers to geopolitical unity, tolerance for diversity, and awareness of the creative power of cultural and national diversity.

The very idea of Eurasianism, as understood and practically implemented by Astana, can be represented as the openness and tolerance of society, its readiness to perceive others, the ability to synthesize one’s own and what is perceived, and the ability to create on this basis its specific civilization, which would be a harmonious combination of universal and national values. On the political plane, the ideas of Eurasianism contain the desire of peoples and states for mutual understanding, cooperation, and integration. Thus, N. Nazarbayev noted that modern states cannot count on prosperity and development without integration processes. In Nazarbayev’s integration of Eurasia, there is no principle of opposing this integration structure to any states or forces in other parts of the world. Eurasianism today is not a distance from Europe, but, on the contrary, active interaction with it in an interstate and interregional format.

Yet, there was criticism toward the presented ideas since the Eurasian integration was likely preserving a single post-Soviet space that was unacceptable.

Nazarbayev’s Eurasian idea eventually found its practical implementation in the Eurasian Economic Cooperation in January 1995 and the Eurasian Economic Union in May 2014. Yet, the idea of Eurasianism was not limited to the framework of a single integration structure. President N. Nazarbayev has gradually promoted this idea beyond the CIS. In 2003, in his book “The Critical Decade,” he emphasized that the national security of Kazakhstan is linked to the security of the Central Asian region (Nazarbayev, 2003).

The security of the Central Asian region, in turn, is linked to the security of Central Eurasia. He claimed that the Central Eurasian region must be a part of Eurasian security, part

of the global security system. Following this idea, in 2010, the year of Kazakhstan's chairmanship in the OSCE, Astana put this idea on the OSCE agenda. Kazakhstan proposes solving the primary task of the OSCE, the problem of security. Nazarbayev put forward the task of ensuring not only European but also Eurasian security. Summing up the results of Kazakhstan's chairmanship of the OSCE in 2010 at the OSCE Astana Summit on December 1–2, 2010, the heads of participating states confirmed the need to ensure and develop Eurasian security.

Thus, Kazakhstan as a nation situated in the center of the continent at the intersection of cultures, religions, and value systems, representatives of steppe civilization see its Eurasian mission as building a historical dialogue with the West, constantly striving for technological expansion into nature, and the East, still in harmony with nature. The meaning of Eurasianism in Kazakh can be characterized as a unique attempt to organically combine Eastern and Western cultural thought, refracting it into specific socio-cultural experiences (Nazarbayev, 2000).

Meanwhile, the Kazakh position toward the philosophy of Eurasian integration and its participants remains consistent. Kazakhstan's commitment to expanding the number of participants in the integration process by other CIS countries is emphasized: "We are responding to the global challenges of the 21st century by deepening Eurasian integration. We, with Russia and Belarus, have formed a Eurasian Economic Union. It is an important factor in overall regional stability and in increasing the competitiveness of our economies. We are ready to support the aspirations of other states of the CIS to join the Eurasian integration" (N.A. Nazarbayev, 2014).

There is no doubt that the idea of Eurasianism is not being implemented on a full scale and still requires refinement. However, it may still contribute to solving many problems in the region and help overcome contradictions between states in all spheres - from politics, economics, and security to culture, education, and sports.

### **3.3.2 The Leadership Perception of Eurasian Integration**

Kazakhstan's participation in the Eurasian Economic Union is an integral part of the general economic policy of the state. While fully preserving state sovereignty, the country ensures closer and more harmonious economic cooperation with partner countries.

According to former Prime Minister B. Sagintayev (2015),

*The EEU agreements are aimed at eliminating existing exemptions and restrictions, hindering the free movement of goods, services, capital, and*

*labor. We will not immediately see quick changes. In general, the economic potential of Eurasian integration is high. The total volume of the economies of the union member countries exceeds 2.4 trillion US dollars, which is 4% of world GDP and more than 80% of the GDP of the CIS countries. The promising integration effect in the form of GDP growth in Kazakhstan by 2030 could reach up to 30 billion US dollars.*

The National Government of Kazakhstan asserts that participation in regional economic integration is determined by the following factors.

First, the geographical location of the republic, which is far from seaports, reduces opportunities for access to markets of third countries and limits prospects for economic growth.

Kazakhstan is interested in reducing transport costs that constrain the accessibility of world markets and affect economic diversification. For example, when transporting goods by railway through the EEU zone, a unified (domestic) railway tariff is applied. The railway tariff is significantly smaller than the transit. According to experts, savings for Kazakhstani carriers could amount to up to \$250 million annually.

Secondly, Kazakhstan has insufficient consumption volume opportunities in the domestic market. The EEU allows the expansion of market boundaries for entrepreneurs and provides additional opportunities to reduce transaction and time costs at the border. Unified principles of technical regulation and a common veterinary, sanitary, and phytosanitary safety system allow the movement of goods according to uniform requirements and on equal terms.

These factors according to the Kazakh Government constitute a powerful incentive for new production facilities in the EEU, cooperation of complementary enterprises, and the creation of vertically integrated corporations. It allows partner countries to compete in the world market with their products, which leads to a gradual reduction in prices for consumer goods.

Also, by 2025, the EEU will provide access to the gas transportation infrastructure of member states. Kazakhstan exports more than 8 billion cubic meters of gas annually. Therefore, the EEU gas transportation infrastructure is crucial for national economies.

A common electricity market will similarly make it possible to realize the export potential of the Kazakhstani electric power industry, which by 2030 should exceed 6 billion kilowatt-hours. The Russian networks assist Kazakhstan in bringing electricity to the western regions from the northern regions of Kazakhstan.

Another important factor for Kazakhstan's participation in Eurasian economic integration is the trend of slowing global economic growth and the instability of world markets

for the consumption of Kazakhstan's goods. Thus, the Eurasian economic integration creates the necessary foundation for diversifying the economy and increasing labor productivity.

Kazakhstan is interested in developing processing industries based on increasing investment attractiveness. The gross influx of foreign direct investment into Kazakhstan from the EEU countries at the end of 2022 exceeded the volume of investments in 2015 by 3.2 times (2015 - \$0.6 billion, 2021 - \$1.97 billion). At the same time, investments from third countries grew by 46.6% and amounted to \$21.7 billion (in 2015 - \$14.8 billion) (KazGov, 2023).

The number of joint ventures with EAEU countries in Kazakhstan from 2015 to January 2022 increased by 2.4 times and amounted to 14,894. They operate in industry, construction, trade, services, and other areas.

Despite external factors, the economy of Kazakhstan achieved a strong GDP growth rate of 3.1% (\$225.2 billion). Mutual trade between Kazakhstan and the EEU countries increased by 7.1% compared to 2021 (in 2021 - \$23.9 billion, in 2022 - \$25.6 billion). Kazakhstan's exports to the EEU at the end of 2022 increased by 22.3% (in 2021 - \$7.1 billion, in 2022 - \$8.6 billion). Kazakhstan's imports from the EEU countries increased by 0.7% (in 2021 - \$16.8 billion, in 2022 - \$17 billion) (KazGov, 2023).

It should be noted that the Treaty on the EEU allows the implementation of a coordinated policy in protecting consumer rights and aims to create equal conditions for member states to protect their interests from unfair activities of business entities. In addition, the Eurasian integration positively impacts demographic parameters such as reducing morbidity, mortality, and life expectancy through uniform technical regulations and product standards within the EEU. The EEU pursues a coordinated policy in this area by ensuring the sanitary and epidemiological well-being of the population and veterinary, sanitary, quarantine, and phytosanitary safety.

Meanwhile, the current President of Kazakhstan, K. Tokayev suggests that one of the priority tasks of the EEU is the development of technological cooperation. The widespread introduction of advanced technologies and innovations will strengthen the global positioning of the EEU. At the same time, according to Tokayev, the EEU state should maintain sustainable development and jointly prepare for the upcoming challenges. Experts claim that in the next few years, the global economy will grow at a moderate, if not slow, pace - from one and a half to three percent. The EEU, as an integral part of the global economy with a market of 2.6 trillion dollars, may also feel this slowdown. Thus, we need to make maximum use of economic reserves and the existing potential for mutually beneficial integration. Kazakhstan has initially

promoted the principle of the economic component of the union. The EEU participants should proceed from this agenda with their actions and decisions.

Kassym-Jomart Tokayev (Akorda, 2023) highlights,

*“Despite opening customs borders, each country continues to de facto protect domestic producers from competition with other members of the EEU. We must remove existing barriers and restrictions in the common market and speed up the introduction of uniform technical regulations. We should work more actively to improve customs procedures and create an efficient and equitable online trading ecosystem”.*

He identified the agro-industrial complex as another important area of cooperation. According to the President the EEU countries have achieved a high level of food self-sufficiency. Yet, the share of exports of agricultural products from the EEU countries on the world market remains extremely low, amounting to just over two percent. It comes at a time when more than 800 million people around the world are experiencing hunger and food insecurity. Food supplies, unfortunately, are hampered by the current geopolitical situation, where sanctions have come to the fore.

Meanwhile, the potential of the EEU countries is to feed about 600 million people. Therefore, establishing close cooperation ties to produce competitive, environmentally friendly, and export-oriented products that meet advanced international standards should become one of our priorities. It is necessary to jointly develop agro-logistics, and storage systems and introduce digital solutions in agriculture. We need to create joint centers of agro-innovation for the commercialization and industrial implementation of new technologies in the agro-industrial complex.

According to President Tokayev, the EEU, as a strategic link connecting the entire Eurasian space, has every opportunity to consolidate this status. “

*We are talking about the development of the North-South corridor with access to the states of the Middle East, Iran, Pakistan, and India. With this purpose, a joint venture of logistics companies from Kazakhstan, Russia, and Turkmenistan is being created. Kazakhstan is actively strengthening the transport and logistics framework and connectivity of the EEU, completing the construction of Kazakh terminals in the Chinese city of Xi'an and the Georgian port of Poti. The country plans to launch five cross-border transport and logistics hubs on the borders with Russia, China, Uzbekistan, Kyrgyzstan, and the Caspian Sea.” (Akorda, 2023).*

The Head of Kazakhstan proposes to combine the EEU Digital Agenda and the Chinese Digital Silk Road initiative. Building improved digital and intellectual interaction will contribute to the EEU economies. He emphasized the importance of strengthening the economic potential of the EEU by developing trade and economic relations with third countries and integration associations. The EEU welcomes signing a full-scale Free Trade Agreement with Iran, India, the United Arab Emirates, Egypt, Indonesia, Mongolia, and other interested countries.

Nowadays, the Eurasian integration attracts the interests of third countries. Countries such as India, Vietnam, Egypt, Turkey, Iran, and the European Free Trade Association states (Iceland, Norway, Switzerland, and Liechtenstein) have expressed interest in creating a free trade area with the countries of the EEU. It confirms the prospects of the Eurasian integration process and its economic opportunities.

### **3.3.3. Kazakhstan's Overall Assessment for the Eurasian Integration General Public Assessment**

At the time of joining the EEU and in subsequent years, the trust of the Kazakh society in the personality of the First President N. Nazarbayev and the government likely contributed to a positive assessment of the economic integration with Russia and Belarus. In 2014 the Institute of Eurasian Integration held a public opinion poll. The results of this study revealed that 51.6% of the population of Kazakhstan strongly supports Eurasian integration. In a comparative aspect, 21.4% of respondents considered integration with China promising, and 18.4% - with the European Union. The respondents essentially emphasize the economic benefits of Kazakhstan's participation in the EEU. In particular, the citizens surveyed highlighted the advantages of integration as the access of Kazakh businesses to the markets of partner countries, the opportunity to make a technological breakthrough, and ensuring economic growth in the country (KazGov, 2014).

According to the Express Monitoring Bureau of Public Opinion DEMOSCOPE at the International Center for Journalism Media Net, Kazakhstanis have had enough awareness of the decision on regional integration. 84% of respondents were aware of the Eurasian Economic Union, while the rest were not. At the same time, 68% of respondents believe that the union has many positive aspects for the national economy and citizens. Among the advantages of Kazakhstan's accession to the EEU, respondents noted a possible improvement in the quality of goods and a reduction in prices (20%), expansion of markets for local producers (13%), and the emergence of career prospects for citizens of Kazakhstan (14%).

Yet, 22% of respondents are pessimistic about Kazakhstan's participation in the Union and do not see any advantages in its work. Among the negative aspects, survey participants noted the possible dependence of Kazakhstan on other EEU member countries and, as a result, unfavorable economic conditions for the republic (11%), tougher competition for goods from Kazakhstani manufacturers (8%), and a decrease in trade turnover with other countries and, consequently, an increase in prices for their products (11%).

7.5% believe that the EEU could benefit some sectors of the economy, but there are likely no real advantages for ordinary citizens. While assessing the practical benefits of the EEU, specifically for survey participants and their families, a quarter of Kazakhstanis said there would be a range of goods at affordable prices. 22% noted that they could have the opportunity to find a job in Russia and Belarus, and another 8% believe that they will be able to implement their business ideas in these countries (Zakon. kz, 2014).

Historical factors likely contributed to such a positive attitude regarding the Eurasian economic integration. It also might be the impact of the propaganda work carried out by the government structures. Kazakhstan regularly held round tables and scientific-practical conferences on theoretical and practical issues of regional integration. Thus, most of the population expresses a positive attitude towards integration and supports the authorities' position.

Subsequent studies consistently demonstrated a positive perception of Eurasian integration. According to 2017 data, most respondents (86%) support Kazakhstan's participation in the Eurasian Economic Union. A negative attitude towards such integration was expressed by only 6.5% of respondents. The study concludes that such a favorable societal background allows for achieving strategic objectives and expectations associated with the economic unification among post-Soviet states.

Other studies relying mainly on data from the Eurasian Barometer highlight the higher level of public support for Eurasian integration in Kazakhstan comparing to other countries. In contrast, the expert community reacts sharply to all issues arising during the EEU formation. As Russian economist A. Migranyan notes (2019), the decline in positive public perception of EEU integration is caused by frequent expert debates. Considering the notable influence of the expert community on public opinion towards the EEU and the further position of the Kazakh government, it will be helpful to consider the composition of Kazakh experts and the main arguments in favor of some critical issues.

## Expert Assessment

On the expert level, Kazakh observers try to give scientifically verified assessments of Kazakhstan's integration into the EEU. The Kazakh Institute of Strategic Research (KISR) under the President has devoted extensive research on this topic. Along with reflection of official opinion, its works contain a critical understanding of this problem based on socio-economic and political analysis of various aspects of the functioning of the economic union. For example, the leading Kazakh expert, S. Kushkumbayev (2020), highlights the need for economic pragmatism in Kazakhstan's regional integration and the focus on its economic outcomes. It is what Kazakhstan needs in relations with its partners, in particular, mutually beneficial economic cooperation with Russia. In conditions where we do not have self-sufficient closed production cycles, we strive to create a structure for economic development. Moreover, this is the essence of the entire multi-vector foreign policy of Kazakhstan.

In 2019 this institute published the book "25 Years of the Idea of Eurasian Integration by N.A. Nazarbayev, the main leitmotif of which was proof of implementation of the "practical model of neo-Eurasianism according to the model of N. Nazarbayev" in integration within the EEU. This book gives an in-depth analysis of Kazakhstan's participation in the EEU, but the content of the works likely proves the dominant influence of expectations in the mindsets of domestic researchers regarding the practical benefits of the EEU.

Meanwhile, expecting positive effects from economic unification in the medium and long term is typical for most Kazakhstani experts. Director of the Kazakh Institute for Strategic Research, Z. Shaukenova (2020), states that the EEU creates favorable conditions for participating countries to achieve a synergistic effect from foreign and internal economic processes. So, based on the short-term results, Kazakhstan likely has a significant increase in macroeconomic indicators. The EEU gross domestic product at purchasing power parity (GDP at PPP) increased by 13%, GDP per capita by 12%, unemployment fell by 12%, and investment in fixed capital rose by 19%. The EEU opens prospects and promising directions for the growth of export potential, which ultimately affects the level of well-being of Kazakhstanis. Yet, each member country has its advantages of integration. For Kazakhstan, this is the facilitation of exports based on customs regulations, free trade, and integration into global transport hubs with access to other economic regions.

Regarding the trade deficit between Kazakhstan and Russia, expert V. Dadonov (2020) claims,

*“The problem of deficit Kazakhstan’s trade with the EEU countries exists, but it is methodologically more correct to assess the scale of this problem by relative indicators. For example, the ratio of the deficit to the total volume of foreign trade allows to consider its general trends. Over the past years, the relative indicator changed slightly and was in the range of 7.5-9.5%. In this case, there is no relationship between its changes and the formation of the EEU. Thus, the critique that the creation of the EEU led to an increase in the imbalance in Kazakhstan’s trade with its union partners is not confirmed?”*

At the same time, by expressing the official position of authorities on the problems of Eurasian integration and summarizing their research on these issues, KISR experts contributed to the completion of some discussions on critical issues of Kazakhstan’s participation in the EEU. For example, the hypothetical possibility of creating a Eurasian parliament caused great resonance in society.

Dr. E. Karin, who affiliates with KISR (2019) and is currently the State Secretary of Kazakhstan, put an end to such pseudo-scientific discussions:

*Despite some attempts to force the creation of supranational political structures, but this task has not been in the general agenda. I would say even more: the creation of a supranational political structure cannot be discussed by Kazakhstan in principle since it directly affects the sovereignty of our country. Moreover, the principle of sovereignty is enshrined in our constitution and according to the national legislation. Such issues cannot even be put to a national referendum. Thus, the maximum that can be discussed is building up the potential of existing institutions of interparliamentary cooperation.*

A thorough economic analysis shows that the cost effects of integration with post-Soviet countries were characteristic of the economic system even before the EEU entry.

Husainov and Sultanov (2020) claim,

*“Firstly, the main factors of economic growth in Kazakhstan are net foreign trade exports, final consumption, and gross fixed capital formation. Moreover, this situation is typical for the entire analyzed period as before and after the formation of the integration union. Foreign trade with an absolute predominance of raw material resources outside the EEU, primarily to non-CIS countries, does not depend on Eurasian integration processes.*

*Secondly, final consumption (essentially in households) demonstrates an increasing contribution to economic growth. An identical trend can be traced in the dynamics of the contribution of gross accumulation of fixed capital. "*

This vision of the problem echoes the opinion of several Kazakh economists, who look for the specifics of the domestic economy and its weaknesses.

*"Unfortunately, our expectations of increasing exports to the EEU countries are not justified, and this is not only the problem of non-tariff barriers but also the low competitiveness of Kazakhstani products. I would not draw any negative conclusions from this regarding the integration association,"* writes Kazakh Economist R. Oshakbaev (2019).

Yet, a critical analysis of the general trade of the Kazakhstani side within the EEU likely leads to disappointing conclusions. According to Husainov & Sultanov (2020):

*"The volume of the EEU mutual trade is not in favor of Kazakhstan, and it is caused by the increasing cost and physical volumes of Russian and Belarusian exports to the Kazakh market. Considering the current situation related to a sharp drop in prices for coal raw materials and persistent Western sanctions against Russia, the negative dynamics in mutual trade can be even worse in the coming years."*

### **Network Discussions**

Disputes over Kazakhstan's participation find a way out through Internet portals and social networks. Network discussions have become the frequent format of opinion exchanges on the issues under consideration. Such news portals like "zakon. kz", "sputniknews. kz", and "informburo. kz", along with news content, publish a lot of analytical material and expert opinions on Kazakhstan's participation in the EEU.

Internet portals and social networks brought much scientific research and publications to the masses toward government policy regarding economic unification. Economist D. Krivosheev (2020) believes that Kazakhstan's participation in the EEU led to the depreciation of the tenge. According to the expert, Kazakhstan did not achieve the goals set when joining the EEU. What they promised never happened. The fact that we will get a 160 million market, of course, remains a conversation. Secondly, the inflation rate is increasing sharply. That is what we received from the Eurasian economic space.

But for the most part, experts gave constructive arguments for economic integration. Experts highlight that the failures and costs of the entry of Kazakhstan at the initial stage are not associated with the process of economic unification and trends in macroeconomics. By 2015, negative trends toward a decline in growth rates and capacity in the world economy led to difficulties at the initial stage of integration between Russia, Kazakhstan, and Belarus. Therefore, it is premature to expect immediate benefits from integration; it is necessary to aim at tasks that have long-term effects in the future.

At the same time, experts emphasized the positive effect of integration, which showed an early start of the union.

According to economist R. Alshanov (2020),

*“Compared to 2010, in 2015, the volumes Kazakh food products supplied to Russia increased several times: supplies of canned food - 42 times, butter - 26 times, pork fat - 17 times, oats - 10 times, chicken eggs - six times. If, in 2010, Kazakhstan sent 236 thousand tons of food products to Russia, then in 2015, this figure reached 750 thousand tons”.*

In addition, analyst G. Abishev (2020) highlights,

*“The main achievement is increased competition in the market. Yes, we can say that Kazakh producers are suffering. But, on long distances, the strongest will survive. The state is forced to bend under business pressure and evolve in the face of foreign business intervention.”*

Nevertheless, criticism of the EEU did not weaken at the initial stage and in the subsequent years. In the summer of 2018, the EEU member countries experienced a crisis due to the depreciation of the Russian ruble. Kazakhstanis have survived one devaluation of the national currency, which contributed to the revival of society. There are discussions about the appropriateness of membership of Kazakhstan in this organization.

There were also opinions about unpreparedness towards integration and the disadvantages of Kazakhstan’s participation in the EEU:

*“We must enter any alliance when we are ready for this. Kazakhstan joined the EEU without raising its industrial production. Among members of the Union benefit those who have developed industry and production, for example, Belarus,”* wrote the economist B. Ziyabekov (2020).

There were a lot of publications on social networks, and many Kazakh economists and political scientists did not favor the EEU, seeing negative trends in the domestic economy.

After N. Nazarbayev noted in one of his speeches that Kazakhstan retains the right to withdraw from this organization, the concept of “exit from the EEU” began to be actively discussed at all levels.

