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**AZ EURÁZSIAI GAZDASÁGI UNIÓ ÉS ÜZBEGISZTÁN
FELTARTÓZTATÁS POLITIKÁJÁNAK POLITIKAI ÉS GAZDASÁGI
KIHÍVÁSAI
POLITICAL AND ECONOMIC CHALLENGES OF THE EURASIAN
ECONOMIC UNION AND UZBEKISTAN'S CONTAINMENT POLICY**

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TABLE OF CONTENTS

LIST OF FIGURES	iv
LIST OF TABLES	v
INTRODUCTION	1
1. FIRST INITIATIVES FOR INTEGRATING THE FORMER-SOVIET MEMBERS.....	3
1.1 THE DISSOLUTION OF THE SOVIET UNION AND THE NECESSITY FOR CREATING A UNION.....	3
1.2 INTERESTS OF MEMBER STATES FOR JOINING THE UNION	6
2. EURASIAN ECONOMIC UNION: INTEGRATION, DEVELOPMENT AND PROBLEMS	7
2.1 THE EMERGENCE OF A NEW SOCIO-ECONOMIC UNION	7
2.2 ECONOMIC AND GEOPOLITICAL POTENTIAL OF THE EAEU	11
2.3 POLITICAL AND ECONOMIC PROBLEMS: CURRENT CHALLENGES FOR THE DEVELOPMENT.....	14
3. UZBEKISTAN`S CONTAINMENT POLICY	20
3.1 THE POLICY OF RESISTANCE: POLITICAL AND ECONOMIC FEARS	20
CONCLUSION	26
RECOMMENDATIONS FOR IMPROVING THE EAEU.....	28
LIST OF REFERENCES	A
APPENDIXES.....	i

LIST OF FIGURES

Figure 1 The share of the EAEU members in mutual trade for 2021-2022.....	15
Figure 2 The growth of GDPs of the member states from 2015 to 2022.....	16
Figure 3 The overall outcome of foreign and mutual trade in goods of the members of the EAEU during January–December 2021.....	17
Figure 4 Mapping the Belt and Road Initiative`s progress.....	19

LIST OF TABLES

Table 1 Integration initiatives and organizations in the post-Soviet space.....5

Table 2 The GDPs of member states in 2022 Source: World Bank statistics of GDP in 2022.....16

INTRODUCTION

The Eurasian Economic Union (EAEU) has emerged as a regional economic bloc comprising Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia, with the aim of fostering economic integration and cooperation in the Eurasian region. This research explores the economic and political challenges that have characterized the development of the EAEU while also highlighting the prospects for its future growth and success.

After the collapse of the USSR, the economic and political chaos in the post-Soviet space raised a necessity for collaboration and union. Declines in GDP and GNI weakened the former Soviet Union states both politically and economically which led Russia, Kazakhstan and Belarus to lay foundations to the Eurasian Economic Union.

The main focus of this research is to analyze the reasons for creating the union, the interests of member states which led to joining the union, current socio-political and economic challenges for the development, and Uzbekistan's containment policy towards joining the union.

The primary economic challenges include diverse economic structures, trade disparities, and external economic pressure while the central political challenges include sovereignty concerns, geopolitical factors and integration pace.

The research outcomes are: the Eurasian Economic Union faces both economic and political challenges as it seeks to promote regional integration. However, it also possesses significant potential for further development, including expanding trade, infrastructure, and policy coordination. The future success of the EAEU will depend on its ability to navigate these challenges while capitalizing on its strengths and opportunities in a complex geopolitical landscape.

The relevance of this topic is assessing the economic and geostrategic potential of the EAEU due to the fact that it is critical in gauging its impact on regional dynamics and global geopolitics. This analysis can shed light on how the union might shape trade relationships, resource distribution, and regional stability.

Understanding the contemporary challenges facing the EAEU is essential for evaluating its long-term prospects. These challenges may include political disagreements among member states, economic disparities, or external pressures from other global powers. Analyzing these issues helps predict the union's future development.

Uzbekistan's approach toward the EAEU is a case study in the broader topic of regional integration. Uzbekistan's resistance to the EAEU reflects the complex interplay of political and economic interests, as well as the fears and aspirations of a significant regional player. Understanding this containment policy is valuable for grasping the broader dynamics within the EAEU and the region.