According to economist P. Svoik (2020),

*“The problems of the national economy are not connected only with Kazakhstan's membership in the EEU. Russian imports occupy a leading place in the EEU, while very few Kazakhstani products are being exported to the EEU. However, if Kazakhstan leaves the EEU or the Union collapses, the trade imbalance in the economy will remain.”*

Kazakh expert M. Laumullin (2020) highlights

*“A decrease in expectations from Eurasian integration recorded by empirical studies. It is caused by the drop in domestic and foreign trade and economic crisis in EEU member states (decrease in GDP, devaluation of national currencies, etc.). There has been an increase in the vulnerability of national economies and a sense of a slowdown in the pace of integration. However, experts understand that the negative dynamics are mainly associated with external factors.”*

According to Kazakh experts, the underdevelopment of the image of the EEU policy and its institutions does not contribute to increasing positive perceptions by society. The critical feature of Russia and the Eurasian Economic Union is the weak work on its popularization. The general context regarding the Eurasian Economic Union is quite negative.

Experts from all participating countries are likely disappointed about the weak image of the EEU. For example, according to Russian expert A. Korolev (2020),

*“The image component of the EEU raises so many questions since there is a lack of adequate information supporting this integration. As a result, it turns out that unfamiliar about the EEU's activities or even its existence.”*

Concerns among Kazakh experts are caused by the foreign policy of Russia, which in recent years has become directly involved in international conflicts in different regions. According to the political scientist A. Kaukenova (2020):

*“There is one more point: Kazakhstanis are afraid of being involved in geopolitical games. If, for example, Russia has interests in a military contingent in Africa or the Middle East, but Kazakhstan has no such interests. If a neighboring state is involved in the conflict, it does not mean that we must*

*participate in it, especially if it concerns military operations when people die. Therefore, there are fears that the Eurasian Union could develop into a geopolitical one, contrary to the interests of Kazakhstan.”*

Many experts emphasize that a multi-vector foreign policy has allowed Kazakhstan to defend its position on critical regional and global issues. So thus, the public fear of being involved in some conflict with its northern neighbor is likely unjustified.

Moreover, Russia has accumulated sufficient foreign policy resources to resolve issues on the international agenda. Despite such drawbacks of the EEU membership, many experts tend to see positive prospects for Eurasian integration. According to M. Nurtazin (2018), the Eurasian integration allows its members to join the world economic chains. They likely value their membership in the union. Aiming at the macro-regional scale, Kazakhstan is increasing its role in the EEU and focusing on the advantageous geographical location between West and East.

#### **3.3.4. Institutional and Legislative Amendments with the Eurasian Integration**

The formation of the legal and institutional framework for the Customs Union and the Common Economic Space in all member-states, including Kazakhstan, started in 2000. Along with signing the package of 17 international agreements, leaders of member-states have determined the priority directions of economic development. The coordination and control of this work have been carried out by a working group, approved by Resolution No 902 of the Customs Union Commission on June 22, 2011.

In the macroeconomic policy, jointly with the ministries of economy of the EEU states, a regulatory legal and methodological framework has been conducted through assessing the potential risks and the development of coordinated anti-crisis actions. The Council and Board of the Commission on Macroeconomic Policy, consisting of deputy heads of the financial and economic ministries and national (central) banks, have been created to coordinate the macroeconomic activities of the member states. The operation of this commission allowed the establishment of mandatory requirements and a unified technical regulation, eliminating administrative and technical barriers in mutual trade. Technical regulations on equal terms aim to determine uniform approaches, ensuring the safety and circulation of products. In the field of customs and tariff regulation, the legal framework was created by the Trade Advisory Committee, which oversees the projects relevant to the directions of customs tariff regulation.

Fundamental amendments have also occurred in the legislation on the protection of competition in Kazakhstan. The reforms were carried out by the Nation Plan - 100 specific steps to implement five institutional reforms. One of the significant events was the adoption of the Entrepreneurial Code, into which the Law “On Competition” was implemented (on October 29, 2015). Kazakhstan became the only country in the EEU where the antimonopoly legislation has been codified as part of the Entrepreneurial Code.

The Entrepreneurial Code provides standards that not only support investments but also protect them. It establishes the institution of the investment ombudsman, which is a convenient, timely, and effective platform for interaction with the investment community. The Ombudsman Institute made it possible to introduce a systematic approach to solving the problems of investors already operating in Kazakhstan. In addition to considering complaints from companies, the Investment Ombudsman also creates a dialogue platform for investors to improve conditions for investment activities.

On January 1, 2018, the Code of the Republic of Kazakhstan “On Customs Regulation” came into force. The purpose of this Code was to align the relevant norms with the EEU Customs Code. The main provisions relate to the automation of business processes at customs, electronic declaration, automatic release of goods, etc. Most of the innovations and amendments are aimed at optimizing customs procedures.

In recent years one of the main problems faced by the Kazakh government has been tracking the re-export of goods within the EEU common market. In 2023 the government launched a goods traceability mechanism, which passes through the country for re-export. The goods are tracked until they reach the destination. Entrepreneurs must register accompanying waybills for goods in mutual trade with the EEU member states. It allows the country to regulate the parallel import of sanctioned goods and reduce shadow turnover and losses on taxes.

Kazakhstan is similarly undertaking measures aimed at leveling the consequences of the aggravation of the geopolitical situation and the use of emerging opportunities in the financial system, controlling and reducing inflation, supporting, and stimulating foreign trade activities and economy, and attracting investment.

### **3.3.5 Economic Effect of the Eurasian Integration**

The main indicator in assessing the effectiveness of integration associations is likely the foreign trade turnover. The growth of mutual trade is interpreted as a sign of effectiveness, and

its slowdown is the opposite. Yet, it is necessary to consider the more general context of global trade and price conditions.

It is well known that the main export products for the EEU economies, including Russia and Kazakhstan, accounting for 95%, are various types of raw materials, primarily hydrocarbons. Prices for these raw materials are highly volatile, which also leads to significant changes in foreign trade volumes. Therefore, the growth in trade turnover and its decline can be explained by changes in the cost of exports due to the volatility of oil prices.

The strong influence of external factors likely manifests in other areas; thus, it is challenging to conclude the EEU impact on macro indicators such as changes in GDP, industrial production, investment, and balance of payments parameters.

In addition, due to significant differences in the scale of the EEU economies, the manifestation of this influence varies in the context of the member-states. In countries with small economies, such as Armenia or Kyrgyzstan, the effects of integration processes may feel stronger, while in larger economies, like Russia, it may be comparatively weaker.

In this regard, considering the effect of the EEU is likely reasonable by two levels - at the level of the EEU and the national level of the member-states. At both these levels, several main directions can be distinguished, according to which Kazakhstan and other member-states can expect an intensification of development because of strengthening integration processes and outline the risks arising for the same reason.

At the level of the EEU, the following seem to be the most promising directions for economic development:

- The operation of the common markets increases the trade turnover and reduces transaction costs within the EEU.
- The increase in the efficiency of the business environment and the improvement of business conditions through competition stimulates the constant modernization of the institutional, legal, and regulatory base.
- The increase in the investment attractiveness of industries aimed at the expanding domestic market and the growth of foreign investments in non-resource sectors accelerates the modernization and diversification of the economy and strengthens the position of local producers in the domestic and foreign markets.
- The increase in foreign trade turnover with third countries due to the creation of special trade regimes between them and the EEU, and the growth of interest in the larger common market of the union among foreign trading partners.

The first area likely demonstrates an improvement in trade processes after the formation of the EEU; the remaining components of a common economic space in terms of the labor market, capital, and services still have a short term for the analysis.

According to the national statistics in 2023 Kazakhstan's trade turnover with the EEU countries increased by 1.2% and amounted to 18,518.7 million US dollars. Exports of goods amounted to 7,050.4 million US dollars (more by 20.5%), and imports – 11,468.2 million US dollars (less by 7.9%). In the total volume of foreign trade turnover of Kazakhstan with the countries of the EEU, Armenia occupies 0.2%, Belarus - 3.3%, Kyrgyzstan - 4.7%, and Russia - 91.8%.

The largest share in exports with the EEU countries is occupied by machinery, equipment, vehicles, instruments, and apparatus - 28.2%, followed by products of the chemical and related industries - 23.7%. The structure of imports from the EEU countries is dominated by animal and plant origin, finished food products - 19.7%, and metal products - 19.2% (The National Bureau of Statistics, 2023).

**Table 5. Kazakhstan's Trade Turnover with the EEU Countries**  
(mln. US dollars)

Country	Export		Import	
	2022	2023	2022	2023
Russia	5262,7	6389,4	11554,2	10611,7
Kyrgyzstan	485,7	544,1	303,9	337,6
Belarus	79,9	99,3	586,2	505,2
Armenia	22,2	17,6	8,0	13,7
<b>In total</b>	<b>5850,4</b>	<b>7050,4</b>	<b>12452,3</b>	<b>11468,2</b>

*Source: The National Buro of Statistics, 2023*

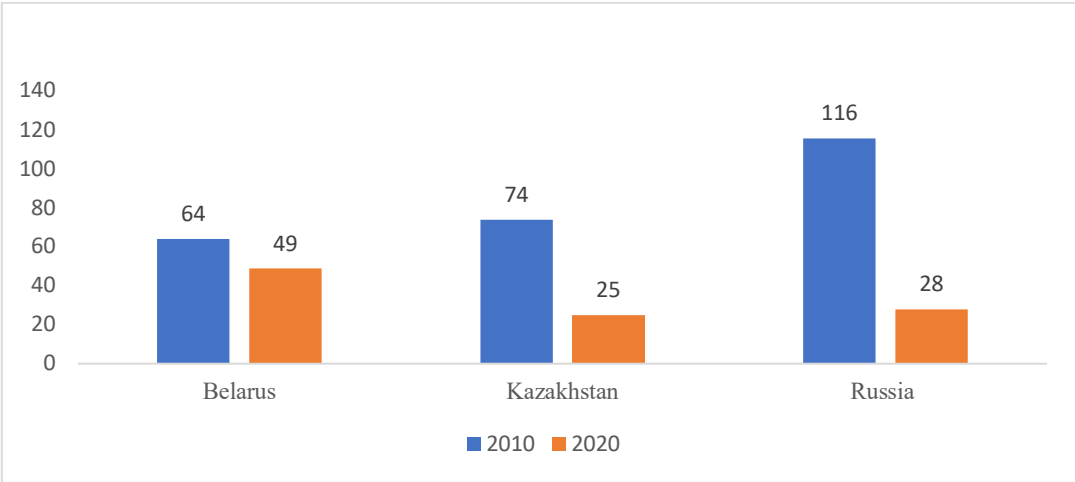
Yet, the data shows that the growth of mutual trade between Kazakhstan and the EEU countries is mainly ensured by imports, while the volume of exports increased more slowly. According to experts, the dynamics of mutual trade between Kazakhstan and the EEU countries likely provide grounds for building the following cause-and-effect relationship: Kazakhstan's participation in the EEU led to accelerated growth in imports from countries of the union, which led to a sharp increase in the trade deficit. Thus, Kazakhstan's membership in the EEU seems unfavorable for foreign trade due to its imbalances in favor of the EEU partners, primarily Russia, accounting for 92% of trade turnover (Dodonov, 2020).

The main argument for such a conclusion is the presence of the Unified Customs Tariff of the EEU, which likely fenced off the Kazakhstan market from external imports and made it

more accessible for Russian and Belarus products. Indeed, in the Common Customs Tariff (CCT), several duties have higher rates due to some protective measures. It reflects certain exemptions from CCT adopted in the interests of domestic business. Consequently, Kazakhstan receives several goods from third countries at a higher value because of its EEU membership (Decision of the EEC Council No. 59, 2015).

The second direction similarly creates the basis for business and the economy. The factor of competition between the EEU countries remains among the key advantages of Eurasian integration. It can be noted that significant success was achieved by the EEU states in several international ratings. According to the World Bank Doing Business most recent results (2020), Belarus, Kazakhstan, and Russia have high positions, occupying 49th, 25th, respectively, and 28th place out of 190 countries. In a similar ranking in 2010, Kazakhstan occupied 74th place, Belarus – 64th, and Russia – 116th. This progress cannot be associated solely with EEU participation, but it likely cannot be denied that Eurasian integration played a role in improving their business climate.

**Figure 5. Doing Business Ranking within the Main EEU States**



*Source: The World Bank, 2020*

The third direction - increasing the investment attractiveness of the EEU seems realistic, based both on the global experience of regional integration and on the statistics of the EEU countries. During the functioning of the EEU, there likely has been sustainable growth of foreign investment. For instance, according to published statistics, in 2023, the net inflow of mutual investments in Armenia and Kazakhstan significantly increased. In Armenia, mutual investments increased by 3.2 times, while in Kazakhstan - by 43%. At the same time, the flow of direct investment from the EEU has decreased in Belarus by 17.7%, and in Kyrgyzstan, the decrease was 10.6%.

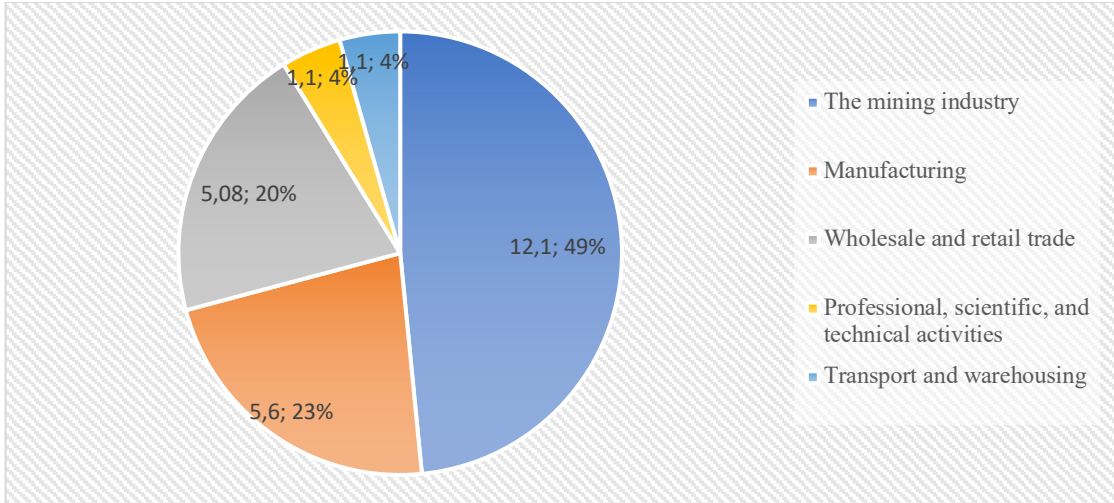
The total volume of accumulated mutual direct investments of the Eurasian region countries (EEU, Azerbaijan, Uzbekistan, Moldova, Georgia, Tajikistan, and Turkmenistan) by the end of 2023 amounted to \$48.8 billion, of which mutual FDI of the EEU countries - \$28.1 billion, assessed by the Eurasian Development Bank (2023).

The main instruments of mutual direct investment were capital investments. The EEU analysts note that Russia became the main investor in the union, providing 86% of funds, and Belarus was the main recipient of these funds (45%). Yet, direct investments in the EEU countries from the rest of the world decreased in Armenia by 66% and in Belarus by 5%, but in Kazakhstan, they increased significantly - by 1.6 times (EEC, 2023) (CIS, 2023b).

Meanwhile, the increase in Russian investments in the EEU countries and neighboring states led to additional investments in Kazakhstan. The country accounted for 23 of the 28 new projects launched in the EEU since 2022. In addition, Kazakhstan receives a large flow of foreign direct investment from third countries.

According to the data of the Kazakhstan Government, in 2022, the gross inflow of foreign direct investment into Kazakhstan amounted to \$28 billion, 17.7% more than the results of 2021. It is a record figure over the past ten years. The leaders in terms of investment were the Netherlands - \$8.33 billion, the USA - \$5.1 billion, and Switzerland, closing the top three with a total figure of \$2.8 billion (the Government of Kazakhstan, 2023).

**Figure 6. Principal Areas Receiving Foreign Investment in Kazakhstan, 2023**



*Source: Compiled according to the Statistics of the Government of Kazakhstan*

By industry, direct foreign investments were directed to the mining industry - \$12.1 billion (+25%), manufacturing - \$5.6 billion (+3%), wholesale and retail trade - \$5.08 billion (+36%), professional, scientific, and technical activities - \$1.1 billion (2.1 times increase),

transport and warehousing - \$1.1 billion (+14%), construction - \$698 million (-3%), financial and insurance activities - \$650 million (-60%), electricity and gas supply – \$635.6 million (an increase of 2.8 times), etc.

It is likely linked to the geopolitical crisis in Russia, which opened new investment prospects, as more than 1.4 thousand large foreign companies have left Russia or suspended their activities and moved to Kazakhstan. Yet, Kazakhstan conducts targeted work with each investor using special government support measures. There is a mechanism for investment agreements that guarantees the stability of legislation for strategic projects and a favorable tax regime. Kazakhstan ranks 5th in terms of tax policy in the IMD ranking.

**Table 6. Dynamics in the number of Registered and Operating Legal Entities from the EEU Countries in Kazakhstan**

Country	2015		2020	
	Registered	Actively operating	Registered	Actively operating
Armenia	183	101	248	188
Kyrgyzstan	949	364	1433	950
Belarus	255	158	328	255
Russia	10937	5649	10653	7173
<b>In total</b>	<b>12324</b>	<b>6272</b>	<b>12662</b>	<b>8566</b>

*Compiled according to the Statistics Committee of the Ministry of National Economy of Kazakhstan*

In addition, participation in an integration association with a large common market likely gives Kazakhstan a chance to attract foreign investment in the manufacturing industry to diversify the economy with prospects of entering the EEU common market.

The growth in the influx of investments from the EEU countries and the strengthening of economic ties in other areas has reflected an increase in the number of enterprises with capital from the EEU countries in Kazakhstan. The share of such legal entities in the total number of enterprises with foreign participation has also increased.

This aspect of the functioning of the EEU seems especially important, given that most of the entrepreneurship with capital from the EEU falls on small and medium-sized businesses, which creates jobs and a tax base for the least affluent sections of the population and often in border regions, some of which have an unfavorable socio-economic situation. In this context, the growth of entrepreneurship through partnerships with the EEU countries is critical.

Finally, the fourth direction of economic development of the EEU, related to the growth of foreign trade with third countries, also has high potential. It is due to simplifying access to

the EEU common market on preferential terms. The realization of this potential began with the signing in May 2015 of an agreement on a free trade zone (FTZ) between the EEU and Vietnam. It was followed by relevant agreements with Iran, China, Serbia, and Singapore. Various negotiations are being negotiated with Israel, India, Egypt, Mongolia, and other states.

These agreements cover a similar range of issues but also have significant differences in their conditions. The free trade regime involves the abolition of customs duties and any other measures restricting trade. The regime is established only by an agreement between the EEU and a third party. Moreover, as members of the WTO, Russia, Kazakhstan, Armenia, and Kyrgyzstan must provide the most favored status and conditions for all WTO member-states.

In general, the EEU special economic zones vary in project implementation, the volume of government preferences, and the purposes. Currently, there are 27 FTZs in industrial-production, logistics, tourism, and innovation-implementation nature in Russia, 14 zones in Kazakhstan, 6 FTZs in Belarus, 2 - in Armenia, and 1 - in Kyrgyzstan (EEC, 2023).

Thus, the results of Kazakhstan's integration into the EEU are likely positive, while the adverse effects remain in exports and trade. Among positive outcomes, the following directions can be included:

- intensifying the investment process in the non-resource sector,
- attracting strategic foreign investors and creating large-scale high-tech production,
- access to the common markets for services, labor, and capital,
- improving the quality and prices of goods and services due to increased competition with suppliers from the EEU countries,
- further intensification of trade and its positive impact on the economic growth,
- the possibility of implementing coordinated actions with the EEU countries on markets of third countries to increase the efficiency of foreign trade.

Yet, there are also certain risks, including:

- loss of position by Kazakhstani business in the domestic market under pressure from competitors from other EEU countries that have better financial and technological capabilities,
- leaching of qualified labor resources to the EEU countries with better working conditions within the general labor market,
- limiting the capabilities and tools of economic regulation in the case of greater concentration of regulatory functions at the supranational within the EEU.
- and others.

These risks are real, but the degree of their implementation depends on the EEU development process and Kazakhstan's ability to defend its interests. Membership in the EEU,

in addition to risks, also consists of the possibility of resolving problems within a consensus-based decision-making mechanism. Thus, the balance of pros and cons of membership in the EEU is likely positive, and the prospects of the union and Kazakhstan seem promising and contribute to the development of the national economy.

### **3.3.6 Kazakhstan's Geopolitical Strategies and Policy Instruments**

By gaining independence, Kazakhstan set a course for integration into the world economy. The initial task was to attract foreign investment in the oil and gas complex. Considering the severity of the economic crisis that arose after the collapse of the USSR, the immaturity of the oil industry, as well as the lack of other industries capable of attracting foreign exchange income, the authorities deliberately sought foreign investors willing to invest in the development of the largest deposits in the country (Ahrend and Thompson, 2006).

Kazakhstan emphasized the inviolability of the contract and stability in the quality of incentives for foreign investors. This approach allowed the country to successfully attract Western capital into the oil sector, as it became the largest recipient of FDI per capita in the Commonwealth of Independent States.

Among other things, the country took measures to institutionalize integration into the world economy. Like other post-Soviet countries space, Kazakhstan quickly joined the International Monetary Fund and the World Bank. Joining the World Trade Organization (WTO) was the most significant step, as it opened access to the market for a wide range of products and services. The process of accession to the WTO was accompanied by large-scale economic reforms. Moreover, the actual impact of WTO accession was institutional changes, without which membership in the organization would be impossible (Engvall, 2015).

At the same time, Kazakhstan has important ties with Western countries, especially in the economic sphere. The country needs to support Western investment and minimize the risk of falling under Western sanctions for excessive support of Russian policies.

In 1992 the President of the Republic of Kazakhstan Nursultan Nazarbayev reasonably defined its foreign policy as multi-vector, the main priorities of which are the protection of national interests, peacekeeping initiatives of the State, ensuring regional and global security, protecting the rights and interests of Kazakhstani citizens, attracting foreign direct investment, and strengthening bilateral and multilateral cooperation.

According to Henriksen, the term “multi-vector” comes from mathematics and physics, which means a geometric object with a magnitude and direction (Henriksen, 2013). The main

idea of multi-vector policy is pragmatism, which is building foreign policy by developing international relations through a framework based on a pragmatic, non-ideological foundation.