In the research, the following questions are analyzed:

- What were the interests of member states that led to joining the union?
- What are the current political and economic challenges for the development of the Union?
- The reasons for Uzbekistan`s containment policy towards joining the union?

The object of this work is integration processes in the post-Soviet space.

The subjects of this work are political and economic challenges which are hindering the development of the EAEU.

Territorial scope of this work is the post-Soviet Republics: Armenia, Belarus, Kazakhstan, Kirgizstan, Russia as well as China.

In this research **mixed methods** are used: secondary research, synthesis, analysis, quantitative and qualitative. The main sources of this research are secondary sources published in books, articles, reports by international and national organizations, online resources, the treaty of the EAEU, official governmental reports, and interviews of political leaders. Some materials were translated and referenced from Russian language as the main database related to the EAUE is in Russian language.

This work includes front page, table of contents, list of figures, introduction, 3 chapters, conclusion, and list of references.

The first chapter illustrates the necessities of 1990s for creating a union in the post-Soviet region, and motives of each member states for joining the Union.

The second chapter discusses the emergence of the EUAU and politico-economic challenges of the Union as well as its potential.

The third chapter analyzes the core reasons for Uzbekistan`s refusal to join the Union.

1. FIRST INITIATIVES FOR INTEGRATING THE FORMER-SOVIET MEMBERS

1.1 THE DISSOLUTION OF THE SOVIET UNION AND THE NECESSITY FOR CREATING A UNION

The dissolution of the Soviet Union in December 26, 1991 was the most important geopolitical event of the late 20th century. After World War II, the Soviet Union with the United States of America created a new world order and was one of the most powerful players of the international relations in that period. The collapse of this hegemonic state had a long-lasting influence on its former member states and the whole world. This event is associated with the end of the Cold War era, dramatically changing the geopolitics of the Eurasian region. After the demise of the USSR, a number of political, economic, cultural and social transformations occurred in the post-Soviet region.

Regarding with political aspect, the emergence of new sovereign states led to the political turmoil mainly in the Caucasus and the Balkans. Ethnic tensions and territorial disputes in Chechnya, Nagorno-Karabakh, Kirgiz-Tajik borders are a few examples of the political tensions in the post-Soviet region. These political disputes deteriorated the economic development of these countries and created a necessity for an economic union. In addition, after the collapse of the Soviet Union, the United States of America gained the status of the sole superpower which changed balance of power in international relations significantly. American-led interventions to Iraq, Libya, Syria and other countries threatened the sovereignty of newly emerged post-Soviet Republics.

In terms of economy, the transformation from a centrally plan-based economy to free market-based economy proved to be extremely challenging for many former Soviet states. The sudden transition led to hyperinflation, unemployment, and widespread poverty. Privatization efforts often resulted in a small group of oligarchs gaining control over key industries and resources, worsening the economic situation of citizens and governments as well.

The dissolution of the Soviet Union led to social chaos in the post-Soviet space. Nationalistic rebellions and ethnic conflicts were seen in almost all the former member states. In some cases, the consequences of these tensions were violent wars among countries. Tajik Civil War and Nagorno-Karabakh Wars can be salient examples of it. According to the estimations, roughly 40,000 people were killed, around 10% of the population of Tajikistan was displaced during the Tajikistan's civil war in 1992 (Ahmed, 1994).

These and other political, economic, cultural and social transformations demanded the post-Soviet states to unite in order to overcome these problems in cooperation. Throughout their history in the last 50-70 years these states were centralized in one point, Moscow. Almost all the orders and plans used to come directly from the communistic party. In addition, their economies were closely interconnected. The manufacturing process of a ready product required cooperation of at least 2 or 3 states inside the USSR. For example, the Central Asian countries produced cotton and silk after which the clothes were made from the produced

cotton and silk in Ukraine or Belarus. These two reasons: no experience in planning and the lack of either manufacturing machines or raw material in one country led to the ideas of a union.

The first of this kind of organization is the Commonwealth of Independent States. The Commonwealth of Independent States (CIS) was established in December 1991, shortly after the dissolution of the Soviet Union, to facilitate cooperation and coordination among the newly independent states that emerged from the former Soviet republics.

After the CIS, there have been established several unions which can be seen in the Table 1. However, there might appear a question: Why the EAEU was established when there are several organizations, especially, the CIS? The answer is quite straightforward. The Eurasian Economic Union was created as a separate entity from the Commonwealth of Independent States because it serves a different purpose and has a different level of integration among its member states. The CIS is a loose association of former Soviet republics that collaborate on various issues, such as political, economic, military, and cultural matters. However, the CIS is not a full-fledged economic union or a single market; it primarily serves as a platform for dialogue and cooperation among its member states.

In contrast, the Eurasian Economic Union (EAEU) is a more ambitious project that aims to create a deeper level of economic integration among its member states. The EAEU was officially established on January 1, 2015, and it initially included Armenia, Belarus, Kazakhstan, and Russia. Kyrgyzstan joined the EAEU in August 2015. The EAEU has a common customs union, a single market for goods, services, capital, and labor, and a supranational regulatory body. The members of the EAEU coordinate their economic policies, and the union seeks to promote greater economic integration, trade, and cooperation in various economic sectors. While both the CIS and the EAEU include some of the same member states, they serve different purposes. The CIS is a broader forum for cooperation on a wide range of issues, while the EAEU is specifically focused on deepening economic integration and creating a single economic space among its members. Some countries, like Ukraine, have chosen not to join the EAEU due to concerns about the potential loss of sovereignty and have opted for closer ties with the European Union instead.

In summary, the creation of the Eurasian Economic Union was driven by the desire of certain post-Soviet states to achieve a higher level of economic integration and cooperation, building on the foundation of the Commonwealth of Independent States.

INITIATIVE/ORGANISATION	PARTICIPANTS	STATUS
CIS (1991)	AR, AZ, GE (withdrew 2008), KA, KY, MD, RE TA, TO, UA, UZ	Active
Customs Union (1992)	BL, KY, TA, UZ	Abandoned
Economic union (1993)	CIS members (except UA)	Abandoned
Free Trade Area (1994)	CIS members (except RF and TU)	Relaunched in 1999

Central Asian Union (1994)	KA, KY, UZ, TA (joined in 1998)	Renamed Central Asian Economic Union [1998]; Transformed into CACO (2002)
Customs Union (1995)	BL, KA, RF KY (joined 1997), TA (joined 1998)	Transformed into EurAsEC (2000)
Shanghai Five (1996)	China, KA KY, RF, TA, UZ (joined 2001)	Transformed into SCO (2001)
GUAM (1997)	AZ, GE, MD, UA, UZ (joined 1999, Withdrew 2005)	Active; renamed GUAM Organisation for Democracy and Economic Development (2006)
Free Trade Area (1999)	CIS members (except RF and TU)	Relaunched in 2011
EurAsEC (2000)	BL, RF, KA, KY, TA UZ Ooined 2006, withdrew 2008)	Terminated upon inception of EEU
SCO (2001)	China, KA KY, RF, TA, UZ (India and Pakistan to join in 2016)	Active
CACO-Centra1 Asian Cooperation Organisation (2002)	KA, KY, TA, UZ, RF (joined 2004)	Merged with EurAsEC (2006)
Collective Security Treaty Organisation (2002)	AR, BL, KA, KY, RF, TA	Active
Common Economic Space (2003)	BL RE K.A, UA	Abandoned
Eurasian Customs Union (2007)	BL, RF, KA	Active (within EurAsEC)
Free Trade Area (2011)	AR, BLKA KY MD,	Active
Single Economic Space (2012)	BL, RF, KA	Active (within EurAsEC)
EEU (2015)	BL, RF, KA, AR, KY	Active

Table 1 Regional integration initiatives and organizations in the post-Soviet space

Source: Dragneva. R. and Wolczuk. K. 2013. Eurasian Economic Integration- Law, Policy and Politics, Cheltenham, Edward Elgar

N.B: AR- Armenia, AZ- Azerbaijan, BL- Belarus, GE- Georgia, KA-Kazakhstan, KY- Kirgizstan, MD- Moldova, RF- Russia, TA- Tajikistan, TU- Turkmenistan, UA- Ukraine, UZ- Uzbekistan.

1.2 INTERESTS OF MEMBER STATES FOR JOINING THE UNION

The main objective of creating the Union was claimed by all the 5 member states to enhance economic relations. By uniting, the EAU members wanted to cooperate only in the spheres of economy and finance. Unlike the CIS, the EAEU should have discussed only economy related issues. But every state inside the Union has its interests and motives for joining the EAEU. In the following paragraphs, they will be analyzed one by one.