Kazakhstan, in turn, as an interstate actor, has likely implemented a cost-benefit analysis in foreign policy. Self-interest is a primary motivation for the country; thus, it would be reasonable to say that Kazakhstan's behavior is related to the realist model. The necessity of agreeing with neighbors forced Kazakhstan to implement this kind of politics because otherwise, it would have limited opportunities for the country by making it more vulnerable, claims Henriksen.

The multi-vector approach reflects the first foreign policy concept (in 1995). This approach makes it possible to balance the influence of the forces of various geopolitical centers on the political and socio-economic situation in Kazakhstan and Central Asia. This path, among other things, was chosen to smooth out the demographic disadvantage that is much inferior compared to its two neighbors: Russia and China. Kazakhstan has a population of 20 million versus 150 million in Russia and 1.4 billion in China.

The multi-vector policy has been expanding even further. Kazakhstan has become a supporter of regional integration, whether it is an economic union or political unification. The country is constructively developing cooperation in the spirit of eternal friendship and good neighborliness with its closest Central Asian neighbors - Uzbekistan, Tajikistan, Turkmenistan, and Kyrgyzstan, and actively investing in the regional economy and combining efforts in solving security, environmental, migration, and other pressing issues.

Currently, Kazakhstan actively cooperates with its main partners - Russia, China, the USA, and the European Union, as well as with Central Asian countries. An unconditional achievement of the foreign policy is allied ties with Russia based on the Good Neighborhood Treaty and alliance in the 21st century, as well as within the framework of the Eurasian Economic Union, the CIS, and the CSTO.

Kazakhstan has become one of the most developing countries in Central Asia over the past decade, claims Wagner (2011). The rapid oil-driven growth and pragmatic foreign policy implemented by Kazakhstan's President N. Nazarbayev allowed the country to skillfully balance the diverse interests of two significant international partners - Russia and the US (Wagner, 2011). Despite Russia's geographic and historic comparative advantage over the US, Kazakhstan's ties with the US are very significant and rapidly growing. To be more precise, for example, Nazarbayev has balanced the relations with both Russia and the US by sending cheap oil to Russia and being an integral part of the US's War on Terror.

In its relationship with Russia, Kazakhstan's priority was to create cooperation with genuine autonomy and untouched national identity, simultaneously turning to Moscow in case of security or defense issues. Wagner (2011) argues that Moscow and Astana's relations on military cooperation have reached deep mutual interests in recent decades. Kazakhstan and Russia are members of the Collective Security Treaty Organization and the Shanghai Cooperation Organization. For example, in 2010 three joint military missions were held, and Russian military personnel trained around 15,000 Kazakh soldiers (Wagner, 2011).

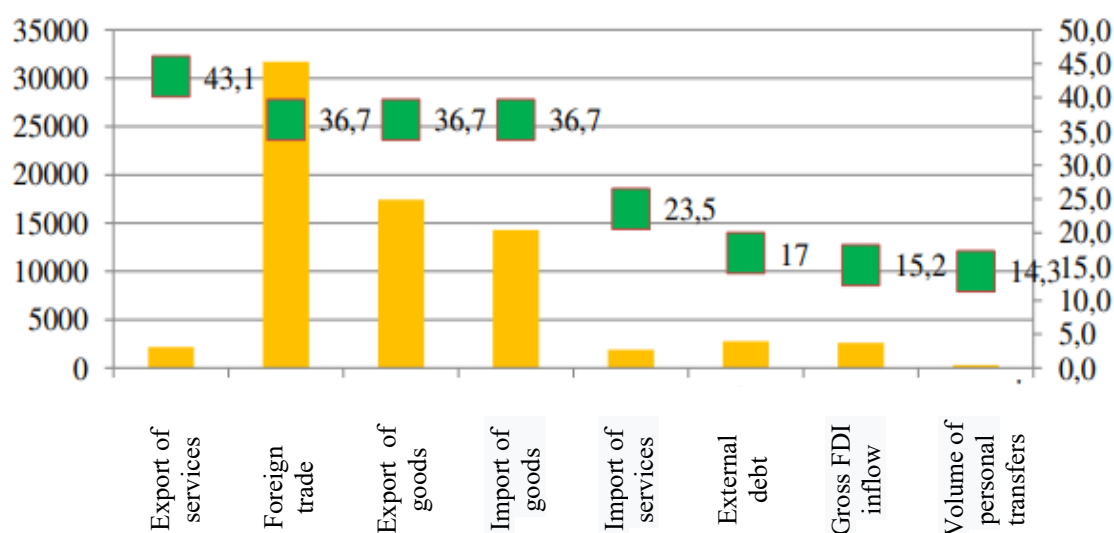
Kazakhstan has also reached well-established ties with the United States, growing without significant obstacles since 2011. For instance, the US was the first state to recognize the independence of Kazakhstan. In 2010, Washington supported Kazakhstan's inclusion in the presidency of the Organization for Security and Cooperation in Europe and saw Kazakhstan as a beneficial partner in terms of energy. For example, the US approved the agreement of the permission for Astana to export some oil through the Baku-Tbilisi-Ceyhan pipeline, which would reduce Russia's influence on Kazakhstan in terms of energy.

Although Kazakhstan is likely dealing well with the competing economic interests of two hegemonic powers in the region, the competition in the military and security spheres appears more complicated. As a counterbalance to NATO, Kazakhstan decided to be a part of the CSTO, despite its relationship with the former since 1995. Kazakhstan is a member of NATO's Partnership for Peace program and cooperated through NATO's Partnership Action Plan.

#### *a. Relations with Asian giants*

Due to a number of objective reasons, Asian countries occupy one of the leading places among Kazakhstan's economic partners geographically in key areas of foreign economic cooperation. At the same time, in terms of foreign trade, these countries had a leading position - at the end of 2022, Asian countries (excluding CIS countries) had the maximum share in Kazakhstan's foreign trade at 36.7%, which exceeds the share of European countries and CIS countries (Dodonov, 2023).

Figure 7. Indicators of economic cooperation of Kazakhstan Country East in separate spheres



Source: Agency for strategic planning and reforms of the Republic of Kazakhstan, 2022

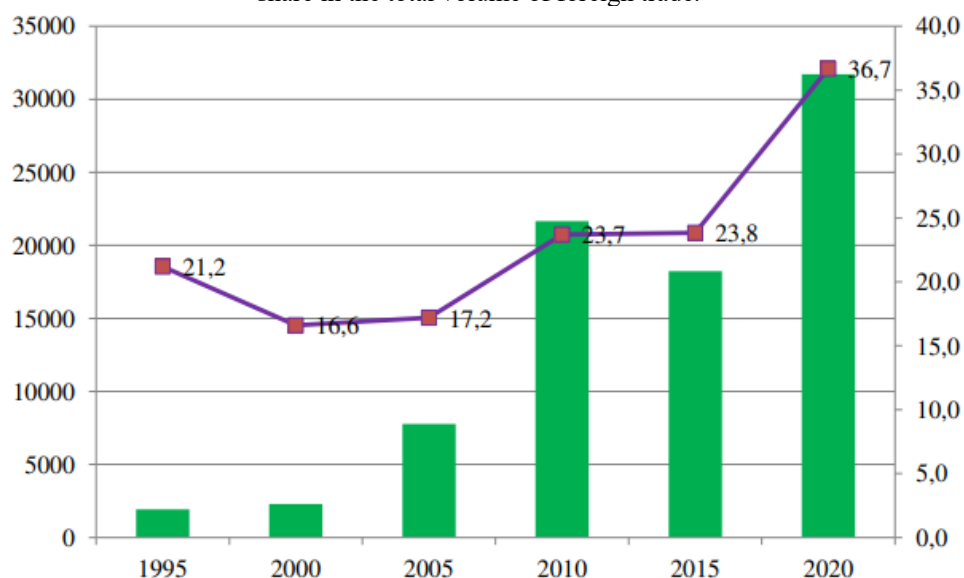
The role of Asian states is high not only in the trade and investment spheres of international economic cooperation of Kazakhstan, but their share is also significant in almost all areas of foreign economic interaction, amounting to (at the end of 2022) 14% to 43% (figure 7) (ASPR, 2022).

The main areas of economic cooperation between Kazakhstan and the region's countries are foreign trade in goods and investment cooperation. Foreign trade, as a critical type of economic relations, is the most indicative for identifying cooperation trends.

An analysis of the dynamics of trade turnover over the past decades demonstrates not only a very significant increase in the volume of this indicator, which increased 16.5 times from 1995 to 2020 (from 1,919 to 31,707 million dollars). This dynamics, presented in Figure 8, also reflects the rapid growth of Kazakhstan's foreign trade with Asian countries (excluding CIS countries) compared to the volume of foreign trade as a whole, which is manifested in the progressive growth of the share of Asian countries in its total volume over the past twenty years (ASPR, 2022).

The volume of Kazakhstan's foreign trade from 1995 to 2020 increased by 9.5 times, and trade with Asian countries by 16.5 times; the volume of Kazakhstan's exports as a whole increased by 9.1 times, and to Asian countries - by 17.7 times; the volume of goods imported by Kazakhstan increased by 10.2 times, and the volume of imports from Asia by 15.3 times.

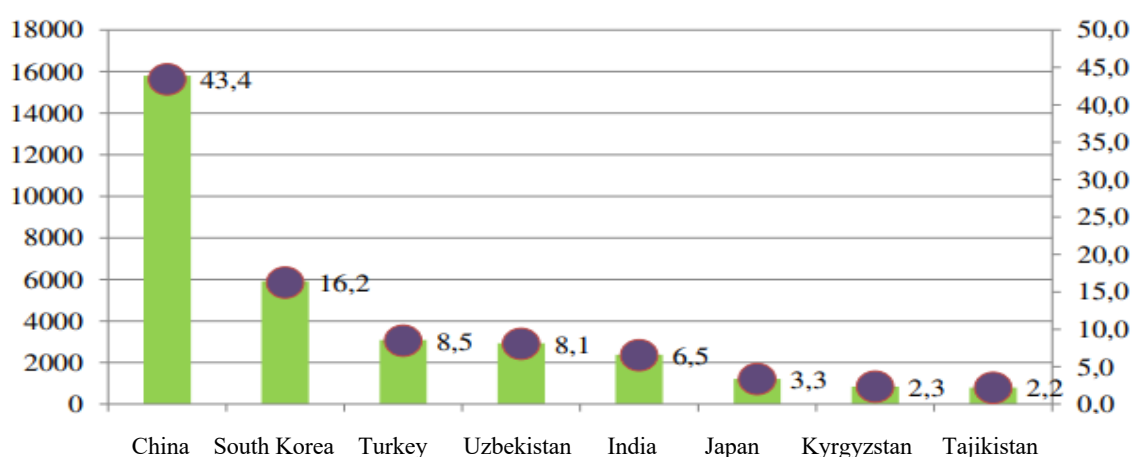
Figure 8. Dynamics of the volume of trade turnover between Kazakhstan and Asian countries and its share in the total volume of foreign trade.



Source: Agency for strategic planning and reforms of the Republic of Kazakhstan, 2022

Kazakhstan’s key foreign trade partners from Asian countries, with a share of more than 2%, are presented in Figure 9. In terms of the volume of annual trade turnover, Kazakhstan’s key trading partner is the PRC, which leads by a large margin from other leading Asian counterparties. Also among the leaders in trade with Kazakhstan at the end of 2022 are South Korea, Turkey, Uzbekistan, and India.

Figure 9. Volume and share of trade turnover of Kazakhstan’s main trading partners from Asia in 2022.



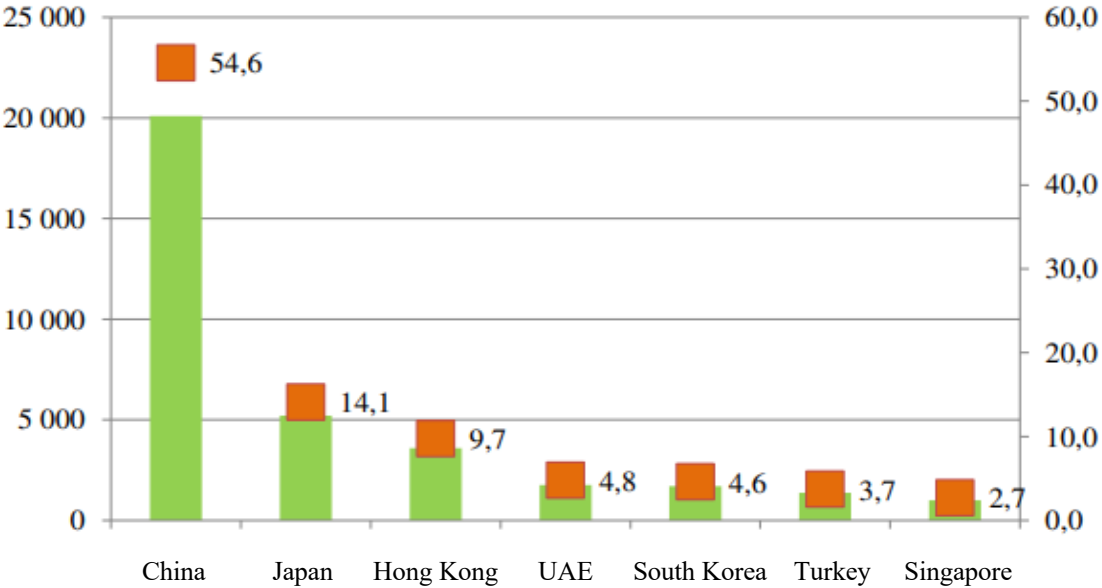
Source: Agency for strategic planning and reforms of the Republic of Kazakhstan, 2022

In total, eight countries with a share of more than two percent account for 90.5% of trade with Asian countries, which allows us to conclude that these states represent almost all of

Kazakhstan’s foreign trade in the eastern direction. Another main area of foreign economic cooperation between Kazakhstan and the countries of the continent is investment, mainly in terms of attracting foreign investment to the country (Dodonov, 2023).

The role of certain countries as a source of foreign investment is most clearly reflected by the indicator of their accumulated volume since this indicator demonstrates the role of the corresponding states in the development of the economy of the recipient country. In terms of the volume of accumulated investments of all types from Asian countries in 2023, the leadership also belongs to China, which accounts for the majority of them. In addition to China, notable foreign investors from the Asian continent are Japan and Hong Kong; in total, there are seven countries with a share of more than 2% in the total volume of accumulated investments from Asia (Fig. 10). The total volume of investments accumulated in Kazakhstan from the seven indicated countries is 94.2% (National Bank, 2023).

Figure 10. Volume and share of accumulated foreign investment of all types in Kazakhstan from leading Asian partner countries as of 2023.



Source: National Bank of Kazakhstan, 2023

Thus, cooperation between leading Asian countries and Kazakhstan is comprehensive, covering the main areas of economic interaction and playing an ever-increasing role in the country's development.

### ***b. Contemporary Foreign Policy in Kazakhstan***

Today the foreign policy of Kazakhstan reflects the directions of the Strategy Kazakhstan-2050, including fundamental views on the principles, priorities, approaches, and tasks of foreign policy. More specifically, Kazakhstan's multi-dimensional foreign policy is concentrated on a thoroughly balanced strategy that interchanges between concessions and demonstrations of strength. Kazakhstan's view of Central Asia as the arena of supremacy and influence of Russia, the US, and China likely helped to diversify its interlocutors and to build partially independent political interests within the region.

On March 6, 2020, by Decree of the President, the Kazakh government approved the new Foreign Policy Concept of the Republic of Kazakhstan for 2020-2030. According to this, Kazakhstan, firstly, gives relations with other countries in the region a strategic character, bringing them to the same level as geopolitical actors of greater potential, such as China, Russia, the USA, and the European Union. Secondly, it advocates expanding multilateral dialogue and cooperation in Central Asia. Thirdly, it expresses its readiness to help strengthen existing interaction formats between the Central Asian states and external partners.

In particular, at the regional level, President K. Tokayev's foreign policy is generally focused on Central Asia, which is stated in the Foreign Policy Concept for 2020-2030. In essence, this is a continuation of the policy of Kazakhstan, pursued since the 1990s. At an extended meeting of the Ministry of Foreign Affairs board on November 18, 2021, President Tokayev noted that Central Asia is a priority region for Kazakhstan. Stressing that strengthening leadership in Central Asia is a task, the President emphasized that Kazakhstan bears a special responsibility for the fate of Central Asia. It means that Kazakhstan will continue to pursue an active policy of regional solidarity. Tokayev's visit to Turkmenistan on October 25, 2021, was critical for bilateral and regional cooperation. The signing of 20 agreements in various fields during the visit - from trade to transport, from agriculture to science - indicates that relations between the two countries have reached a new level. The active participation of Turkmenistan, the gateway of Central Asia to the Middle East, in regional integration projects is important for Kazakhstan. In this regard, Turkmenistan's acceptance of observer status in the Organization of Turkic States (OTS) is a positive step.

Relations with Uzbekistan and Kyrgyzstan, both in the context of Central Asia and in the context of the Turkic world, are of strategic importance. In this regard, the visit of the President of Uzbekistan, Shavkat Mirziyoyev, to Kazakhstan on December 6, 2021, was critical of bilateral relations and the future of the region. It was the first state visit after his re-election as President of Uzbekistan. The key area of economic interaction between

Kazakhstan and Uzbekistan is trade relations. Trade turnover accounts for around \$4.1 billion. Kazakhstan is one of the main trading partners of Uzbekistan, following China and Russia.

It should also be noted that important events occurred in relations between Kazakhstan and Kyrgyzstan. On December 2, 2021, President K. Tokayev ratified the “Agreement on free military-technical assistance between Kazakhstan and the Kyrgyz Republic.” It is also worth noting that Kazakhstan previously sent humanitarian aid to Kyrgyzstan with grain and vaccines. Kazakhstan became the second-largest trading partner of Kyrgyzstan. Currently, the two countries are working to increase the volume of trade turnover to \$2 billion, which for 2023 amounted to 1,129.2 billion.

Kazakhstan maintains stable and pragmatic relations with Russia, which is critical for Kazakhstan. In this context, the visit of President K. Tokayev to Russia, which took place on February 10, 2022, also played an important role. During the visit, 11 agreements were signed, of which six were in education and the remaining five in economics and energy. According to the Bureau of National Statistics, at the beginning of April, 2024, there were 44,568 legal entities in Kazakhstan with foreign participation, of which Russians are in the lead - 19,735, Turkey is in second place by a wide margin, and Uzbekistan is in third - 3,458. Among joint ventures Russian capital also leads - 3,935, Chinese - 577 and Uzbek – 482 (Lada.kz, 2024). It turns out that almost every third enterprise in Kazakhstan, where there is foreign capital, is created with Russian participation. At the same time, according to the Russian trade mission, over the year (2022-2023) the number of companies in Kazakhstan with Russian capital increased by 70%. The interest of Russian oligarchs is perhaps quite understandable - it is stimulated by the ongoing war in Ukraine and tough sanctions.

Meanwhile, from the very beginning, Kazakhstan attached special importance to the Turkic world. The critical event in this direction during the presidency of K. Tokayev is the 8th summit of the Turkic Council, held in Istanbul on November 12, 2021. This visit of K. Tokayev, who visited Turkey for the first time as President, was of particular significance. The President's proposals at the summit were notable in that they showed the continuity of Kazakhstan's policy in the Turkic world. Stressing the importance of Turkic integration, K. Tokayev noted that the organization should attach special attention to economic, humanitarian, and environmental cooperation (Kidiraly, 2022).

In May 2022 during the visit to Turkey of the President of Kazakhstan K.-Zh. Tokayev, the parties signed a Joint Declaration on Advanced Strategic Partnership. The document emphasized Turkey's determination and Kazakhstan's to coordinate the fight against any manifestations of terrorism and extremism, with threats to the national security of

both countries, expanding interaction in a wide range of areas. Records highlight that Ankara is interested in becoming a transit export route of Kazakh gas to European markets. It's up to the task of transforming Turkey into a gas hub of global importance to allow the use of existing infrastructure - the international gas pipeline Baku–Tbilisi–Erzurum, which runs through the territory of Turkey in the form Trans-Anatolian gas pipeline.

In general, Turkey ensures the passage through its territory of the entire variety of fuel and energy resources and various types of raw materials consumed by modern production to the countries of the Mediterranean basin and the EU. This meets the economic interests of East Asian countries such as China, South Asian countries such as India, as well as the countries of the South Caucasus and Central Asia and is actively supported by Western European countries and the United States (Zhivalov et al., 2023).

The Organization of Turkic States (OTS) can be perceived as Turkey's attempt to create a new alliance - an alternative to the Eurasian Economic Union. In the next decade, the OTS countries, with a population of 173 million people, plan to create a market for investments, labor, goods, and services. The OTC Summit held in 2022 in Uzbekistan demonstrated the confidence of the OTC member states in the further deepening and development of international cooperation not only in the economic but also in the cultural sphere, taking into account the language and folk traditions of the Turkic people.

Within the framework of the OTC, a Development Bank, a Turkic Investment Fund, and an agreement to simplify customs procedures were established. It was proposed to create a fund for venture initiatives to develop modern high technologies, digitalization, and education. The construction of the Uzbekistan-Kyrgyzstan-China and Termiz-Mazar-i-Sharif-Kabul-Peshawar railways will significantly increase the capacity of the Baku-Tbilisi-Kars railways. It is planned to expand transport links between Europe and Asia and general diversification of the infrastructure of all transport links.

Due to its pragmatic foreign policy, Kazakhstan is deepening cooperation with the neighboring states. This situation strengthens the Turkic world. On January 25, 2022, President K. Tokayev attended the Central Asia – China Summit. The high-level forum was dedicated to the 30th anniversary of diplomatic relations between the Central Asian states and China. Later, on February 5, K. Tokayev, who arrived in Beijing for the opening ceremony of the XXIV Winter Olympic Games, met with the Chairman of the People's Republic of China, Xi Jinping. Special attention was paid to strengthening trade and economic ties.

Bilateral trade turnover between China and Kazakhstan in 2023 grew by more than 30%, amounting to 31 billion US dollars. If we compare the previous year's statistics, we can see

growth dynamics: in 2022, this figure was \$24.1 billion (Atameken Business, 2024). Special emphasis is placed on the further promotion of joint economic and transport and logistics projects, in particular within the framework of the “One Belt – One Road” initiative. It is a bridge between East and West, and 80% of all land transport between China and Europe is carried out through Kazakhstan. In 2023, as part of the coordination of the Kazakh NurlyZhol program and the Chinese Belt and Road Initiative, many large joint projects are being implemented, totaling more than \$21 billion (Vecher.kz 2024).

India is also a long-term partner of Kazakhstan. Two days after the above-mentioned “Central Asia – China” summit, on January 27, K. Tokayev took part in the first “Central Asia – India” summit of heads of state, organized at the initiative of the Prime Minister of India Narendra Modi. The top issue on the agenda was the trade issues; 80% of the trade turnover between Central Asia and India falls in Kazakhstan.

Likewise, Kazakhstan continues to cooperate with countries such as Iran and Pakistan. At the end of 2023, trade turnover between Kazakhstan and Iran amounted to \$521.4 million, 18.3% higher than in 2022. At the same time, the share of exports from Kazakhstan to Iran accounted for \$309.7 million, an increase of 12.5% compared to last year. Imports from Iran to Kazakhstan amounted to \$211.7 million (apk-inform.com 2023). Currently, in light of the application of sanctions against Russia by Western states, the issue of using the transit potential of Iran, which provides Kazakhstan with access to the market of Arab states, Iraq, India, and Pakistan through the Persian Gulf, is becoming more relevant. In turn, Iran is interested in supplying goods to the countries of Central Asia, Russia, and China through Kazakhstan.

Also, Kazakhstan and Pakistan intend to expand cooperation in 2024. First of all, in the trade and economic sphere. The countries plan to strengthen interaction between transport departments and logistics companies. If we consider that Pakistan and Kazakhstan do not have a common border, then for both sides, the main issue in establishing close ties becomes stability and peace in Afghanistan; and yet, bilateral trade, albeit gradually, is growing. Overall, trade volumes are said to be below the real potential of the two countries. There are opportunities to increase this volume. Due to the recent improvement in the political and security situation in Afghanistan, Pakistan National Logistics Company began transporting cargo to Kazakhstan through Afghanistan and China.

#### *Western vector*

Cooperation with the Western world is one of the priorities of Kazakhstan’s foreign policy. In this context, the President of Kazakhstan is pursuing an active policy towards the EU and the USA. It should be noted that the EU and the USA remain the largest trading partner of

Kazakhstan. Yet, according to experts, the US and EU view Kazakhstan rather instrumentally. They need to strengthen their influence as a counterweight to the influence of China and Russia. Therefore, Western states can promise investments and support for the economy and technology. But in the end, they need to contrast Kazakhstan with other players, primarily Russia and China. Therefore, in the long term, the interests of the United States and some European countries may contradict the interests of Kazakhstan's national security. It is fraught with the destabilization of Kazakhstan itself.

Since Kazakhstan is located next to these centers of power: China and Russia, it is indirectly involved in the game against them. At least that's how Western countries see it, and this is a serious challenge, risk, and even a threat. Therefore, it is necessary to stop these threats and not to allow the West to involve itself in anti-Chinese, and anti-Russian games, including sanctions barriers. It may hurt Kazakhstan itself. We still need to work to remove barriers and sanctions and not support the Western-centric model of the world order.

### **3.3.7. How do anti-Russian Sanctions Affect Kazakh Entrepreneurs Today?**

Kazakhstan like many other states, faced risks and challenges due to ongoing geopolitical upheaval. Anti-Russian sanctions led to changes in production and logistics supply chain goods. In addition, the devaluation of the ruble continues to pressure the competitiveness of products internally and externally. The degree of impact of sanctions seems to depend on the specific industry. According to the Ministry of Trade, the main problems arose among those entrepreneurs who supplied goods from Europe and the USA through Russian distribution hubs (Sarsenova, 2023).

At the same time, Kazakh businesses continue to face problems when exporting goods and equipment from Russian territory due to retaliatory restrictive measures. In 2022, the Russian Government established a permitting procedure for certain goods outside the country, including the EEU states. It is stated in the resolution of March 9, 2022, No. 312 - On the introduction of the temporary basis of the permitting procedure for the export of certain types of goods outside the limits of the territory of the Russian Federation. This list contained approximately 1500 products, such as agricultural machinery, vehicles, some industrial products, telecommunications equipment, laboratory, mining, geological exploration, geophysical equipment, and certain medical products. Thus, foreign goods export is possible based on the Russian government permit. At the same time, for the export of Russian goods, a certificate of origin is now required according to the ST-1 form.

It is known that many official missions and distributors of large manufacturers of goods for almost all industries were stationed on Russian territory. A large amount of equipment to Kazakhstan was also carried through the Russian Federation. Respectively, due to the introduction of these restrictions, congestion has formed on the Kazakh-Russian border from vehicles. Problems also arose during the return export from Russia of equipment previously exported from Kazakhstan for warranty maintenance, repair, and other similar purposes, the department added. To resolve these issues, a resolution of EEU No. 312 was adopted that reduced the list of goods by more than 50%, and the acceptance procedure and document issuance have been transferred from paper to electronic format (Sarsenova, 2023).

Despite the growing external pressure, foreign trade indicators for 2023 indicate growth in trade turnover between Kazakhstan and Russia. It reached \$12.7 billion, showing a 3.7% increase, compared to the previous year (12.3 billion dollars). However, trade has decreased for some products in supplies of ores and metals to the Russian Federation. This happened due to the reorientation of Russian producers to the domestic market, considering the loss of sales markets in the West. In addition, Russian supplies of household goods - equipment, car spare parts, certain raw materials, and semi-finished products have also decreased. It is important to note that Kazakhstan has not imposed sanctions or restrictions on trade with Russia (Mukatayeva, 2024).

According to Chatham House report (2024), Russia's influence in Kazakhstan is growing despite the war in Ukraine. Some had hoped the war would turn Astana's foreign policy toward the West, but economic ties with Moscow deepened.

It is because Kazakh business elites have strong and lucrative ties to Russia, and Moscow has other economic leverage over its southern neighbor. Russia controls Kazakhstan's main export route, the Caspian Pipeline Consortium, which exports 79% of Kazakhstan's oil and provides 60% of the country's GDP. Russia has demonstrated twice that exports through this pipeline may cease. The Russian Federation also supplies electricity (and may soon supply gas) to Kazakhstan. In addition, Russia now controls 25% of Kazakhstan's uranium production after Tokayev quietly authorized the sale of strategic licenses. Russia and China have a common interest in Kazakhstan becoming more integrated into their economies and partly moving away from the West without completely closing Russia's window to the unauthorized world. China has overtaken Russia as Kazakhstan's key trading partner, with trade turnover expected to reach \$31.5 billion in 2023, up 30% from 2022.

Yet, Kazakhstan has promised to comply with Western sanctions on Russia. However, the West's strategy towards the region likely lost its way following the disgraceful troop

withdrawal from Afghanistan in 2021. The EU and US are the largest investors in Kazakhstan, but Western influence is waning as Tokayev looks to other partners to provide unconditional and often informal financing mechanisms.

Meanwhile, Western countries remain reluctant to impose sanctions against Kazakhstan for exporting dual-use goods to Russia, fearing the country will become even closer to Moscow and Beijing. But this balancing act is precarious, and Tokayev's actions do not suggest he has the ability or desire to change the status quo (Chatham House, 2024).

Yet, the Kazakh president continues to try to find a balance: refraining from showing support for Russia's actions without being accused by Moscow of acting against Russia. The West can still play an important role by offering young Kazakhstanis education, independent media, technology, and Western values. But geography and economic and cultural ties matter, and Russia looks set to remain Kazakhstan's strategic partner in the next geopolitical decade.

### **The impact of the war in Ukraine on the economy of Kazakhstan: what has changed in two years?**

The war in Ukraine has changed the economic and strategic relations between many countries of the world, including Kazakhstan and other states in Central Asia. Because Russia and Ukraine are major exporters of commodities to global markets, the war triggered energy and food crises, causing supply chain disruptions, rising prices and interest rates, and affecting global economic growth rates (Ahmetov, 2023).

In response to Russia's actions, Western countries, led by the United States and the EU, introduced an expanded package of sanctions. Such sanctions have become a tool in resolving international economic and political tensions between countries over the past few decades. Although the sanctions were designed to affect only Russia, they impact Russia's neighboring countries, including Kazakhstan, due to a high degree of economic dependence between them.

Today, Kazakhstan and the Russian Federation are closely connected by economic and political ties. Kazakhstan's economic connection with Russia runs deep in many aspects, from foreign trade and investment to technology, labor, and supply chains. Such relationships between countries, which have geographic and historical roots, were strengthened by the EEU (Zhazetova, 2024).

Before the start of the war, most forecasts for Kazakhstan's GDP growth for 2022 were in the range of 3.5-4.5%, but later international institutions seemed to revise their estimates to the range of 1.8-2.3%. Thus, the Ukrainian crisis was expected to impact negatively the Kazakh economy, depriving it of approximately 2% of its growth potential. After this sharp slowdown,

the economy was expected to recover again in 2023, with most forecasts for GDP growth being 2.5–4.4% (Atameken Business, 2024).

Despite pessimistic estimates, in 2023, the economy of Kazakhstan grew by 3.2%, which turned out to be higher than all predicted values. Among the growth factors are: (i) fiscal impulse - due to the anti-crisis measures, government spending increased by approximately 20%, which supported the GDP growth rate; (ii) high prices for hydrocarbons caused by the conflict in Ukraine - the average price of Brent oil for 2022 was at \$99.8 per barrel; (iii) a record grain harvest, which boosted gross agricultural output to almost double digits; and (iv) growth in re-export of goods to Russia against the backdrop of sanctions restrictions.

In 2023, as expected, the economy returned to its rapid growth trajectory, again above original forecasts. Actual GDP growth was 5.1%, a record level over the past decade. This time, the growth rate was supported by extra-budgetary withdrawals from the National Fund at the end of the year, as well as an increase in oil production (Zhazetova, 2024).

Thus, in general, it is likely that the negative impact of the war in Ukraine on Kazakhstan's GDP growth in 2022-2023 was quite limited and manifested itself mainly through the inflation channel and through a reduction in consumption. On the other hand, the acceleration of foreign trade and high oil prices caused by the crisis have become positive growth factors for Kazakhstan.

At the same time, inflation in Central Asia has reached double-digit values, including in Kazakhstan. Thus, in March 2022, immediately after the outbreak of the conflict, annual inflation jumped from 8.7% to 12%, and a year later - in February 2023 - its level exceeded 21%. These figures were significantly higher than the medium-term inflation target of 6-8%, previously set by the National Bank. In response, the regulator began to tighten monetary conditions, sharply increasing the base rate, which by the end of 2022 reached 16.75% and remained at this high level for a year and a half. It led to a significant decline in business activity in the country and high rates, which restrained economic growth. After reaching its highest level in February 2023, inflation rates weakened slowly and reached single-digit levels at the end of last year. At the same time, the National Bank softened monetary conditions only in the second half of 2023 (Ahmetov, 2023).

### **International trade**

As already emphasized, Russia is historically the country's largest trading partner. In 2021, Russia's share in Kazakhstan's total trade turnover was approximately 24%; in exports – 12%, and in imports – 43%. Sanctions, even if imposed by other countries against Russia, have

significantly changed the structure of Kazakhstan’s foreign trade, and their influence has been multidirectional. On the one hand, due to the sanction regime, the share of Russia in the total trade turnover of Kazakhstan in 2022 decreased immediately to 19.9% and in 2023 - to 18.6%. The most significant reduction occurred in imports, where Russia's share in 2022 and 2023 was 35.1% (-7.4% y/y) and 26.5% (-8.6% y/y), respectively (Atameken Business, 2024).

This happened as many goods as possible that were previously supplied both from Russia itself and in transit through its territory became no longer available, which pushed Kazakhstan to import from Europe, China, and other countries. In addition, Kazakhstan suffered from protectionist measures introduced by the Russian Federation, such as trade restrictions and temporary bans on grain, sugar, and other goods, including to the EEU countries, to ensure uninterrupted supplies to the domestic market. These regulatory measures not only limited the volume of mutual trade but also led to a noticeable increase in prices and a shortage of relevant goods on the local market.

At the same time, sanctions restrictions on Russia affected the growth of re-exports from Kazakhstan. In particular, exports from Kazakhstan to Russia in 2023 increased by 25.1%, while there was an increase in imports from the EU countries, the USA, and China by 33.9%, 40.5%, and 35.4%, respectively. While some of this sharp increase in imports can be attributed to the substitution of Russian products, some of these goods were not previously imported into Kazakhstan and are not domestically produced. It especially applies to medium- and high-tech products. This increased the risks of secondary sanctions and ultimately led to investigations by Western countries into Kazakhstan to verify compliance with the sanction’s regime.

**Table 7. Indicators of Foreign Trade of the Republic of Kazakhstan, \$ million**

<b>Export</b>				
	<b>Russia</b>	<b>EU</b>	<b>USA</b>	<b>China</b>
2021	7 013	24 109	872	9 773
2022	8 781	33 858	1 152	13 060
2023	9 788	31 698	1 510	14 710
<b>Import</b>				
	<b>Russia</b>	<b>EU</b>	<b>USA</b>	<b>China</b>
2021	17 606	5 964	1 351	8 228
2022	17 343	7 984	1 898	11 144
2023	16 192	10 905	2 541	16 772

Source: Atameken Business, 2024

It should be noted that a change in foreign trade in 2023 was the movement of China to second position after European countries in terms of trade turnover with Kazakhstan. Thus,

China's share increased from 17.9% to 21.7%. This trend is likely to continue in the foreseeable future since Western sanctions against the Russian Federation have been introduced for a long time; thus, the structure of imports from the Russian Federation will continue to change towards less complex goods with an accompanying drop in volumes.

At the same time, concerns about secondary sanctions led to a gradual curtailment of exports (re-exports) to Russia, which, in 2023, decreased more than twice to 11.5%. Thus, in the future, Kazakhstan will no longer receive the economic benefits from re-exports, as was previously observed (Zhazetova, 2024).

### **Transport Corridors**

While the world is anxiously watching the unfolding events in Ukraine and the Middle East, and supply chains worldwide are experiencing unprecedented pressure, one transport route is quietly positioning itself as a potential savior. The Middle Corridor, or the Trans-Caspian International Transport Route, is a multimodal network connecting China to Europe via Kazakhstan, the Caspian Sea, Azerbaijan, Georgia, and further to Europe via Turkey or the Black Sea. Despite the interest of participating countries, until recently, the route was rarely used due to the availability of cheaper alternatives (Mamedli, 2024).

Although the Middle Corridor is inferior to others in terms of supply costs, shipment times are shorter, which is its main competitive advantage. The idea of promoting the Middle Corridor as opposed to Russian transit routes is not new in itself but the war in Ukraine has given this initiative new political strength both in the countries of the region and in the West. Today, about 3 million tons of cargo are delivered along the Middle Corridor annually, and the potential of the Middle Corridor, according to World Bank estimates, by 2030 is estimated at up to 11 million tons of cargo per year - an increase that could occur by more than three times. One of the key challenges for its implementation is the geographical and economic fragmentation of countries in the region.

Technically, the corridor is still underdeveloped compared to other corridors. Difficulties remain with infrastructure and ensuring safe and uninterrupted cargo flow, which requires significant country investment. There are also environmental problems with the Caspian Sea, the water level of which has declined rapidly in recent years. Despite these problems, Kazakhstan uses the opportunities of the Middle Corridor, increasing the country's transit potential.

The government has already begun to take some steps in this direction. For example, at the end of 2022, Kazakhstan, Azerbaijan, Georgia, and Turkey signed a road map until 2027 to

accelerate the development of the Middle Corridor. As part of it, it is planned to increase the throughput capacity of the Middle Corridor to 10 million tons per year in the medium term. For this purpose, work is being done to improve infrastructure and terminal facilities, expand ports, increase rolling stock, simplify customs procedures, and unify tariffs and rules between participating countries (Atameken Business, 2024).

In 2023, it was also announced the creation of a single transport operator for the Middle Corridor - Middle Corridor Multimodal - which could begin operations as early as the end of 2024. In addition to the Middle Corridor, geopolitical tensions have prompted the development of the North-South Corridor, which connects India, Iran, and the Gulf countries through the Caucasus and Central Asia with Russia and Europe. Its eastern branch is located in Kazakhstan, providing transportation between the port of Aktau and the northern ports of Iran. In 2023, the volume of cargo transportation along the North-South corridor amounted to 2.1 million tons. By 2027, it is planned to increase the route's throughput from 6 to 10 million tons annually. In addition, in early 2024, the railway administrations of Kazakhstan, Russia, and Turkmenistan announced the creation of a joint venture to improve communications along this corridor. In parallel with railway and sea communications, there has been an active development of road routes. Eight automobile transport corridors pass through the territory of Kazakhstan.

### **Oil Routes**

One of the important consequences of the Ukrainian crisis for Kazakhstan was the search for alternative routes for oil supplies. In 2021, 98% of all oil from Kazakhstan was exported through Russia, and the main route for the supply of Kazakh oil to Europe was and remains the Caspian Pipeline Consortium (CPC), through which over 80% of oil from the country is transported. Due to the threat of Russian sanctions and interruptions in oil supplies through the CPC in the initial periods of the war, the republic found itself under severe pressure. Therefore, in 2022, Kazakhstan began selling oil under its own brand KEBCO (Kazakhstan Export Blended Crude Oil), while simultaneously taking steps to diversify oil supplies to foreign markets. Today, key alternative routes for exporting oil from Kazakhstan to Europe include the Baku-Tbilisi-Ceyhan (BTC) oil pipeline, the port of Batumi in Georgia, and the Druzhba pipeline, which carries oil to the Schwedt refinery. About 1.4 million tons of Kazakh oil were exported via the BTC in 2023, almost 6 times more than a year earlier (250 thousand tons) (Zhazetova, 2024).

It should be noted that in mid-2023, KMG and the Azerbaijani company SOCAR entered into an agreement providing for up to 1.5 million tons of oil from Tengiz via the BTC,

with a further increase to 5 million tons per year. Approximately 1 million tons of oil were sent via the Druzhba pipeline to Germany last year. Previously, Kazakh oil was not supplied through it. In 2024, supplies of 1.2 million tons are planned along this route. In addition, issues to increase the Kazakh tanker fleet are being considered.

In total, the government plans to increase oil exports through trans-Caspian channels to 15 million tons per year by 2025. However, according to S&P Global estimates, these prospects seem distant. Firstly, the cost of transportation via trans-Caspian channels is almost three times higher than the cost of deliveries via the CPC. The single cost component is railway transportation to Aktau, an estimated cost is about \$60 per ton (Atameken Business, 2024).

However, in the long term, we can expect increased supplies along trans-Caspian routes due to economies of scale, increased efficiency, and infrastructure restrictions as volumes increase. It is important to emphasize the Chinese direction of oil supplies from the Republic of Kazakhstan via the Kazakhstan-China Pipeline (KCP), which includes the Atasu-Alashankou and Kenkiyak-Kumkol oil pipelines. About 1.2 million tons of oil are supplied to China annually through these channels, which is quite insignificant compared to the CPC (56 million tons). Measures to expand oil exports to China became very relevant after the outbreak of the war in Ukraine. At the same time, China itself, as a participant in the project at the Kashagan field and KCP, is interested in increasing the import of hydrocarbons from Kazakhstan to diversify supplies, taking into account the influence of other geopolitical shocks in the Middle East (Karimova, 2024).

The Kazakh government plans to increase oil exports to China to 10 million tons annually. Achieving this goal requires concluding long-term agreements on a guaranteed volume of oil, which is already being worked out between the countries. In parallel with this, work is underway to expand certain sections of the CCP and load the pipeline with oil from western fields.

### **Migration and Labor Market**

After the outbreak of war in Ukraine, many large international companies decided to close their representative offices and factories in Russia. However, they did not suspend business in the region and began to look for countries to relocate to. Against this background, Kazakhstan is gradually becoming a hub for business relocation. According to statements by the Kazakh, currently, 41 large international companies worth more than \$1.5 billion have moved their offices and enterprises from Russia to Kazakhstan. These are mainly companies from Germany, China, the USA, Switzerland, and Japan. They operate in manufacturing, IT,

digitalization, and mining. At the same time, the government of Kazakhstan continues to work with other international companies. 400 companies from more than 30 countries on the government's priority list. At the moment, negotiations are actively underway on 37 of them, which are planned to be completed by the end of the year (Atameken Business, 2024).

Sanction pressure also forced Russian companies to relocate to neighboring countries, including Kazakhstan. Thus, at the end of 2022, 19.3 thousand companies with Russian capital were registered in the Republic of Kazakhstan, which is 68% more than in 2021. Slightly less than half of them were concentrated in the trade sector, and their share in the total number of foreign trading companies was 45%. This is followed by the telecommunications (IT) sector, where in 2022, the number of Russian companies immediately increased five times to about 2 thousand (Ahmetov, 2023).

Moreover, Russian companies accounted for 72% of all foreign companies in this field in Kazakhstan. An influx of business from the Russian Federation was noted in consulting (professional, scientific, and technical activities) and administrative services, which increased three times over the year. On the other hand, there was a moderate influx of firms into the primary sectors - agriculture and the mining sector, but a faster influx into the manufacturing industry.

In 2023, the relocation of Russian firms to Kazakhstan continued, but the growth rate dropped noticeably - an average of 3-5% per month. In general, the number of Russian companies in the country grew by only 19% in 2023. As before, a number of companies were registered in the fields of trade, IT, consulting, and administration, which accounted for 30% to 75% of the shares of foreign companies in the relevant industries.

It should be emphasized that 99% of companies with Russian capital participation in the Republic of Kazakhstan are small enterprises. This suggests that mostly non-capital-intensive businesses moved from Russia to Kazakhstan in two years. This is also indicated by FDI indicators. In 2022, despite record growth in Russian companies, gross FDI inflows from Russia to Kazakhstan decreased by 19% y/y. In 2023, against a low base, FDI inflows from Russia grew by 88% y/y, but the lion's share of this increase occurred in the 4th quarter (Atameken Business, 2024).

Given the weak dynamics of the emergence of new Russian companies throughout last year, it is unlikely that such a significant increase in FDI was associated with the relocation of Russian businesses. In addition to companies, because of the war in Ukraine, Russians began to move en masse to other countries. According to the BNS, at the end of 2022, 17.4 thousand people received a residence permit in Kazakhstan. About a third (5.9 thousand) came from

Russia, 70% more than a year earlier. At the same time, 19.4 thousand people emigrated to the Russian Federation from Kazakhstan, which is 27% less than in 2022. Thus, there was a negative migration from the Russian Federation, but significantly less than in previous years (Loginov, 2023).