For the Russian Federation, the Union is a next effort for uniting the former USSR. Admittedly, Russia will benefit from the Union financially as well. As there are approximately 38 million people in the 4 members which means additional consumers market for the “Made in Russia” products. This fact was especially essential after the Crimea crisis. Russia needed partners for cooperation and survival during the sanctions from the West. Now, it is clear that Moscow’s plans related to Ukraine was long lasting. Therefore, it is economically and strategically important to have allies from the south and west. However, the main reason for this Union is imperialistic ambitions of Vladimir Putin. In an article published in the Russian newspaper Izvestiya in 2011, he outlined the goals of the Eurasian Union and his vision for it. "Without exaggerations, the project represents a significant turning point for all post-Soviet states, including the 3 countries," stated Putin in 2011. "We propose a model of a powerful supranational union capable of becoming one of the poles of the modern world and of playing the role of an effective 'link' between Europe and the dynamic Asia-Pacific region." Rather, we propose that the Europeans think about creating a free trade zone, a peaceful economic community extending from Lisbon to Vladivostok, and even more sophisticated forms of integration."

Russia's true goal, according to Fredrick Star and Svante Cornell (2014), is to bring the USSR back to its former territory in some capacity. This process will start with closer economic ties and progress to include the political, security, and cultural domains.

Belarus joined the Union due to its interests on regular supply of oil and gas from Russia at a reasonable price. Besides, Belarus will benefit from transit from Russia to Europe and vice versa. Through transit pipelines of oil and gas of Russia, Belarus will benefit at some stage as well. Most importantly, the Russian Federation will be the main guard for its national security. In his interviews the president of Belarus, Alexander Lukashenko, repeated several times of his intention of possessing Russia’s nuclear weapons on its country’s land. He offered several times to place nuclear weapons on the geostrategic parts of Belarus. The reason for this is status. Countries will think twice before worsening relations with a nuclear state. In the long run, if situation in Russia changes, Minsk might keep the nuclear weapons for its security against international law.

The president of Kazakhstan, Nursultan Nazarbaev, in his interview given to the magazine Izvestiya in 2011 clearly outlined the motives of Kazakhstan for joining the Eurasian Union. Nazarbaev (2011) commented that “I stated quite frankly that the CIS does not guarantee the member countries' integration, which is sorely needed by our people, nor does it satisfy the objective requirements of the time. As a result, it is necessary to establish a new interstate

organization with more defined operating principles. The great Russian philosopher Lev Gumilev's ideas have always impressed me; he went beyond all the adherents of the "school of Eurasianism" that developed among Russian emigrants in the first part of the 20th century. He conceptually justified the unity of geographical and cultural-historical ties of the peoples of a huge part of Northern and Central Eurasia. The Eurasian National University, established in Astana on my initiative, bears the name of this scientist”.

Besides very ambitious speech of the president, the main reason for joining the Union is Kazakhstan's geographical location. Astana is a neighbor of Russia, and had to play according to the Russian plans. Otherwise, the Ukrainian crisis might happen in Kazakhstan as well. But the difference is the will not be the EU or the NATO right behind Kazakhstan. Therefore, any kinds of deterioration of relations with Moscow might lead to severe consequences.

For Armenia everything is quite straightforward. The most fiercely debated topic in Caucasus is, undoubtedly, Nagorno-Karabakh. Azerbaijan has close relations with Turkey and Israel, and has more effective army than Armenia. Therefore, Yerevan needed a strong ally to withstand against Azerbaijan and keep Nagorno-Karabakh. Besides, oil and gas from Russia at a discounted price would also benefit Armenian economy significantly.

For Kirgizstan, there are two main reasons for accession the EAEU. First and for most, an offer given by the Russian Federation about the exemption from paying work permit regulations for its population to work in Russia. Secondly, the situation in the Uyghur region in China urged Bishkek to find a strong ally for its national security. Kirgizstan's economic and political situation will not allow the country to defend itself from the second economy of the world. Therefore, Bishkek had no choice but to join the EAEU.