In 2023, the number of Russians who received a residence permit in Kazakhstan almost doubled - to 11.7 thousand, 46% of the total number of immigrants. During this time, approximately 11.7 thousand Kazakhstanis also emigrated from the country to Russia. That is, the number of citizens arriving and leaving the Russian Federation was almost the same, which has never been observed historically.

According to the Ministry of Internal Affairs of the Republic of Kazakhstan, about 5.6 million foreigners entered Kazakhstan in 2022 (without residence permits), of which 2.9 million were from Russia. The most frequent influx, outside the summer months, was observed at the time of the announcement of partial mobilization in September. If before this, the average daily influx of Russians was about 8-9 thousand per day, then, during this period, it reached 30 thousand per day (GovKz, 2023).

At the same time, the majority of Russian citizens who entered immediately left for other countries. That is, they used Kazakhstan as a transit platform. According to statements by the Russian Consulate General in the Republic of Kazakhstan, after the start of mobilization, approximately 400 thousand Russians entered Kazakhstan, of which only about 50-80 thousand remained in the country at the end of 2023.

Considering the above, the impact of the war in Ukraine on the labor market situation in Kazakhstan was quite limited. Mostly small Russian companies in trade, IT, consulting, and administration relocated to the country.

Of the total number of Russians who entered, only a part remained for permanent or temporary residence, while others left for third countries or returned to Russia. Among the positive aspects, one can note the relocation of large international companies to the Republic of Kazakhstan and the associated improvement in the investment climate (Loginov, 2023).

## **CHAPTER 4.**

### **CONCLUSION AND DISCUSSIONS**

Palánkai (2006) suggests that theories of integration essentially examine five aspects of the process: 1) essence of integration, 2) fundamental organizational structures and institutions

of integration, 3) integration rules and governance issues, 4) benefits and drawbacks of integration, and 5) integration maturity or capacity.

Among other aspects, integration maturity refers to the ability of potential members to maximize the benefits of a particular integration while minimizing its drawbacks. It also emphasizes certain conditions for participation in integrational associations and the development levels of member states.

The current study has attempted to capture all five aspects of Eurasian integration throughout the dissertation work.

**Table 8. Aspects of Integration within the EEU**

The essence of integration	Institutions of integration	Integration policies and issues of governance	The benefits and drawbacks of integration	Integration maturity
Creating conditions for sustainable economic development of the member countries, forming common market of goods, services, capital, and labor, increasing the competitiveness of the states, etc.	The Customs Union, Eurasian Economic Cooperation, Eurasian Economic Union	Treaty on the establishment of the integrational organization, Common technical and sanitarian regulations for good and services for common market, and other specific agreements.	The benefits include access to a common market of goods, services, and labor and the realization of economic and industrial potential. The drawbacks are associated with tough competition in the common market, low trade turnover, insufficient exporting prospects, etc.	The joining of the EEU was necessary for newly independent post-Soviet states struggling with adaptation to new conditions. It is largely linked to national security and economic development objectives.

*Source: compiled by the author based on document analyses.*

Indeed, the rationale for post-Soviet states to create this Union was aligned with their economic and security objectives and likely impacted by Russian regional hegemony. Moreover, for newly established small states, integrating into a regional organization seemed to be an opportunity to boost their economy, also illustrating a commitment to neoliberalism and market-oriented strategies. Russia, as a regional power, initially held the superior influence, exaggerated by its previous political background and the size of its economy. Approximately 86% of the EEU GDP belongs to Russia, 10% to Kazakhstan, and 4% - to other member-states. Respectively, the largest, 85.32 % of the EEU budget comes from Russia and others from other states. In addition, the headquarters of the EEU is in Moscow, and the official language is Russian.

These characteristics of Eurasian integration also assemble the asymmetric relations (Womack, 2016), indicating the superior position of Russia within the EEU structure. Such dynamics allow Russia to use this integration not only to exert its political influence in the region but also to promote its ambition to become a global economic center to counterbalance the West's impact.

In the meantime, among the member-states, Belarus looks to benefit most from Eurasian integration. One of the reasons for this might be common ethnic background and close relationships with Russia, especially between Putin and Lukashenko. Russia and Belarus account for 50% of mutual trade within the EEU states, and Russia constitutes 92% of trade turnover (Dodonov, 2020).

Among other states, long distances and high transportation costs likely limit the Armenian mutual trade perspectives. However, major infrastructural and industrial concerns push Armenia to integrate into the EEU. The primary objective for the country is modernizing its outdated Nuclear Power Plant based on Russian investment.

Kazakhstan, due to its geographic proximity and cultural background, tries to balance its relations with world superpowers and the Turkic world. It was possible because of multi-vector foreign policy. However, Eurasian integration is essential not only from the economic and political perspective but also from the perspective of extending its role in the region by offering assistance in the financial sector as well as a facilitator of dialogue with other global players.

Accordingly, each member-state pursues its objectives and priorities while staying within the Eurasian integration. From the small states' perspective, as noted by Hungarian researcher Máté Szalai (2022), the behavior of small states often links to their regional norms and historical backgrounds. Likewise, post-soviet states, upon obtaining independence, maintained their close relations within the EEU and promoted a common marketplace. In addition, Eurasian integration is likely an instrument for policy learning among member-states, where they upgrade their capabilities to develop the economy and general statehood. It is also a result of social homogeneity and common historical backgrounds among EEU states.

Furthermore, joining Eurasian integration for some members is inevitable due to the limited national resources and locational disadvantages (Kyrgyzstan, Armenia, and Kazakhstan). According to Keohane (1960), such activities are more typical for small states with lower political and economic capabilities, relying accordingly on group actions. Hence, they utilize integration organizations to safeguard their interests and foster a collective identity in the global community.

Recent geopolitical changes in the region brought the EEU some negative trends in economic development directly or indirectly related to geopolitical tensions and instability in commodity markets. Since Russia accounts for 88% of the economic activity of the EAEU, the 6.1% decline in the total GDP of the participating countries was expected. However, the recent data shows a moderate GDP decline of 1.6%, only in Russia (-2.1%) and Belarus (-4.7%). However, the weakening of the ruble and limited exporting potential still affect the union economy. One of the solutions to stabilize the situation was the de-dollarization of trade. Thus, there is an assumption that the EEU has achieved adequate liberalization of its common labor and trade markets that remain comparatively stable despite ongoing economic and political difficulties.

Meanwhile, the study likely found sufficient empirically verified information to answer the initial research questions. Let's talk about each of them.

*1. What are the implications and potential impact of introducing and establishing the Eurasian Economic Union?*

According to the results of this study, the Eurasian Economic Union, formed in 2015 between Russia, Kazakhstan, Kyrgyzstan, Belarus, and Armenia, likely aims to become the first successful initiative in the post-Soviet space, achieve the removal of trade barriers and ensure the integration of a fragmented and economic backward region.

There are various references regarding the initiation of the Eurasian Union Project. The Russian official and media discourse emphasize that this regional integration initiative was first proposed by V. Putin in November 2011 - as part of his presidential campaign.

In his article "A New Integration Project for Eurasia - the Future that is being born today", Putin specifies,

*"The EEU, as a new supranational association, should become a link between Europe and the Asia-Pacific region in the form of a full-fledged economic union, the competitiveness of which should be ensured by the development of investments, the creation of advanced industries, and new jobs. The Union should become a starting point for further integration, but it is an open project in which other CIS members can participate. Most importantly, the EEU activities should not be considered as opposition to anyone or a desire to isolate from other CIS countries."*

Thus, the EEU aimed to combine the previously established Customs Union and Common Economic Space, ensuring free movement of capital and labor within the Eurasian space. The newly initiated EEU could also follow the prototype of the EU and not revive the Soviet Union as it is open to all Commonwealth states.

Indeed, the EEU has set similar with the European Union goals:

- to abolish customs duties between member states,
- to develop common standards for goods among members,
- and to create a single market for services and labor.

However, unlike the requirements of the EU, the regulatory requirements of the EEU relies more on traditional Soviet technical standards and guidelines.

There are also references to the idea of Eurasianism that constitutes the EEU viewpoint. Yet, it looks like this idea has not been defined geographically and ideologically yet. Due to its varying interpretations, Eurasianism remains a flexible ideology. For example, Alexander Dugin sees Eurasianism as a global campaign against the West and a process of neo-imperial regional integration centered in Russia. Echoes of his anti-Western thinking exist in Russian official politics, but its influence should not be exaggerated. Eurasianism likely establishes the Russian global position, while Eurasian integration allows the country to turn to Asia and reunite with Europe.

The idea of Eurasianism, according to Russian rhetoric, emphasizes Russia's stance in the center of Eurasia, likely assembling a separate civilization: not European, not Asian, but a mixture of Slavic and Turkic nations with Russia at its heart. Eurasian ideas have become a critical element of Russian foreign policy rhetoric. According to Paragraph 63 of the Russian Foreign Policy Concept the country aims to assist in the collaboration of European and Eurasian regions and the formation of a common economic and humanitarian space in the Atlantic to the Pacific region.

Meanwhile, Kazakhstan has its interpretation of Eurasianism, promoted by President Nursultan Nazarbayev in numerous publications and speeches since the early 1990s. There is no clear definition here either. It is likely a metaphor that avoids making difficult choices in the state's multi-vector foreign policy and helps to consolidate a multinational population, but it contradicts Russian-centered ideologies.

The idea of Eurasianism, as understood in Kazakhstan, can describe the openness and tolerance of society, its readiness to perceive others, and the ability to create a specific civilization, which could demonstrate a harmonious combination of universal and national values. On the political plane, the ideas of Eurasianism contain the desire of peoples and states for mutual understanding, cooperation, and integration. Moreover, N. Nazarbayev suggests that it is impossible to achieve prosperity and development without integration processes.

Kazakhstan's leaders are far from supporting the power aspirations of Russia. They see the EEU as a means of containing Russia within a supranational organization. Although Russian officials do not hide the importance of the EEU in their vision of Russia as a great power, representatives of Belarus and Kazakhstan constantly emphasize that the EEU is purely an economic initiative without explicit political commitment. Both Belarus and Kazakhstan oppose the understanding of the EEU as a close political union or a bloc with an anti-Western agenda, and they aim to deepen relations with the EU.

Thus, EEU members may support this integration based on their national objectives while glossing over fundamental differences in foreign policy. The Eurasian integration for some members was likely inevitable due to constant labor migration flows and the location of major trade and transport routes in the EEU zone. It is a case for Kyrgyzstan with its many migrants working in Russia and transport routes crossing the Kazakhstani territory.

Yet, lacking a clear ideology within the union makes it likely difficult for member-states to work out a coherent path for its development. In addition, tensions from the contradiction between Eurasian ideas probably represent the central problem facing the EEU and determine the direction of its further development.

Unlike previous regional initiatives, the EEU is potentially a powerful authorized body to make supranational decisions in all areas of integration. It is an economic, technocratic project, providing a range of benefits for participants, such as facilitating cross-border trade and simplifying labor migration. Expectations of the EEU member-states regarding the Union prospects connect with their development objectives and pressing problems, varying from country to country. They also constitute the rationale for their integration into the EEU. Differences in national priorities circulated in the official and expert discourse likely hinder the member-states full integration and slow down the overall pace of the EEU. Yet, there is a general assumption that this notion is integral to any integration process.

In the meantime, the analysis shows that volumes of mutual trade in the Union remain small. The EEU members trade mainly with Russia. The exception is the trade volume between Kazakhstan and Kyrgyzstan, which is significant. It might be caused by long distances and high transportation costs between member-states, especially considering the large size of Russia and distances between other states, for example, between Belarus and Kazakhstan. It similarly restricts the mutual trade and status of Armenia's relation to other member countries since trade flows go through Georgia.

The general effects of integration in all member states seem to include increasing the competitiveness of national goods and the investment attractiveness, the implementation of

transit potential, the development of transport and logistics infrastructure, the reindustrialization and development of industrial cooperation, the elimination of trade barriers, and the formation of human resources for a single labor market.

Some members are anxious about getting the EEU assistance in solving specific national problems and implementing specific projects (for example, the construction of railways, hydroelectric power stations, nuclear power plants, etc.). Thus, in addition to expecting long-term benefits from integration, there is an expectation for instant benefits that should arrive upon joining the EEU. There is a likelihood of growing disappointment toward the Eurasian economic integration in case of the absence of such quick effects.

Meanwhile, according to public and expert assessments, almost all countries demonstrate decreased expectations from the Eurasian economic integration. It is likely linked to the drop in domestic and foreign trade and economic crisis phenomena in all member states (fall in GDP, devaluation of national currencies, etc.). There is also the likelihood of an increase in the vulnerability of national economies due to integration into the EEU.

However, experts tend to link this situation with the influence of external factors. As for the slowdown in the pace of integration, those barriers that had a powerful effect on the free movement of goods were removed at the first stage of integration. In the next stage of integration processes by 2025, parties should remove subsequent barriers and exemptions and coordinate policies in more sensitive industries that may cause disagreements and provoke criticism of the Union.

The expansion of opportunities for increasing foreign trade volumes with third countries and associations is one of the critical expectations of member-states. Thus, there is potential for coordinated policies and decisions as they affect the national interests of member-states. The list of third countries for the conclusion of the preferential and non-preferential trade agreements likely expands by increasing the scale of foreign trade with the EU and China. There is an assumption that in the medium term, the EEU may increase the attractiveness of the single market for external partners and its position on the global scale.

Meanwhile, the Russian discourse demonstrates that along with economic purpose, the union creates a ground for institutionalizing Russian regional influence. This political approach may lead to tension between member-states and undesirable clashes with other associations. Yet, closer economic integration within the EEU should decrease the likelihood

of conflicts between its members. The facilitation of cross-border trade and movement is also capable of minimizing tensions in Central Asia.

Nevertheless, if Russia uses the EEU for political dominance in the region and as a platform for confrontation with the West, other members could regard the union as a threat to their independence. Alternative economic partnerships with the EU or China could lead to tensions between Russia and the other EEU members. Current political interactions between Russia and the EU look unrealistic, while Russia may have some interest in formalizing relations. Low-level technical negotiations between the EU and the EEU could still help to find strategies for identifying potential areas of interaction.

## *2. How has Kazakhstan emerged as the driving force behind the formation of the EEU?*

According to the EEU and other records, the initial stage of independence of post-Soviet states was characterized by an active search for ways of further development and coexistence with CIS states. One of the options for accelerating this process was the initiative of the Kazakh President, N. Nazarbayev, on the Eurasian Union as a structure for building a new sustainable community with a common historical background.

The idea of creating of Eurasian Union was voiced by Nazarbayev during his first official visit to Russia in March 1994. This integrational project was presented at Moscow State University on March 29, 1994. According to Nazarbayev,

*“The mission of the EEU lies in two aspects. Firstly, to become one of the economic macro-regions of the world. The EEU should eventually emerge as a new center of global innovation and attraction for transnational business. Another mission of the Eurasian integration is to ensure that each participating country becomes a developed state.”*

President N. Nazarbayev was able to pull out more rational components from theoretical constructs of Eurasianism that could become the foundation of a new sustainable organization. By promoting the concept of the Eurasian Union, Nazarbayev aimed at relations between the CIS states and the civilizational model in which Kazakhstan, Russia, and other post-Soviet states are objectively interested. The innovation was to create, along with further improvement of the Commonwealth of Independent States, a new integration structure, the purpose of which would be a coordinated economic policy and joint strategic development programs.

However, the records emphasize that at first, this revolutionary initiative was received ambiguously. Over time, neighboring states have realized the necessity of this integration as it ensures economic progress for further sustainable development (EEU, 2014).

The Eurasian Economic Union later served as the vehicle for the practical fulfillment of this concept. With the signing of the Agreement on the Customs Union between Belarus, Kazakhstan, and Russia in 1995, the Eurasian states started to get closer. As governments proceeded toward the Common Economic Space and the Eurasian Economic Union, they identified their integration core. The Single Economic Space (SES) and Customs Union (CU) Treaty was signed on February 26, 1999, by Russia, Kazakhstan, Belarus, Kyrgyzstan, and Tajikistan.

The Eurasian initiative has changed the character and given dynamism to integration processes throughout the CIS. As a result, the Collective Security Treaty Organization and the Eurasian Economic Community were established. The activities of the Commonwealth of Independent States and its structural units have become more specific. Almost 40 sectoral interstate bodies operate within its framework. Eurasian principles constitute the base for the Shanghai Cooperation Organization and the Conference on Interaction and Confidence Building Measures in Asia.

Kazakhstan has been constantly promoting the principle - first economics, then politics, which extends to its domestic and foreign policies. This approach ensures consistency from economic reforms to building pragmatic relations with foreign partners.

According to Kazakhstan's perspective, the mission of the EEU lies in two aspects. Firstly, to become one of the economic macro-regions of the world. Experts suggest that the world center (or economic gravity) is shifting to the East and Asia through the EEU. Its territory gives the Union a natural competitive advantage as a geo-economic bridge between East and West, Europe, and Asia. However, it cannot simply be an intermediary in goods and technologies from one area to another. The EEU should eventually emerge as a new center of global innovation and attraction for transnational business. Another mission of the Eurasian integration is to ensure that each participating country becomes a developed state.

In addition, Kazakhstan links the security of the Central Asian region to the security of Central Eurasia. The country as a nation situated in the center of the continent sees its Eurasian mission as building a dialogue with the West. The meaning of Eurasianism on the Kazakh side implies an attempt to organically combine Eastern and Western cultural thought, refracting it into specific socio-cultural experiences (Nazarbayev, 2000). Despite the Eurasianism philosophy not being implemented on a full scale, it may still contribute to solving many problems in the region and help overcome contradictions between states in all spheres - from politics, economics, and security to culture, education, and sports.

3. *How does the integration into the EEU affect economic capabilities and foreign policy decision-making process in Kazakhstan?*

Reducing transportation and logistics costs is a priority objective of economic growth in Kazakhstan due to its landlocked position. Access to the EEU infrastructure and transportation tariffs allows Kazakh businesses to reduce transport costs. It also reflects the increase in competitiveness of Kazakhstani products in foreign markets.

Unified principles of technical regulation and veterinary, sanitary, and phytosanitary safety allow the free movement of goods across the EEU zone. Citizens of the EEU states get the benefits of the common labor market by working without permits and recognition of educational documents.

Thus, Kazakhstan's participation in Eurasian economic integration creates the necessary foundation for diversifying the economy and increasing labor productivity.

Meanwhile, over the 30 years of independence, Kazakhstan has become a serious player in international politics due to its strategically advantageous geographical position on the border of Europe and its location between Russia, China, and Central Asia. The presence of vast territories (the ninth largest area in the world) and huge reserves of minerals and other natural resources allows the country to increase its international political status.

Kazakhstan tries to use all facets of the principle of multi-vector diplomacy in foreign politics. However, it cannot be assumed that multi-vector means an equal relationship with all countries with which we have established relationships. Priority is given to choosing the most reliable partners with whom you can build long-term relationships and together act on the world stage.

Currently, Kazakhstan has built an effective foreign policy, allowing it to integrate into the global community, promote its national interests, and create favorable conditions for resolving internal development issues. Cooperation with Russia, the EU, China, and other partners is of great importance for Kazakhstan. China and Russia *"have a shared interest in seeing Kazakhstan become more integrated with their economies and move partly away from the West, without fully closing a window to the unsanctioned world for Russia"*, according to a recent analysis by Chatman House (2024). Atameken Business (2024) reports that in 2023, China surpassed Russia as Kazakhstan's most important business partner, with trade turnover of \$31.5 billion, up 30% from 2022. In addition, the West is still hesitant to punish Kazakhstan for exporting dual-use commodities to Russia because they don't want to drive Kazakhstan even closer to Beijing and Moscow. Yet, the country implements its socio-economic and international relations in connection with national priorities and objectives.

Kazakhstan's long-term priorities include deepening regional security partnerships. The country is an active participant in leading regional associations, such as the SCO, CSTO, EEU, and CICA, and speaks with initiatives aimed at strengthening confidence-building measures in the region, establishing bilateral cooperation in regional and global security with Russia, China, USA, and European Union.

Meanwhile, the events of recent years require a reassessment of many things. First, it is necessary to emphasize that President K. Tokayev is successfully pursuing Kazakhstan's multi-vector foreign policy. Balancing relations with the great powers and the country's independence were successfully maintained. Consequently, Kazakhstan can occupy an important place on the world map and remain a significant country for the international community.

I think that within the framework of the EEU, there are potential prospects because these international organizations - geopolitical and geoeconomic. Plus, it might be worth taking a closer look at BRICS and thinking about joining this organization, and it is very promising. Of course, interaction with the Turkic world is crucial as well. Kazakhstan should play a mediating role, take a peacekeeping role, and not consider Turkic integration as a counterbalance to, say, the Eurasian one of the projects that China is doing. It is necessary to pair, harmonize, and reconcile them, especially the Eurasian and Turkic ones. It would be an irreplaceable role for Kazakhstan and could earn additional geopolitical and economic arguments from this. That is, not separation, not playing on contradictions, but connection, combining integration formats in Eurasia.

### **Recommendations for Further Development of Eurasian Integration**

According to the results of the study, it is likely that the EEU leaders have invested a lot in its success to reach regional stability and economic prosperity. Moreover, according to experts the EEU has enormous potential to succeed as a trading bloc and integration endeavor (Niemi, 2016).

There are presently several promising developments within the EEU. The establishment of the Eurasian Economic Commission involved certain neoliberal institutionalist advancements, and it appears that the commission has a sector-specific infrastructure that can handle problems. For instance, the Eurasian Economic Commission has a standard structure for resolving trade-related issues within specialized departments. The EEU Court ensures the uniform application by of the Union of the Treaty, international treaties within the EEU, and international treaties with third parties. Thus, The EEU Court

clarifies the norms and provisions of the EEU law and its other provisions. In addition, member-states cannot "opt-out" of the measures that the EEU creates because the EEU treaty prohibits states from having reservations about EEU agreements. It is likely a potential step in establishing an international regime with norms.

However, the analysis suggests that the EEU must abandon issues of geopolitics, the Russian hegemony foremost, and concentrate mainly on governance issues. To realize its full potential, the EEU leaders should continue following their commitment to neoliberalism and fortify the institutions they have already invested in. It is essentially critical to minimize trade barriers for smaller states like Kyrgyzstan and Armenia and expand their exporting opportunities. The statistics show that around 90% of trade turnovers belong to Russia. Yet, while looking at the institutions that the Eurasian Union developed, one can still observe the similar influence of realism and neoliberalism due to ongoing geopolitical challenges and trade sanctions from more powerful states and organizations. Conversely, the transnational influence that underpinned Eurasianism and brought the region together is still absent. Eurasianism may or may not show up in the usage and design of the common currency, depending on how the monetary union idea develops.

In addition, according to the results of the study, Eurasian integration should likely proceed at a prudent pace until structural reforms are implemented. Results from the functioning of the single market should be measured before the creation of the monetary union, which would occur after a shared currency by 2025. Moreover, the effective operation of the common market is necessary for deepening integrational processes, particularly within free trade zones with third parties. Nonetheless, the EEU must actively continue to look for potential and competitive candidates due to its normative rivalry with the EU. The EEU likely needs to leverage its unique project characteristics.

Thus, the developments in the following areas are necessary for the EEU to continue to move beyond its current stage and obtain maximal prosperity for the member-states:

- *Openness to the outside world.* The EEU will be effective only if it interacts with other regional bodies and international trade regimes. To do this, Russia must agree to a more independent position of current and potential members of the union.
- *Moving away from geopolitics.* Instead of using the EEU for geopolitical confrontation, Russian policy should focus on regional economic growth and modernization. Excessive politicization and the desire to realize personal

interests can negatively affect the effectiveness of the organization and its collapse.

- *Emphasis on public administration.* For economic progress, EEU states need to carry out reforms to improve the quality of public administration. Particularly, in terms of providing relevant provisions for free movement of goods, services, capital, and labor.
- *Focus on social welfare and migration.* Improving the working and living conditions of migrant workers can get public support and positively impact economic growth in Central Asia. The free movement of labor migrants within the EEU zone and exempting them from administrative procedures such as registration and confirmation of qualifications were the most critical rationales for member-states to join the EEU.
- *Improving the efficiency of EEU institutions.* The success of the EEU requires strengthening EEC so that it has the capacity and political influence to resolve issues of non-tariff barriers and protectionism, as well as a court capable of enforcing the rules.

Such regional development contributes to stabilization and prosperity. However, the EEU is unlikely to play a critical role in overcoming political, economic, and social difficulties in the region.

## References

1. Agnew, J. (2003). *Geopolitics: Re-visioning World Politics*, 2nd ed. London: Routledge.
2. Agency for strategic planning and reforms of the Republic of Kazakhstan (2022). Basic foreign trade indicators of the Republic of Kazakhstan for January-December 2022 year. <https://stat.gov.kz/official/industry/31/statistic>
3. Ahrend, R. & Tompson, W. (2006). Realizing the Oil Supply Potential of the CIS: The Impact of Institutions and Policies, No 484, OECD Economics Department Working Papers, OECD Publishing
4. Aitzhanova, Z, (2015). How Kazakhstan plans to balance between the WTO and the EAEU [https://forbes.kz/finances/integration/kak\\_kazahstan\\_sobiraetsya\\_balansirovat\\_mejdu](https://forbes.kz/finances/integration/kak_kazahstan_sobiraetsya_balansirovat_mejdu)
5. Ahmetov Z. (2023). How Russia's war with Ukraine affected the economy of Kazakhstan. [https://ratel.kz/outlook/kak\\_vojna\\_rossii\\_s\\_ukrainoj\\_povlijala\\_na\\_ekonomiku\\_kazahstana](https://ratel.kz/outlook/kak_vojna_rossii_s_ukrainoj_povlijala_na_ekonomiku_kazahstana)
6. Agnew, R. (2003). An integrated theory of the adolescent peak in offending. *Youth & Society*, 34(3), 263–299. <https://doi.org/10.1177/0044118X02250094>
7. Akorda (2023). The President of Kazakhstan took part in a meeting of the Supreme Eurasian Economic Council. <https://www.akorda.kz/ru/prezident-kazahstana-prinyal-uchastie-v-zasedanii-vysshego-evraziyskogo-ekonomicheskogo-soveta-2611415>
8. Alekseenko, E. (2017). Prospects for the development of the EAEU Project by 2025. <https://mgimo.ru/upload/iblock/679/alekseenkova.pdf>
9. Alesina, A. & Spolaore, E. (2003). *The Size of Nations*. Paperback. ISBN: 9780262511872. Publisher: The MIT Press. 272 pp., 6 x 9 in, 13 illus.
10. Alifirova, E. (2022) V. Putin: Russia supports the creation of a coordination structure in the energy sector in the EAEU. <https://neftegaz.ru/news/partnership/762232-v-putin-rossiya-podderzhivaet-sozdanie-v-eaes-koordinatsionnoy-struktury-v-sfere-energetiki/>
11. Alpysbaeva S.N., SHuneev Sh.Zh. (2018). Makroekonomicheskaya ocenka effektivnosti integratsii Kazah-stana v EAES. *Economy and Finance*. Ezhekvartal'nyj nauchnyj zhurnal IEI. №1-2 (43). S. 62- 70.
12. Alshanov, R, A. (2020) EAEU: Has Kazakhstan felt benefits? <https://rus.azattyq.org/a/eaes-kazahstan-dvagoda/27767951.html> 17.06.2020.
13. Analytical online magazine Power. (2015, February 3). How the creation of the EAEU will affect Kazakhstan. [https://vlast.kz/avtory/kak\\_sozdanie\\_eajes\\_povlijaet\\_na\\_kazahstan-9449.html](https://vlast.kz/avtory/kak_sozdanie_eajes_povlijaet_na_kazahstan-9449.html)
14. Apk-inform.com (2023) EAEU countries signed a free trade agreement with Iran: how will this affect the export of Kazakh agricultural products. <https://www.apk-inform.com/ru/news/1538692>
15. Arminfo. (2023). Gnel Sanosyan, at a meeting with the Ambassador of Iran, pointed out the importance of completing the construction of the Iran-Armenia power line within the agreed time frame. [https://arminfo.info/full\\_news.php?id=77993](https://arminfo.info/full_news.php?id=77993)
16. Armstrong, H. W., & Read, R. (2002). The phantom of liberty? Economic growth and

- the vulnerability of small states. *Journal of International Development* 14(4), 435–458
17. Archer, C., & Nugent, N. (2002). Introduction: small states and the European Union. *Current Politics and Economics of Europe* 11(1), 1–10.
  18. Atameken Business (2024). The impact of the war in Ukraine on the economy of Kazakhstan: what has changed in two years? <https://inbusiness.kz/ru/news/vliyanie-vojny-v-ukraine-na-ekonomiku-kazahstana-chto-pomenyalos-za-dva-goda>
  19. Avanesov, A. (2017). The Minister of Economic Development and Investment of Armenia got acquainted with the project for the construction of a free economic zone with Iran. [https://finport.am/full\\_news.php?id=30627](https://finport.am/full_news.php?id=30627)
  20. Avanesov, A. (2023) Gnel Sanosyan, at a meeting with the Ambassador of Iran, pointed out the importance of completing the construction of the Iran-Armenia power line within the agreed time frame. [https://arminfo.info/full\\_news.php?id=77993](https://arminfo.info/full_news.php?id=77993)
  21. Bailes, A., and A. Cottey. (2007). Regional Security Cooperation in the Early 21st Century. In *Armaments, Disarmament and International Security -SIPRI Yearbook*, 30. Oxford University Press.
  22. Bardach, E. (2009). *A practical guide for policy analysis: The eightfold path to more effective problem-solving* (3rd ed.). Washington, DC: CQ Press.
  23. Barston, R. P. (1971). Cyprus: The Unresolved Problem 1963–70. *India Quarterly*, 27(2), 114-121. <https://doi.org/10.1177/097492847102700202>
  24. Bazavluk S. (2018). Evraziystvo: terminologicheskaya ambivalentnost. *Vestnik Rossijskogo universiteta družby` narodov. Seriya: Mezhdunarodny`e otnosheniya*. 2018. T. 18. № 2. S. 273 — 283. DOI: 10.22363/2313-0660-2018-18-2-273-283.
  25. BBC. (2015). China will invest \$5.9 billion in the Moscow-Kazan highway. [https://www.bbc.com/russian/business/2015/05/150508\\_china\\_russia\\_railway](https://www.bbc.com/russian/business/2015/05/150508_china_russia_railway)
  26. Belarus between the European Union and the Eurasian Economic Union: Study of the perceptions, preferences, and values of Belarusians, (2016) URL: [http://www.by.odboffice.eu/files/national\\_valuessurvey\\_brief\\_belarus\\_ru.pdf](http://www.by.odboffice.eu/files/national_valuessurvey_brief_belarus_ru.pdf)
  27. Bohr, A. (2004). Regionalism in Central Asia: New Geopolitics, Old Regional Order. *International Affairs*, Vol. 80, p. 485-502.
  28. BP Energy Outlook (2018). BP Energy economics 2<sup>nd</sup> edition. <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/energy-outlook/bp-energy-outlook-2018.pdf>
  29. Braveboy-Wagner, J. (2010). Opportunities and limitations of the exercise of foreign policy power by a very small state: the case of Trinidad and Tobago. *Cambridge Review of International Affairs*, 23(3), 407–427. <https://doi.org/10.1080/09557571.2010.484049>
  30. Bureau of National Statistics Agency for Strategic Planning and Reforms of the Republic of Kazakhstan. (2023, October 13). Kazakhstan’s trade turnover with the EAEU countries increased by 1.2% <https://stat.gov.kz/ru/news/tovarooborot-kazahstana-so-stranami-eaes-velichilsya-na-1-2/>

31. Bykov, A. (2009). Post-Soviet space. Integration strategies and new challenges of globalization. The Russian Academy of Sciences. Institute of Economics. SPb: Aletheia. 2009. - 192 p.
32. Chatham House (2024). Russia's influence in Kazakhstan is increasing despite the war in Ukraine. <https://www.chathamhouse.org/2024/02/russias-influence-kazakhstan-increasing-despite-war-ukraine>
33. Cheng-Hin Lim, A. (2017). China and the Eurasian Economic Union: Prospects for the Silk Road Economic Belt. IPP Review. Retrieved from <http://ippreview.com/index.php/Blog/single/id/18.html>
34. CIS (2023). What benefits does the development of the Eurasian Union bring to Belarus? <https://e-cis.info/news/566/111539/>
35. CIS (2023b). The EEC assessed the growth of mutual investments of the EAEU countries. <https://e-cis.info/news/566/112258/>
36. CIS INTERNET PORTAL. (2023) What benefits does the development of the Eurasian Union bring to Belarus? <https://e-cis.info/news/566/111539/>
37. CIS INTERNET PORTAL. (2023). Industrial production in the EAEU increased by 3.7% <https://e-cis.info/news/566/114397/>
38. CIS portal (2023, September 25) The EEC assessed the growth of mutual investments of the EAEU countries. <https://e-cis.info/news/566/112258/>
39. CIS, (2023a). Industrial production in the EAEU increased by 3.7%. <https://e-cis.info/news/566/114397/>
40. Cohen, S. B. (2002). The earth and the state: a study of political geography. Progress in Human Geography, 26(5), pp. 679-682.
41. Corbin, J., & Strauss, A. (2008). Basics of qualitative research: Techniques and procedures for developing grounded theory (3rd ed.). Sage Publications, Inc. <https://doi.org/10.4135/9781452230153>
42. Corbett, J., & Connell, J. (2020). Small states in the Pacific. In G. Baldacchino & A. Wivel (Eds.), Handbook on the politics of small states (pp. 343–361). Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing.
43. Dadonov, V. (2020a). Experts on the EAEU: Increasing competition in the market
44. Dalby, S. (2014). Environmental Geopolitics in the Twenty-first Century. *Alternatives: Global, Local, Political*, 39(1), 3–16. <http://www.jstor.org/stable/24569434>
45. Dodonov, V. (2023). Economic cooperation of Kazakhstan with Eastern countries. "Kazakhstan and the Eastern world: past, present and future" international scientific and practical conference. <https://www.academia.edu/>
46. Dalby, S. (2013). The geopolitics of climate change, *Political Geography*, Vol. 37, Pages 38-47, ISSN 0962-6298, <https://doi.org/10.1016/j.polgeo.2013.09.004>.
47. The decision of the EEC Council No. 59 (2015, October 19) Acts of the Eurasian Economic Commission <https://docs.eaeunion.org/ru-ru/Pages/DisplayDocument.aspx?s=e1f13d1d-5914-465c-835f->

- 2aa3762eddda&w=9260b414-defe-45cc-88a3-eb5c73238076&l=8a412e96-924f-4b3c-8321-0d5e767e5f91&EntityID=8792
48. Decision of the Supreme Eurasian Economic Council No. 28 “Main directions of economic development of the EAEU until 2030” dated October 16, 2015 // EEC website. URL:[http://www.eurasiancommission.org/ru/act/integr\\_i\\_makroec/dep\\_makroec\\_pol/s\\_eminar/Documents/brochure\\_ONER%20%28final%2005.05.2016%29.pdf](http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_makroec_pol/s_eminar/Documents/brochure_ONER%20%28final%2005.05.2016%29.pdf)
  49. Deutsch, K. W. (2014). Political community and the North Atlantic area. In B. Nelsen & A. Stubb (Eds.), *e European Union: Readings on the theory and practice of European integration* (pp. 125–144). Boulder, CO: Lynne Rienner Publishers.
  50. Devonshire-Ellis, C (2019). Xi and Putin Place the Greater Eurasian Partnership on the Path to Realization // China Briefing. URL: <https://www.chinabriefing.com/news/xi-putin-place-greater-urasianpartnership-path-realization/>
  51. DKNews.kz. (2023) EAEU integration agenda: focus on energy and transport. <https://dknews.kz/ru/ekonomika/308105-integracionnaya-povestka-eaes-fokus-na-energetike-i>
  52. Dodds, K. (2000). *Geopolitics in a changing world*. Harlow, England New York: Pearson Education, 2000. xiv, 178 p.: ill.; 23 cm.
  53. Dodonov V. (2020). Deficit of mutual trade between Kazakhstan and the EAEU countries: trends and dominant factors // *Eurasian integration: economics, law, politics*. 2020. No. 4. pp. 29 – 41.
  54. *Doing Business* (2020) <https://documents1.worldbank.org/curated/en/688761571934946384/pdf/Doing-Business-2020-Comparing-Business-Regulation-in-190-Economies.pdf>
  55. Dragneva R. (2018). The Eurasian Economic Union: Putin’s Geopolitical Project // Foreign Policy Research Institute. URL: <https://www.fpri.org/article/2018/10/the-Eurasian-economic-union-putinsgeopolitical-project/>
  56. Dubovitsky. Yu. (2015, September 24). How Kazakhstan is going to balance between the WTO and the EAEU. [https://forbes.kz/finances/integration/kak\\_kazahstan\\_sobiraetsya\\_balansirovat\\_mejdu\\_vto\\_i\\_eaes/](https://forbes.kz/finances/integration/kak_kazahstan_sobiraetsya_balansirovat_mejdu_vto_i_eaes/)
  57. Duncan, P. J. S. (2015). Ideology and interests in Putin’s construction of Eurasia. In D. Lane & V. Samokhvalov (Eds.), *e Eurasian project and Europe: Regional discontinuities and geopolitics* (pp. 102–116). London, England: Palgrave Macmillan.
  58. Dynkin A.A., Baranovsky V.G. (2023). *Russia and the world: 2024. Economy and foreign policy. Annual forecast / hand. project: resp. ed.: I.Ya. Kobrinskaya, G.I. Machavariani.* – Moscow: IMEMO RAS, – 124 p.
  59. EADaily. (2020). Expert: Belarus benefits most from the EAEU [https://eadaily.com/ru/news/2020/08/20/ekspert-belorussiya-bolshe-vseh-vyigryvaet-ot-eaes?utm\\_source=Rambler&utm\\_medium=finance&utm\\_campaign=transition](https://eadaily.com/ru/news/2020/08/20/ekspert-belorussiya-bolshe-vseh-vyigryvaet-ot-eaes?utm_source=Rambler&utm_medium=finance&utm_campaign=transition)
  60. Eadaily.com (2020). Expert: Belarus benefits most from the EAEU. [https://eadaily.com/ru/news/2020/08/20/ekspert-belorussiya-bolshe-vseh-vyigryvaet-ot-eaes?utm\\_source=Rambler&utm\\_medium=finance&utm\\_campaign=transition](https://eadaily.com/ru/news/2020/08/20/ekspert-belorussiya-bolshe-vseh-vyigryvaet-ot-eaes?utm_source=Rambler&utm_medium=finance&utm_campaign=transition)

61. Edovina. T. (2023, December 19). Kommersant newspaper You can't get around Kazakhstan with money. <https://www.kommersant.ru/doc/6411272>
62. EEAU. (2023). The labor market in the EAEU has demonstrated stability. <https://forum.eaeunion.org/news/rynok-truda-v-eaes-prodemonstroval-ustoychivost-v->
63. EEAU. (2023a). Report on the creation of EEU transport infrastructure. [https://eec.eaeunion.org/upload/medialibrary/ede/Doklad-O-sozdanii-i-razvitiia-transportnoy-infrastruktury-na-territoriyakh-gosudarstv-\\_chlenov-Evraziyskogo-ekonomicheskogo-soyuza.pdf](https://eec.eaeunion.org/upload/medialibrary/ede/Doklad-O-sozdanii-i-razvitiia-transportnoy-infrastruktury-na-territoriyakh-gosudarstv-_chlenov-Evraziyskogo-ekonomicheskogo-soyuza.pdf)
64. EEC website. Foreign trade of the EAEU member countries in 2015-2016. URL: [http://www.eurasiancommission.org/ru/act/integr\\_i\\_makroec/dep\\_stat/tradestat/Pages/default.aspx](http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_stat/tradestat/Pages/default.aspx)
65. EEC (2019). The concept of forming a common financial market of the EAEU. <https://eec.eaeunion.org/comission/department/dofp/conception.php>
66. EEC (2023a). Information and analytical material about checkpoints, located on the main (promising) international transport corridors. [https://eec.eaeunion.org/upload/files/dep\\_tamoj\\_infr/0i191/InfoMat\\_EAEU\\_Transport\\_Corridors.pdf](https://eec.eaeunion.org/upload/files/dep_tamoj_infr/0i191/InfoMat_EAEU_Transport_Corridors.pdf)
67. EEC (2023b). Report of the EEC based on the results of the together with the member states of the EEU of Geography Analysis of Possible Eurasian Tourism routes and identifying possible problems when using such routes by tourists from member states of the EEU and third countries. <https://eec.eaeunion.org/upload/files/dobd>
68. The Eurasian Development Bank (2023). The growing economies of the EAEU countries are switching to payments in national currencies. <https://rg.ru/2023/12/27/investicii-zarabotali.html>
69. Engvall, J. (2015). The State as Investment Market: A Framework for Interpreting the Post-Soviet State in Eurasia. Governance. <https://doi.org/10.1111/gove.12064>
70. Eurasia Expert, (2021) Benefits for Belarus from participation in the EAEU and the Union State: results for citizens and the economy. <https://finance.rambler.ru/economics/46315444-vygody-belarusi-ot-uchastiya-v-eaes-i-soyuznom-gosudarstve-rezultaty-dlya-grazhdan-i-ekonomiki/>
71. Eurasian Economic Commission. (2015). Eurasian economic integration: Facts and -figures. Retrieved from [http://www.eurasiancommission.org/ru/Documents/broshura26\\_ENGL\\_2014.pdf](http://www.eurasiancommission.org/ru/Documents/broshura26_ENGL_2014.pdf)
72. Eurasian Economic Commission. (2022). "On the creation and development of transport employment in the territories of the member states of the Eurasian Economic Union in the East-West and North-South directions, including within the context of the political initiative "One Belt, One Road." [https://eec.eaeunion.org/upload/medialibrary/ede/Doklad-O-sozdanii-i-razvitiia-transportnoy-infrastruktury-na-territoriyakh-gosudarstv-\\_chlenov-Evraziyskogo-ekonomicheskogo-soyuza.pdf](https://eec.eaeunion.org/upload/medialibrary/ede/Doklad-O-sozdanii-i-razvitiia-transportnoy-infrastruktury-na-territoriyakh-gosudarstv-_chlenov-Evraziyskogo-ekonomicheskogo-soyuza.pdf)