2. EURASIAN ECONOMIC UNION: INTEGRATION, DEVELOPMENT AND PROBLEMS

2.1 THE EMERGENCE OF A NEW SOCIO-ECONOMIC UNION

The Eurasian Economic Union is a regional organization which was established in order to modernize and stabilize the economies of its member states. However, this economic union is perceived as an effort to reunite the former Soviet Union by the Western world leaders. At that time State Secretary of the USA, Hillary Clinton, perceived these efforts of recreating a new version of the USSR under the guise of the economic integration. “There is a move to re-Sovietize the region,” she (2012) said in the OSCE conference in Dublin. “That is not what it will be called. It will go by the names Eurasian Union and Customs Union, among other names. However, let's be clear about it. We are aware of the objective and are working to come up with efficient strategies to stop or slow it down. However, the EAEU's structure makes it clear that this is more likely European Union-style economic integration than a Soviet example”.

After the dissolution of the Soviet Union and emergence of the new sovereign states in the post-Soviet space, the idea of economic reunion was initiated at that time president of the Republic of Kazakhstan, Nursultan Nazarbaev. In 1994, during his speech in Moscow State University, Nursultan Nazarbaev presented a detailed project for integrating the members of the Commonwealth Independent States to the new organization – Eurasian Union. However, the main goal of this organization would be realizing economic interests of each member state and developing their economic potential in order to withstand against upcoming crisis aftermath of the USSR's collapse. Nursultan Nazarbaev during his speech, he focused on the ideas of the Russian historian Lev Gumilev who pointed out the idea of cultural and historical identity of the Central and Northern Eurasia. According to the former president of Kazakhstan, these nations should be integrated on the basis of the following principles: First and foremost, economic pragmatism ought to be the foundation for integration. Integration processes are primarily propelled by economic interests. Second, the necessity of integration should be understood by each state on its own. Thirdly, the Eurasian Union was first envisioned as a union of states founded on equality, respect for sovereignty, and non-interference in one another's internal affairs. Fourth, the head of Kazakhstan suggested building consensus-based supranational structures for the Eurasian Union that would take into account the interests of all member nations (Nazarbaev, 1994).

This initiative was warmly welcomed by the heads of the post-Soviet Republics, and the presidents of Russia, Belarus and Kazakhstan signed the Agreement on the formulation of the Customs Union among these three states. In 1996, Belarus, Kazakhstan, Kyrgyzstan and Russia signed an agreement on deepening integration in the economic and humanitarian fields. An agreement on the Customs Union and the Common Economic Space was signed in 1999 by Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan. Under this agreement, the countries decided to complete the formation of the Customs Union and create the Single Economic Space on its foundation. The Eurasian Economic Community was founded in 2000 by Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan with the goals of enhancing communication, advancing integration procedures, and strengthening collaboration across a range of industries. (2004, Eurasian Economic Community: Legal and Economic Foundations Treaty text)

Based on the idea of multi-level integration, the presidents of Belarus, Kazakhstan, Russia, and Ukraine reached a consensus in 2003 under the auspices of the CIS Agreement on the creation of a Single Economic Space with the objective of fostering the growth of their respective countries' economies in a stable and efficient manner and raising the living standards of their citizenry. Kazakhstan, Belarus, and An agreement to establish a single customs territory and a Customs Union were signed by Russia in October 2007. The formation of the Customs Union's single customs territory was set to begin on January 1, 2010, by the Supreme Body of the Customs Union, which established the deadlines and stages of the process in June 2009.

The Russian Federation, Kazakhstan, and Belarus advanced toward the creation of a Single Economic Space based on the operation of the Customs Union. The Presidents of these states signed The Declaration on the Eurasian Economic Integration on November 18, 2011, which

established the date of the Single Economic Space's operation as January 1, 2012, guaranteeing the unrestricted flow of capital, labor, goods, and services. The leaders of the three states declared that the Eurasian Economic Union should be formed as a result of the growth of the Common Economic Space and the Customs Union. The Eurasian Economic Commission was established on November 18, 2011, the same day that the presidents of Belarus, Kazakhstan, and Russia signed an agreement. It served as a single, long-term regulatory body for the Customs Union and the Single Economic Space. (The Presidents of Belarus, Russia and Kazakhstan signed a Declaration on Eurasian Economic Integration, 2011)

These and others agreements accelerated the process of integration in the post-Soviet space. The members of the EEC laid the foundation to the economic integration. After these agreements, the heads of the states did not want to limit with the community. Their true initiatives were to formulate the Economic Union on the basis of European Union which would allow free trade and common tariffs for all the member states. Therefore, on December 19, 2011, the Supreme Eurasian Economic Council put into effect international treaties which aimed at forming The Common Economic Space which would include the space of Russia, Belarus Kazakhstan, Kyrgyzstan and Tajikistan. Implementation of these and other international treaties and agreements which included balancing macroeconomic, budgetary and competition policy, structural reforms of labor, capital, goods, services and markets, and the creation of Eurasian networks in the field of energy, transportation and telecommunications were defined as the basis for the creation of the Eurasian Economic Union in the upcoming years.