73. Eurasian Economic Commission. (2023). The EAEU GDP amounted to 41.5 trillion Russian rubles in January–March 2023. <https://eec.eaeunion.org/news/vvp-eaes-sostavil-41-5-trln-rossiyskikh-rublej-v-yanvare-mae-2023-goda/>
74. European External Action Service. Armenia Development Strategy for 2014-2025. URL:[https://www.eeas.europa.eu/sites/eeas/files/armenia\\_development\\_strategy\\_for\\_2014-2025.pdf](https://www.eeas.europa.eu/sites/eeas/files/armenia_development_strategy_for_2014-2025.pdf)
75. EEC (2024a). Discussion of the implementation of the principles of international activity of the EAEU in 2023. <https://eec.eaeunion.org/news/obsuzhdena-realizatsiya-osnovnykh-napravleniy-mezhdunarodnoy-deyatelnosti-eaes-v-2023-godu-/>
76. EEC (2024b). Industrial production in the EAEU increased by 4.7% in January 2024. <https://eec.eaeunion.org/news/promyshlennoe-proizvodstvo-v-eaes-vyroslo-na-4-7-v-yanvare-2024-goda/>
77. II Eurasian Economic Forum (2023). The labor market in the EAEU has demonstrated stability in difficult conditions but requires the introduction of new modern technologies. <https://forum.eaeunion.org/news/rynok-truda-v-eaes-prodemonstriroval-ustoychivost-v-neprostykh-usloviyakh-no-trebuuet-vnedreniya-novy/>
78. Fairclough, N., & Wodak, R. (1997). Critical Discourse Analysis. In T. van Dijk (Ed.), *Discourse Studies: A Multidisciplinary Introduction* (Vol. 2, pp. 258-284). London: Sage.
79. Ferguson R. J. (2018). *China's Eurasian Dilemmas: Roads and Risks for a Sustainable Global Power*. Cheltenham: Edward Elgar Publishing, 2018.
80. Finport. am. (2019). Minister: The construction of the 400-kilovolt Iran-Armenia power transmission line will be completed by the end of the year. [https://finport.am/full\\_news.php?id=40348](https://finport.am/full_news.php?id=40348)
81. Finprom. (2018). Kazakhstan is becoming a center of attraction for investments for the EAEU countries. During the first half of the year, the union financed Kazakhstani projects for \$864 million. <https://finprom.kz/ru/article/kazahstan-stanovitsya-centrom-prityazheniya-investicij-dlya-stran-eaes-za-pervoe-polugodie-soyuz-profinansiroval-kazahstanskije-proekty-na-864-milliona-dollarov>
82. Finprom. kz. (2022). What influenced the growth in the influx of foreign direct investment into Kazakhstan? <https://finprom.kz/ru/article/chto-povliyalo-na-rost-pritoka-pryamyh-inostrannyh-investicij-v-kazahstan>
83. Forbes (2020). Kazakhstan's trade turnover with the European Union increased by almost 40% in 2022. [https://forbes.kz/actual/officially/o\\_chem\\_smailov\\_dogovorilsya\\_s\\_predstavitelyami\\_evro](https://forbes.kz/actual/officially/o_chem_smailov_dogovorilsya_s_predstavitelyami_evro)
84. Frazier, D., and R. Stewart-Ingersoll. (2010). Regional powers and security: A framework for understanding order within regional security complexes. *European Journal of International Relations* 16(4): 731–753.
85. Gazeta.ru, (2017, March 16) Russia and Iran will be brought closer by the Armenian zone. URL: <https://www.gazeta.ru/business/2017/03/15/10577363.shtm>
86. Gereykanova. A. (2023, May 24). Putin spoke about the priorities of the EAEU in conditions when the West is “shooting itself in the foot” <https://rg.ru/2023/05/24/po-scenariiu-evrazii.html>

87. Gershuni, M. (2018) "The Eurasian Union: Future of Integration or Failure in the Making," Proceedings of GREAT Day: Vol. 2017, Article 6. Available at: <https://knightscholar.geneseo.edu/proceedings-of-great-day/vol2017/iss1/6>
88. Gov.Kg (2015). The "Strategy of the Government of the Kyrgyz Republic for the development of the mining industry for 2015-2035" was approved // Website of the Government of the Kyrgyz Republic. February 20, 2015, URL: <http://www.gov.kg/?p=50721&lang=ru>
89. Haas, E. B. (2014). e Uniting of Europe. In B. Nelsen & A. Stubb (Eds.), e European Union: readings on the theory and practice of European integration. Boulder, CO: Lynne Rienner Publishers.  
[https://www.bbc.com/russian/business/2015/05/150508\\_china\\_russia\\_railway](https://www.bbc.com/russian/business/2015/05/150508_china_russia_railway)
90. Handel, M. (1981). Weak States in the International System. London: Frank Cass
91. Holsti, K. J. (1996) The State, War, and the State of War, Cambridge, p 199.
92. Husainov B., Sultanov R. (2020). Ekonomicheskij rost i integraciya: komparativnyj analiz. Econ-omy and Finance. Ezhekvartal'nyj nauchnyj zhurnal IEI. №1, s. 5-20.
93. Integration barometer (2016) / CISI of the Eurasian Development Bank. URL: [http://www.eabr.org/r/research/centre/projectsCII/projects\\_cii/index.php?id\\_4=49596&linked\\_block\\_id=0](http://www.eabr.org/r/research/centre/projectsCII/projects_cii/index.php?id_4=49596&linked_block_id=0)
94. International Crisis Group. (2016). e Eurasian Economic Union: Power, politics, and trade. Retrieved from <http://www.css.ethz.ch/content/dam/ethz/special-interest/gess/cis/center-forsecurities-studies/resources/docs/Crisis%20Group%20the-eurasian-economic-unionpower-politics-and-trade.pdf>
95. Interview with K. Rakhimov, Chairman of the Committee of the Chamber of Commerce and Industry of the Kyrgyz Republic on Industrial Policy, export, infrastructure and PPP, Republic of Kyrgyzstan dated October 13, 2016
96. Inzvestia (2023). Alignment of parities: how the concept of Russian foreign policy has changed. <https://iz.ru/1491617/liubov-lezhneva-irena-shekoian/rasstanovka-paritetov-kak-izmenilas-kontseptciia-vneshnei-politiki-rossii>
97. Jeenbekov, S. (2016). Citizens of Kyrgyzstan feel the benefits of joining the EAEU. <https://rg.ru/2016/10/24/zheenbekov-grazhdane-kirgizii-chuvstvuiut-polzu-ot-vstupleniia-v-eaes.html>
98. Kanapiyanova, Zh. (2022). *Place and importance of Kazakhstan in Central Asian geopolitics*. <https://www.eurasian-research.org/publication/place-and-importance-of-kazakhstan-in-central-asian-geopolitics/>
99. Karimova, J. (2024). Carriers of Kazakhstan will receive new access to China. <https://lsm.kz/kazahstanskije-perevozchiki-poluchat-dostup-v-kitaj>
100. Kaukenova, A. (2020). Critics and fighters against the EAEU have clearly perked up. // <https://zonakz.net/2020/06/08/kritiki-i-borcy-s-eaes-yavno-ozhivilis/06/21/2020>.
101. Kazakhstan Institute for Strategic Studies at President of the Republic of Kazakhstan (2019). 25 years of the idea of Eurasian integration N.A. Nazarbayev (according to experts from the KazISS under the President of the Republic of Kazakhstan). Nur-Sultan: 296 p.

102. KazGov.kz (2014). A positive perception of Eurasian integration prevails in Kazakh society - opinion poll. <https://primeminister.kz/ru/news/v-kazahstanskom-obschestve-preobladaet-pozitivnoe-vosprijatie-evrazijskoj-integratsii-sotsopros>
103. Keohane, R., & Nye, J. (2012). *Power and Interdependence*. Boston, MA: Longman.
104. Keohane, R. O. (1971). The Big Influence of Small Allies. *Foreign Policy*, 2, 161–182. <https://doi.org/10.2307/1147864>
105. Kidiraly, D. (2022). New Kazakhstan: President Tokayev and Foreign Policy. <https://cwejournal.hse.ru/zhivalov22023>
106. Kindleberger, C. P. (1970). *Power and Money: The Economics of International Politics and the Politics of International Economics*. Basic Books Inc.
107. Kjellén R. (1899). *The Great Powers (Stormakterna)*, Sweden. Ymer, vol. 19., pp. 283–331.
108. Korolev, A. (2020). A union with unclear boundaries: what the EAEU came up with on its fifth anniversary // <https://www.rbc.ru/opinions/economics/10/06/2019/5cfa4b749a7947c4365f7e9b> 25.06.2020
109. Kozhoshev, A. (2023). EAEU integration agenda: focus on energy and transport <https://dknews.kz/ru/ekonomika/308105-integracionnaya-povestka-eaes-fokus-na-energetike-i>
110. Krivosheev, A. (2020) EAEU: Has Kazakhstan felt benefits? <https://rus.azattyq.org/a/eaes-kazakhstan-dvagoda/27767951.html> 17.06.2020.
111. Kuanysheva A.A. (2007) Political participation of the Republic of Kazakhstan in the activities of the EurAsEC in modern conditions. Almaty,– p. 135.
112. Kushkumbayev, S. (2020). Kazakhstan’s integration pragmatism has been time-tested. <https://baigenews.kz/news/integratsionnyy-pragmatizm-kazahstana-vyveren-vremenem-sanat-kushkumbaev/> 12.06.2020
113. Kuznets, S. (1960). Economic Growth of Small Nations. In: Robinson, E.A.G. (eds) *Economic Consequences of the Size of Nations*. International Economic Association Conference Volumes. Palgrave Macmillan, London. [https://doi.org/10.1007/978-1-349-15210-0\\_2](https://doi.org/10.1007/978-1-349-15210-0_2)
114. Lada.KZ (2024). What was ours is now yours: which major assets of Kazakhstan have come under Russian control <https://www.lada.kz/kazakhstan-news/122560-bylo-nashe-stalo-vashe-kakie-krupnye-aktivy-kazahstana-pereshli-pod-rossiyskiy-kontrol.html>
115. Lake, D. (2007). *The State and International Relations*. SSRN: <https://ssrn.com/abstract=1004423> or <http://dx.doi.org/10.2139/ssrn.1004423>
116. Laruelle, M. (2008). *Russian Eurasianism: An Ideology of Empire*. By Washington, DC: Woodrow Wilson Center Press, 276p
117. Laruelle, M (2012). *Russian Eurasianism: An Ideology of Empire*, Russian Eurasianism: the ideology of Empire, Baltimore, ISBN: 978-91-85937-16-5
118. Laumullin, M. (2020) Kazakhstan is not going anywhere from the EAEU - expert. <https://365info.kz/2019/06/kazahstan-iz-eaes-uzhenikuda-nedenetsya-ekspert> 21.06.2020

119. Lewis, J. (1989). The Vulnerability of Small Island States to Sea Level Rise: The Need for Holistic Strategies. <https://www.islandvulnerability.org/slr1989/lewis.pdf>
120. Libman, A. & Obydenkova, A. (2020). Global Governance and Interaction between International Institutions: The Challenge of the Eurasian International Organizations. *Post-Communist Economies*. 33. 1-3. 10.1080/14631377.2020.1793585
121. Loginov, V. (2023). Investments from Russia to Kazakhstan exceed \$50 billion. <https://iz.ru/1624048/valentin-loginov/investicii-iz-rossii-v-kazakhstan-prevyshaiut-50-mlrd>
122. Lysokon, A. (2012). Economic prerequisites of the formation of the Eurasian Union. *European Journal of Business and Economics*, 7, 1–4. doi:10.12955/ejbe.v7i0.126
123. MacCormac S. (2015). Aleksandr Dugin: Putin’s Rasputin? // Center for Security Policy. URL: <https://centerforsecuritypolicy.org/aleksandr-dugin-putinsrasputin>
124. Mackinder, H. (1943). The Round World and the Winning of the Peace, *Foreign Affairs*, 21, 603.
125. Mamedli, I. (2024). The Middle Corridor: A Hope for Trade in Geopolitical Instability. <https://report.az/ru/infrastruktura/srednij-koridor-luch-nadezhdy-dlya-torgovli-v-usloviyah-geopoliticheskoy-nestabilnosti/>
126. Mamedyarov, E. (2017). Baku is concerned about the situation with the Metsamor Nuclear Power Plant in Armenia // *Russia Today*. URL: <https://www.ria.ru/atomtec/20170209/1487528933>.
127. Mankoff J. (2012). What a Eurasian Union Means for Washington? // *The National Interest*. URL: <https://nationalinterest.org/commentary/what-eurasianunion-means-washington-6821?page=>
128. Manuilov, A. (2023) Labor migration to the EAEU has acquired a reciprocal character. <https://www.kommersant.ru/doc/6148053>
129. Mariott, J. (1943). *Federalism and the problem of the small state*. London, G. Allen & Unwin ltd, 125 p. 19 cm.
130. Mearsheimer, J. (1995). *The False Promise of International Institutions*. Vol. 19, No. 3, pp. 5-49
131. Migranyan A.A. Kazakhstan v EAES: *torgovo-ekonomicheskie Vestnik Instituta ekonomiki Rosijskoj Akademii nauk*. 2019. №2. S. 134-151
132. Minasyan S. Armenia - EU: preparation of a new framework agreement on cooperation // RIAC. URL: [http://www.old.russiancouncil.ru/inner/?id\\_4=8802#top-content](http://www.old.russiancouncil.ru/inner/?id_4=8802#top-content)
133. Ministry of Foreign Affairs of the Republic of Belarus. (2020). Priorities of the Presidency of the Republic of Belarus in the EAEU in 2020. [https://mfa.gov.by/multilateral/organization/list/aec589bdd68b8288.html?utm\\_source=Rambler&utm\\_medium=finance&utm\\_campaign=transition](https://mfa.gov.by/multilateral/organization/list/aec589bdd68b8288.html?utm_source=Rambler&utm_medium=finance&utm_campaign=transition)
134. Mitrany, D. (2014). A working peace system. In B. F Nelsen & A. Stubb (Eds.), *e European Union: Readings on the theory and practice of European integration* (pp. 105–124). Boulder, CO: Lynne Rienner Publishers
135. Monnet, J. (2014). A ferment of change. *e European Union: Readings on the Theory and Practice of European Integration*. Boulder, CO: Lynne Rienner Publishers.

136. Morgado, N. (2023). How can Geopolitical Agents Restrain an Emerging Power's Global and Regional Leadership? Evidence from Brazil. *Geopolitics Quarterly*, Volume: 18, No 4, Winter 2023 PP 268-298
137. Morgado, N. (2020). Neoclassical geopolitics: Preliminary theoretical principles and methodological guidelines. *Međunarodni Problemi*, 72(1), 129–157. <https://doi.org/10.2298/medjp2001129m>
138. Morgado, N. (2021). Envisioning an Empire: Dugin's Neo-Eurasianism as Geostrategic Culture. 10.14267/978-963-503-889-3.
139. Morgado, N. (2023). Modeling neoclassical geopolitics: An alternative theoretical tradition for geopolitical culture and literacy. *European Journal of Geography*, 14(4), 13–21. <https://doi.org/10.48088/ejg.n.mor.14.4.013.021>
140. Mukhamedzhanova D. (2007) Economic prerequisites for regional integration in the post-Soviet space // Kazakhstan in global processes. No. 4. – p. 23.
141. National Bank of Kazakhstan, (2023). International investment position of Kazakhstan as of 01/01/2023
142. Nau, H. (2019). Perspectives on International Relations: Power, Institutions, and Ideas. SAGE Publications. 9781544374376
143. Nazarbaev, N.A. (2000). Society transformation strategy and revival of the Eurasian civilization. Moscow: Ekonomika publ. (In Russ.).
144. Nazarbaev N.A. (2003) A critical decade. Almaty.
145. Nazarbaev N.A. Kazakhstan-2030 // [www.akorda.kz](http://www.akorda.kz)
146. Nazarbaev, N. (2011). The Eurasian Union: from idea to history of the future. Eurasian integration: economy, law, politics, No 10. Pp. 19-28.
147. Neftegaz.ru (2022). V. Putin: Russia supports the creation of a coordination structure in the energy sector in the EAEU. <https://neftgaz.ru/news/partnership/762232-v-putin-rossiya-podderzhivaet-sozdanie-v-eaes-koordinatsionnoy-struktury-v-sfere-energetiki/>
148. Negoica, P. (2016, October 23). Jeenbekov: Citizens of Kyrgyzstan feel the benefits of joining the EAEU. Russian newspaper. <https://rg.ru/2016/10/24/zheebekov-grazhdane-kirgizii-chuvstvuiut-polzu-ot-vstupleniia-v-eaes.html>
149. Neumann, I. and Gstohl, S. (2006). Lilliputians in Gulliver's World. In *Small States In International Relations*, edited by Christine Ingebritsen, Iver Neumann, Sieglinde Gstohl, and Jessica Beyer: 3–38. Reyjavik, Iceland: University of Iceland Press.
150. Niemi, R. (2017). e Eurasian Union: Much potential, little results. Bank of Finland, Institute of Economies in Transition. Retrieved from <https://helda.helsinki.bof/handle/123456789/14000>
151. Novikova, I. (2022). Small states in international relations: Some theoretical aspects. DOI: 10.21638/spbu06.2022.301
152. Nolte, D. (2011). Regional powers and regional governance. In *Regional powers and regional orders*, ed. N. Godehardt and D. Nabers, 49–67. London: Routledge.

153. Nurtazin M. (2018). Rol' Respubliki Kazahstan v geopoliticheskoy transformacii v ramkah «Evrazijskogo proekta». Problemy postsovetskogo prostranstva. № 5(2). S. 191-202
154. Nurymbetova, G., Kudaibergenov, R. (2010). Foreign policy initiatives of the President of the Republic of Kazakhstan N.A. Nazarbayev: historical and documentary research. Almaty: Kazakh encyclopedia.
155. Official information resource of the Prime Minister of the Republic of Kazakhstan (2023, February 2). Kazakhstan in the EAEU: advantages, results, and income. <https://primeminister.kz/ru/news/reviews/kazahstan-v-eaes-preimushchestva-rezultaty-i-dokhody-22880>
156. Official information resource of the Prime Minister of the Republic of Kazakhstan. (2014, May 29). A positive perception of Eurasian integration prevails in Kazakh society - opinion poll. <https://primeminister.kz/ru/news/v-kazahstanskom-obschestve-preobladaet-pozitivnoe-vosprijatie-evrazijskoj-integratsii-sotsopros>
157. Official information resource of the Prime Minister of the Republic of Kazakhstan. (2023, April 11). Kazakhstan has attracted a record amount of foreign direct investment. <https://primeminister.kz/ru/news/kazahstan-privlek-rekordnyy-obem-pryamykh-inostrannykh-investitsiy-23663#:~:text=>
158. Official website of the President of the Republic of Kazakhstan (2023, December 26) The President of Kazakhstan took part in the meeting of the Higher Eurasian Economic Council. <https://www.akorda.kz/ru/prezident-kazahstana-prinyal-uchastie-v-zasedanii-vysshego-evrazijskogo-ekonomicheskogo-soveta-2611415>
159. Official website of the President of the Republic of Kazakhstan. (2014) Speech by the President of Kazakhstan N. Nazarbayev at the signing ceremony of the Treaty on the Eurasian Economic Union. [https://www.akorda.kz/ru/speeches/internal\\_political\\_affairs/in\\_speeches\\_and\\_address/es/vystuplenie-prezidenta-kazahstana-nnazarbaeva-na-ceremonii-podpisaniya-dogovora-o-evraziiskom-ekonomicheskom-soyuze](https://www.akorda.kz/ru/speeches/internal_political_affairs/in_speeches_and_address/es/vystuplenie-prezidenta-kazahstana-nnazarbaeva-na-ceremonii-podpisaniya-dogovora-o-evraziiskom-ekonomicheskom-soyuze)
160. Olson, M., & Zeckhauser, R. (1966). An Economic Theory of Alliances. The Review of Economics and Statistics, 48(3), 266–279. <https://doi.org/10.2307/1927082>
161. Online publication, news agency, portal ZAKON.KZ. (2014). 68% of respondents support Kazakhstan's entry into the EAEU - opinion poll [https://online.zakon.kz/Document/?doc\\_id=31567333&pos=4;-118#pos=4;-118](https://online.zakon.kz/Document/?doc_id=31567333&pos=4;-118#pos=4;-118)
162. Oshakbayev, R. (2019). Four freedoms of the EAEU: successes and problems of integration//<https://informburo.kz/stati/chetyre-svobodyeaes-uspehi-i-problemy-integracii-.html> 09.06.2020.
163. Osmanova A., Chominich, I. (2021). Export and import of financial services from EAEU countries. Journal of Innovations and Investments, 3, p. 216-223
164. Ó Tuathail, G. & Agnew, J. (1992). Geopolitics and discourse: Practical geopolitical reasoning in American foreign policy, Political Geography, Volume 11, Issue 2, Pages 190-204, ISSN 0962-6298
165. Palánkai, T. (2006) *Theoretical relevance of our integration maturity*. Public Finance Quarterly = Pénzügyi Szemle, 51 (3). pp. 306-323.

166. Pedersen, O. K. (2009). Discourse Analysis. Department of Business and Politics. Copenhagen Business School. Working Paper / International Center for Business and Politics No. 65
167. Perini, C. (2023). *Eurasia's pivot: the shifting power dynamics in Central Asia, Russia, China, and the G7 - Stratheia*. Stratheia. <https://stratheia.com/eurasias-pivot-the-shifting-power-dynamics-in-central-asia-russia-china-and-the-g7/>
168. Pirker B., Entin K. (2020). The Free Movement of Persons in the Eurasian Economic Union — between Civis Eurasiaticus and Homo Oeconomicus // European Citizenship under Stress. Social Justice, Brexit and Other Challenges Leiden [Electronic resource]. Boston: Brill, Nijhoff, 2020. P. 531. URL: <https://publications.hse.ru/mirror/pubs/share/direct/436317516.pdf>
169. Podberezkin. A., & Podberezkina, O. (2015). Eurasianism as an idea, civilizational concept, and integration challenge. In R. Sakwa & P. Dutkiewicz (Eds.), *Eurasian integration: e view from within* (pp. 46–60). New York, NY: Routledge.
170. Ponížilová, M. (2018). Foreign Policy Activities of China in the Middle East: Establishing Energy Security or Being a Responsible Emerging Power? *Journal of Balkan and Near Eastern Studies*, 21(6), 643–662. <https://doi.org/10.1080/19448953.2018.1506292>
171. Power, M., Mohan, G. (2010). Towards a critical geopolitics of China's engagement with African development, *Geopolitics*
172. Prys, M. (2010). Hegemony, Domination, Detachment: Differences in Regional Powerhood. *International Studies Review* 12(4):479 - 504
173. Putin, V. (2011). A new integration project for Eurasia – a future being born today. Center for Strategic Assessment and Forecasts. Retrieved from <http://csef.ru/en/politica-i-geopolitica/223/novyj-integracionnyj-proekt-dlya-evraziibudushhee-kotoroe-rozhdaetsya-segodnya-1939>.
174. Qazaqstan National TV channel. (2016). Kazakhstan will complete all work on the section “Western Europe - Western China” this year – MNE <https://qazaqstan.tv/news/110460/>
175. Radzievskaya, S. O. (2014). e Eurasian Union and Ukraine. *Problems of Economics*, 7(157), 88–94
176. Rakhimov, K. (2016). Chairman of the Committee of the Chamber of Commerce and Industry of the Kyrgyz Republic on Industrial Policy, export, infrastructure and PPP, the Republic of Kyrgyzstan dated October 13, 2016
177. RBC (2024). The HSE described ways out of the “labyrinth of sanctions” Can the experience of Iran and China help overcome restrictions. <https://www.rbc.ru/economics/26/04/2024/6628f0639a794738d9a21e3e>
178. Reeves, J. (2014). Rethinking Weak State Behavior: Mongolia's Foreign Policy toward China. *International Politics* 51(2): 254–71.
- 179.
180. Regnum, I. (2016). Iran-Armenia railway? Railway Iran - Armenia? <https://www.regnum.ru/news/polit/2193409.html>
181. Regnum.ru, (2017, October 17) Iran-Armenia railway? URL: <https://www.regnum.ru/news/polit/2193409.html>

182. *RgRU* (2023). Putin spoke about the priorities of the EAEU in conditions when the West is “shooting itself in the foot. <https://rg.ru/2023/05/24/po-scenariiu-evrazii.html>
183. RIAC (2017). EAEU Development Prospects up to 2025. Working Paper. Special Issue / Moscow: NPMP RIAC, – 96 pages
184. Roberts G. (2019). The Rise of Multipolarity through Greater Eurasia // *Covert Geopolitics*. URL: <https://geopolitics.co/2019/11/07/the-rise-of-multipolaritythrough-greater-eurasia/>
185. Robinson P. (2014). Crackpoint Theories: Eurasianism // *Irrussianity*. URL: <https://irussianity.wordpress.com/2014/09/30/crackpottheories-eurasianism/>
186. Robertson, S. L., & Beech, J. (2023). Promises: international organisations, promissory legitimacy, and the re-negotiation of education futures. *Comparative Education*, 60(3), 423–440. <https://doi.org/10.1080/03050068.2023.2287938>
187. Rothstein, R. (1968). *Alliances and Small Powers*. By Robert L. New York: Columbia University Press, p. 331
188. Rosencrance, R. (2012). Trade and power. In R. K. Betts (Ed.), *Conict after the Cold War: Arguments on causes of war and peace* (pp. 349– 363). New York, NY: Routledge
189. Russia today. (2017, February 9) Baku is concerned about the situation with the Metsamor Nuclear Power Plant in Armenia. URL: <https://www.ria.ru/atomtec/20170209/1487528933.htm>
190. Mukatayeva, N. (2024). Western countries are reluctant to impose sanctions against Kazakhstan, fearing even greater rapprochement with Russia – analysis. <https://sarbaz.kz/analitika/2859-zapadnye-strany-neokhotno-vvodiat-sanktsii-protiv-kazakhstana-opasaias-eshche-bolshego-sblizheniia-s-rossiei-analiz/>
191. Sagintayev, B. (2015). How the creation of the EAEU will affect Kazakhstan. [https://vlast.kz/avtory/kak\\_sozdanie\\_eajes\\_povlijaet\\_na\\_kazahstan-9449.html](https://vlast.kz/avtory/kak_sozdanie_eajes_povlijaet_na_kazahstan-9449.html)
192. Sakwa, R. (2015). Challenges of Eurasian integration. In R. Sakwa & P. Dutkiewicz (Eds.), *Eurasian Integration – e View from Within* (12–30). New York, NY: Routledge.
193. Samedova, E. (2022). How the crisis in Kazakhstan will affect the Russian economy. <https://www.dw.com/ru/kak-krizis-v-kazahstane-skazhetsja-na-jekonomike-rossii/a-60357740>
194. Sandelowski M. (2000) Whatever happened to qualitative description? *Res Nurs Health*. (4):334-40. doi: 10.1002/1098-240x(200008)23:4<334::aid-nur9>3.0.co;2-g. PMID: 10940958.
195. Sarsenova, M. (2023). How anti-Russian sanctions affect Kazakh business. <https://kapital.kz/gosudarstvo/118684/kak-antirossijskiye-sanktsii-skazyvayut-sya-na-kazakhstanskom-biznese.html>
196. Satubaldina, A (2023). Kazakhstan’s SCO Chairmanship: Enhancing Regional Cooperation, Unlocking Economic Potential. <https://astanatimes.com/2023/08/kazakhstans-sco-chairmanship-enhancing-regional-cooperation-unlocking-economic-potential/>

197. Schewe, R.L., Hoffman, D., Witt, J., Shoup, B., Freeman, M. (2020). Citizen-Science and Participatory Research as a Means to Improve Stakeholder Engagement in Resource Management: A Case Study of Vietnamese American Fishers on the US Gulf Coast. *Environmental Management*, 65 (1), pp. 74-87
198. Schweller, R. L. (1994). Bandwagoning for Profit: Bringing the Revisionist State Back In. *International Security*, 19(1), 72–107. <https://doi.org/10.2307/2539149>
199. Serbin A. *Eurasia y América Latina en un mundo multipolar*. Barcelona, Buenos Aires : Icaria Editorial — CRIES, 2020.
200. Sevim, T. V. (2013). Eurasian Union: A utopia, a dream, or a coming reality? *Eurasian Journal of Business and Economics*, 6 (12), 43–62.
201. Shaukenova, Z. (2020). Experts on the EAEU: Increasing competition in the market
202. Shkaratam, O. (2012). e Eurasian vector of Russia’s development. In D. Lane & V. Samokhvalov (Eds.), e Eurasian project and Europe: Regional discontinuities and geopolitics (25–37). London, England: Palgrave Macmillan
203. Shlapentokh, D. (1997). *The role of small states in the post-Cold War era : the case of Belarus / Dmitry Shlapentokh*. Carlisle, PA : Strategic Studies Institute, U.S. Army War College; 2012
204. Siddiki S, Kim J, Leach WD (2017) Diversity, trust, and social learning in collaborative governance. *Public Adm Rev* 77 (6):863–874
205. Smirnova, S. (2023). Personnel and wallet: what financial cooperation within the EAEU will give Russia. <https://iz.ru/1550432/sofia-smirnova/kadry-i-koshelek-cto-dast-rossii-finansovaia-kooperatciia-vnutri-eaes>
206. Sputnik (2019) Completion of the road "Western Europe - Western China": only Russia is waiting. <https://ru.sputnik.kz/20191015/zapadnaya-evropa-zapadnyy-kitay-russia-11776271.html>
207. Sputnik Kyrgyzstan, (2017, January 13) Remove barriers to trade. Kyrgyzstan on its chairmanship in the EEU. URL: <https://www.ru.sputnik.kg/economy/20170113/1031239161/kyrgyzstan-v-ehom-godu-predsedatelstvuet-v-eaehs.htm>
208. Standish, R. (2015). Putin’s Eurasian dream is over before it began. *Foreign Policy*. Retrieved from <http://foreignpolicy.com/2015/01/06/putinseurasian-dream-is-over-before-it-began/>
209. State program for infrastructure development “Nurlyzhol” for 2015-2019 // Committee on financial monitoring of the Ministry of Finance of the Republic of Kazakhstan. URL: <http://www.kfm.gov.kz/ru/activity/strategy-and-program/state-program-on-infrastructure-development-nurly.html>
210. Strategic Culture Foundation, (2017, March 17) Armenia is building a free economic zone on the border with Iran. URL: <http://www.fondsk.ru/news/2017/03/17/armenia-stroit-svobodnyu-ekonomicheskuyu-zonu-na-granice-s-iranom-43687.html>
211. Stronski P., Sokolsky R. (2020). Multipolarity in Practice: Understanding Russia’s Engagement with Regional Institutions // Carnegie Endowment for International Peace. URL: <https://carnegieendowment.org/2020/01/08/multipolarity-in-practice-understanding-russias-engagement-with-regional-institutions-pub-80717>

212. Stone, R.W. (2013). Informal governance in international organizations: Introduction to the special issue. *Rev Int Organ* 8, 121–136 (2013). <https://doi.org/10.1007/s11558-013-9168-y>
213. Struktura Yevraziatskaey Economoitchiskaey Comessiey (Structure of the Eurasian Economic Commission). (2017). Yevraziakstakaya Economoitskiskaya Comessiya. <http://eec.eaeunion.org/ru/Pages/structure.aspx>
214. Subotić, J. (2016). Narrative, Ontological Security, and Foreign Policy Change. *Foreign Policy Analysis* 12(4): 610–27
215. Supyaldiyarov, I., Supyaldiyarova, D. ., & Aliyeva, S. (2024). Navigating the New Realities: The Role of Central Asia in Contemporary Geopolitics. *Public Administration and Civil Service*, (2(89), 126-135. <https://doi.org/10.52123/1994-2370-2024-1237>
216. Svinova, E. (2023). The growing economies of the EAEU countries are switching to payments in national currencies. <https://rg.ru/2023/12/27/investicii-zarabotali.html>
217. Svoik, P. (2020). Kazakhstan in the EAEU: you can't leave and stay. <https://365info.kz/2018/05/kazahstan-v-eaesujti-nelzya-ostatsya-18.06.2020>.
218. Szalai, M. Small regimes in the Middle East: a conceptual and theoretical alternative to small states in a non-Western region. *Int Polit* 59, 167–186 (2022). <https://doi.org/10.1057/s41311-020-00266-0>
219. Tarr, D. (2016). The Impact of Kazakhstan Accession to the World Trade Organization: A Quantitative Assessment. World Bank Policy Research Working Paper No. 4142, Available at SSRN: <https://ssrn.com/abstract=964804>
220. Tass (2024). Federal Customs Service: the positive balance of foreign trade of the Russian Federation increased by 13.3% in the first quarter. <https://tass.ru/ekonomika/20806643>
221. Tazabek. (2017, February 4). Map - China-Kyrgyzstan-Uzbekistan Railway Route, which is proposed by Kyrgyzstan. <https://www.tazabek.kg/news:1358874?f=cp>.
222. Tazabek. kg. (2017). Map-China-Kyrgyzstan-Uzbekistan Railway Route, which is proposed by Kyrgyzstan More details: [www.tazabek.kg/news:1358874?f=cp](http://www.tazabek.kg/news:1358874?f=cp).
223. The “Strategy of the Government of the Kyrgyz Republic for the development of the mining industry for 2015-2035” was approved // Website of the Government of the Kyrgyz Republic. February 20, 2015, URL: <http://www.gov.kg/?p=50721&lang=ru>
224. The concept of the foreign policy of the Russian Federation. Approved on November 30, 2016 // Official website of the Ministry of Foreign Affairs of the Russian Federation. URL:[http://www.mid.ru/ru/foreign\\_policy/official\\_documents//asset\\_publisher/CptICk/B6BZ29/content/id/2542248](http://www.mid.ru/ru/foreign_policy/official_documents//asset_publisher/CptICk/B6BZ29/content/id/2542248)
225. The EAEU is the main achievement of Eurasian integration. [kz.ru/news/reviews/eksperty-o-eaes-usilenie konkurencii-na-rynke-eaes-glavnoe-dostizhenie-evraziiskoi-integracii-06/05/2020](http://kz.ru/news/reviews/eksperty-o-eaes-usilenie-konkurencii-na-rynke-eaes-glavnoe-dostizhenie-evraziiskoi-integracii-06/05/2020).
226. The Eurasian Development Bank (2016). Belarus between the European Union and the Eurasian Economic Union: Study of the perceptions, preferences, and values of Belarusians, 2016 URL: [http://www.by.odb-office.eu/files/national\\_valuessurvey\\_brief\\_belarus\\_ru.pdf](http://www.by.odb-office.eu/files/national_valuessurvey_brief_belarus_ru.pdf).

227. The Eurasian Development Bank (2020). One can't get around Kazakhstan with money. <https://www.kommersant.ru/doc/6411272>
228. The Government of Kazakhstan (2023). Kazakhstan in the EAEU: advantages, results, and income. <https://primeminister.kz/ru/news/reviews/kazakhstan-v-eaes-preimushchestva-rezultaty-i-dokhody-22880>
229. The Government of Russia (2024). Government measures to increase economic stability and support citizens under sanctions. [http://government.ru/sanctions\\_measures/](http://government.ru/sanctions_measures/)
230. The hydropower resources of the Kyrgyz Republic. URL: <https://www.hpip.info/news/view/2460.html>
231. The Minister of Foreign Affairs of Belarus (2020). Priorities of the Chairmanship of the Republic of Belarus in the EAEU in 2020 Source: Inter[https://mfa.gov.by/multilateral/organization/list/ae589bdd68b8288.html?utm\\_source=Rambler&utm\\_medium=finance&utm\\_campaign=transition](https://mfa.gov.by/multilateral/organization/list/ae589bdd68b8288.html?utm_source=Rambler&utm_medium=finance&utm_campaign=transition)
232. The World Bank (2020). Doing-Business-2020. <https://documents1.worldbank.org/curated/en/688761571934946384/pdf/Doing-Business-2020-Comparing-Business-Regulation-in-190-Economies.pdf>
233. The World Bank. (2023). The hydropower resources of the Kyrgyz Republic. URL: <https://www.hpip.info/news/view/2460.html>
234. Thorhallsson, B. (2000). *The Role of Small States in the European Union*, Aldershot: Ashgate
235. Toma, A. (2021). Benefits for Belarus from participation in the EAEU and the Union State: results for citizens and the economy. <https://finance.rambler.ru/economics/46315444-vygody-belarusi-ot-uchastiya-v-eaes-i-soyuznom-gosudarstve-rezultaty-dlya-grazhdan-i-ekonomiki/>
236. Tuathail, G. (1999). *Critical Geopolitics, Condensing the Cold War: Reader's Digest and American Identity*. Minneapolis: University of Minnesota Press.
237. Tuathail, G. (2006). General Introduction: Thinking Critically about Geopolitics, in Gearóid Ó Tuathail, Simon Dalby, and Paul Routledge (eds.), *The Geopolitics Reader*, 2nd ed. London: Routledge 2006.
238. Ulitin, I. (2023). Delayed bypass: construction of the China-Kyrgyzstan-Uzbekistan railway is not yet planned to begin. <https://orda.kz/otlozhennyj-obhod-stroitelstvo-zheleznoj-dorogi-kitaj-kyrgyzstan-uzbekistan-poka-ne-planirujut-nachinat-377274/>
239. Vecher.kz (2024). What are Kazakhstan's interests in joint projects with China? <https://vecher.kz/ru/article/v-chem-zakliuchaiutsia-interesy-kazahstana-v-sovmestnyh-proektah-s-kitaem.html>
240. Vital, D. (2006). The inequality of states: A study of the small power in international relations. In *Small States in International Relations* (Vol. 9780295802107, pp. 77-88). University of Washington Press.
241. Wagner, D. (2011). Kazakhstan's Balancing Act *Foreign Policy Journal*, Retrieved from: <https://www.foreignpolicyjournal.com/2011/06/15/kazakhstans-balancing-act/>
242. Waltz, K. (2001). *Man, the State and War*. New York: Columbia University Press. 2001. p. cm. Originally published: 1959.

243. Wendt A. (1992). Anarchy is what States Make of it: The Social Construction of Power Politics, *International Organization*, Vol. 46, No. 2 (Spring, 1992), pp. 391-425 Published by: The MIT Press
244. What influenced the growth in the influx of foreign direct investment into Kazakhstan? (2022). <https://finprom.kz/ru/article/chto-povliyalo-na-rost-pritokapryamyh-inostrannyh-investicij-v-kazahstan>
245. Womack, B. (2016). *Asymmetry and International Relationships*. New York: Cambridge University Press, 220 pp. ISBN 978-1-107-13289-4.
246. Yakovets Yu. (2018). Great Eurasian Partnership - a civilizational megaproject // Great Eurasian partnership: past, present, future: selected works of the X Eurasian Scientific Forum. Volume one. St. Petersburg: St. Petersburg Scientific Center of the Russian Academy of Sciences, 2018. pp. 397-408.
247. Yesdauletova, A., & Yesdauletov, A. (2012). e Eurasian Union: Dynamics and difficulties of the post-Soviet integration. *Trames*, 18(1), 3–17. doi:10.3176/tr.2014.1.01
248. Yongquan L. The Greater Eurasian Partnership and the Belt and Road Initiative: Can the Two be Linked? // *Journal of Eurasian Studies*. 2018. Vol. 9, no. 2. P. 94—99. <https://doi.org/10.1016/j.euras.2018.07.004>
249. Zakon. kz (2014). 68% of respondents support Kazakhstan’s entry into the EAEU - social media. [https://online.zakon.kz/Document/?doc\\_id=31567333&pos=4;-118#pos=4;-118](https://online.zakon.kz/Document/?doc_id=31567333&pos=4;-118#pos=4;-118)
250. Zhaksylykov, T. (2016). Kazakhstan will complete all work on the section “Western Europe - Western China” this year – MNE. <https://qazaqstan.tv/news/110460/>
251. Zhazetova, Zh. (2024). Why the war in Ukraine did not affect Kazakhstan as much as experts expected. <https://kz.kursiv.media/2024-06-13/zhzh-kazvvpukr/>
252. Ziyabekov, B. (2020). The present and future of the EAEU against the backdrop of anti-Russian sanctions. <https://rus.azattyq.org/a/kazakhstan-eaes-i-antirossiyskie-sanktsii/29487695.html> 06/15/2020
253. Zhivalov V.N., Chimiris E.S., Aliev T.M. Organization of Turkic states: development prospects and risks for the Eurasian Economic Union // *Modern world economy*. Volume 1. 2023. No. 2 (2).

## Appendix 1.

### The list of documents for content analysis

1. Eurasian Economic Union. – St. Petersburg: EDB Center for Research Studies, 2017. – 296 p.
2. Decision of the Supreme Eurasian Economic Council No. 28 “Main directions of economic development of the EAEU until 2030” dated October 16, 2015 // EEC website. URL: <http://www.eurasiancommission.org>.
3. State program for infrastructural development “Nurlyzhol” for 2015-2019 // Committee on financial monitoring of the Ministry of Finance of the Republic of Kazakhstan. URL: <http://www.kfm.gov.kz/ru/activity/strategy-and-program/state-program-on-infrastructure-development-nurly.html>
4. The concept of the foreign policy of the Russian Federation. Approved by the President of the Russian Federation V.V. Putin on November 30, 2016 // Official website of the Ministry of Foreign Affairs of the Russian Federation. URL: [http://www.mid.ru/ru/foreign\\_policy/official\\_documents/-/asset\\_publisher/CptICk6B6Z29/](http://www.mid.ru/ru/foreign_policy/official_documents/-/asset_publisher/CptICk6B6Z29/)
5. Declaration on the further development of economic processes within the framework of the Eurasian Economic Union until 2030 and for the period until 2045 "Eurasian Economic Path. Order of the Supreme Eurasian Economic Council dated December 25, 2023, N 6. // [https://online.zakon.kz/Document/?doc\\_id=35766947&doc\\_id2=31965195#pos=1;-1](https://online.zakon.kz/Document/?doc_id=35766947&doc_id2=31965195#pos=1;-1)
6. Declaration on the further development of the integration processes within the EAEU. Order of the Supreme Eurasian Economic Council dated December 6, 2018. <https://mineconom.gov.kg/froala/uploads/file/45a8f08e924179dd90dc82fe40ecc84c11fbec24.pdf>
7. Main directions of economic development of the EAEU until 2030, Decision of the Supreme Eurasian Economic Council No. 28, dated October 16, 2015 // EEC website. URL: [http://www.eurasiancommission.org/ru/act/integr\\_i\\_makroec/dep\\_makroec\\_pol/seminar/Documents/brochure\\_ONER%20%28final%2005.05.2016%29.pdf](http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_makroec_pol/seminar/Documents/brochure_ONER%20%28final%2005.05.2016%29.pdf)
8. Treaty on the Eurasian Economic Union entered into force on May 29, 2014 -Bulletin of International Treaties of the Republic of Kazakhstan 2015, No. 2, art. 11.
9. Agreement on the establishment of the Eurasian Economic Community entered into force on May 30, 2001 - Bulletin of International Treaties of the Republic of Kazakhstan, 2004, No. 6, Art. 31. // [https://adilet.zan.kz/rus/docs/Z010000172\\_#z2](https://adilet.zan.kz/rus/docs/Z010000172_#z2)

10. The Agreement on the creation of a single customs territory and the formation of a customs union was signed in Dushanbe on October 6, 2007.
11. Eurasian Economic Integration: facts and figures. <https://eec.eaeunion.org/upload/files/paos/library>
12. Agreement on uniform principles and rules of technical regulation in the Republic of Belarus, the Republic of Kazakhstan, and the Russian Federation. [https://schmidt-export.com/sites/default/files/pdf/legal/en/agreement\\_on\\_uniform\\_principles\\_and\\_rules\\_of\\_technical\\_regulation\\_en.pdf](https://schmidt-export.com/sites/default/files/pdf/legal/en/agreement_on_uniform_principles_and_rules_of_technical_regulation_en.pdf)
13. General information about the Union. <https://eec.eaeunion.org/upload/medialibrary/750/Guidance-on-the-Eurasian-Economic-Union-Trade-Regulation-2020.pdf>
14. The Protocols to the Treaty on the Accession of the Kyrgyz Republic to the Treaty on the EAEU signed on December 23, 2014. [https://eec.eaeunion.org/en/comission/departement/dep\\_razv\\_integr/prisoedinenie-gosudarstv-k-eaes/kr.php](https://eec.eaeunion.org/en/comission/departement/dep_razv_integr/prisoedinenie-gosudarstv-k-eaes/kr.php)
15. Treaty on the Accession of the Republic of Armenia to the Treaty on the Eurasian Economic Union of May 29, 2014. <https://adilet.zan.kz/rus/docs/Z1400000265>
16. The Foreign Policy Concept of the Republic of Kazakhstan for 2020-2030, approved by Decree of the President on March 6, 2020, № 280 // [https://www.akorda.kz/en/legal\\_acts/decrees/on-the-concept-of-the-foreign-policy-of-the-republic-of-kazakhstan-for-2020-2030](https://www.akorda.kz/en/legal_acts/decrees/on-the-concept-of-the-foreign-policy-of-the-republic-of-kazakhstan-for-2020-2030)
17. Speech of the president of Kazakhstan Nursultan Nazarbayev at the Lomonosov Moscow State University (2014). Official Website of the President of the Republic of Kazakhstan. [https://www.akorda.kz/en/speeches/external\\_political\\_affairs/ext\\_speeches\\_and\\_addresses/speech-of-the-president-of-kazakhstan-nursultan-nazarbayev-at-the-lomonosov-moscow-state-university](https://www.akorda.kz/en/speeches/external_political_affairs/ext_speeches_and_addresses/speech-of-the-president-of-kazakhstan-nursultan-nazarbayev-at-the-lomonosov-moscow-state-university)
18. The new concept of regional development in independent Kazakhstan: theory and practice (2013). The National Digital History of Kazakhstan. Retrieved from: <http://e-history.kz/en/contents/view/786>
19. The Concept of the Foreign Policy of the Russian Federation. Decree of the President of the Russian Federation No. 229, March 31, 2023