The transition to the practical formation of Eurasian integration associations would hardly have been possible without a new, modern understanding of Eurasianism, formulated by the President of Russia V.V. Putin. In his famous article "A new integration project for Eurasia – the future that is being born today", the head of the Russian state, summarizing the ideas he had previously expressed, focused special attention on the fact that during the search for a way out of the global systemic crisis that began in 2008 the crisis and the related development of new models of global development is absolutely necessary "to develop common approaches, as they say, "from below". Initially, inside the recognized regional organizations, such as the EU, NAFTA, APEC, ASEAN, and others; subsequently, through communication amongst them. A place that will be polycentric in terms of particular mechanisms and managerial choices, but harmonious in terms of economics. Then it would make sense to begin a fruitful discussion about the fundamentals of interaction with the nations of North America, the Asia-Pacific region, and other regions (Putin, 2011).

The last stage of the creation of the Eurasian Economic union occurred in the middle of the second decade of the XXI century. In May 2014, the leaders of Belarus, Kazakhstan and Russia signed the Treaty on the Eurasian Economic Union. In December Armenia joined it in 2014, and Kyrgyzstan joined it in May 2015. On January 1, 2015, the process of practical implementation of the Treaty on the New Union that entered into force began (Eurasian Economic Union. Questions and answers. Figures and facts. Moscow, 2014).

The EAEU was based on the agreements signed in the frame of the Eurasian Economic Community, Single Economic Space and the Customs Union. After the formulation of the EAEU, the main task of the member states were to define each member's rights and obligations. Therefore, the charter of the Eurasian Economic Union was on the agenda. This charter was formulated on the basis of existing policy documents, draft treaties and comments by representatives of the EEC members. In general, the EAEU Treaty was the result of a very subtle compromise between its parties. The charter (or the Treaty of the EAEU) consists of 4 parts and 33 appendices. Part One "Institution the Eurasian Economic Union" contains general provisions, basic principles, goals, provisions on the competence and law of the EAEU, the EEC bodies and the EAEU budget. The second part of the Charter is devoted to the juridical basis of the Customs Union which includes information interaction and statistics, functioning of the Customs Union, regulation of circulation medicines, customs regulation, foreign trade policy, technical regulation, and consumer protection (Treaty on the Establishment of the European Asian Economic Union, 2014).

The third part of the EAEU Treaty is devoted to the regime of the Single Economic Space (CES). It codifies the norms of agreements concluded within the framework of the Common Economic Space, namely: provisions on the conduct of macroeconomic and monetary policy, trade in services, provisions on investment, regulation of financial markets and taxation, general principles and rules of competition, the legal regime of natural monopolies and the legal regime in the energy sector, transport policy and public procurement regime, intellectual property protection, industrial and agro-industrial policy, as well as labor migration (Treaty on the Establishment of the European Asian Economic Union, 2014).

The Treaty's final and transitional provisions are found in its fourth section. It outlines the process for joining the Union in particular, as well as the potential for granting the status of an observer state and a candidate state for membership. Russian is the working language of the Union's bodies. Contract reservations are not permitted. In contrast to the provisions of the Treaty or international treaties within the framework of Union, the Treaty does not prohibit the agreement of bilateral international treaties between Member States that provide for a deeper level of integration (Treaty on the Establishment of the European Asian Economic Union, 2014).

In general, the EAEU Treaty is aimed at solving "the main task of the international integration association – the creation of a single legal space in technical and economic fields" (Bekyashev K. A., Moiseev E. G. Law of the Eurasian Economic Union, 2015. p.33).

I would like to give a brief description of the structure of the EAEU in order to better understand its functions and later problems. The structure of its bodies is clearly pointed out in the EAEU Charter, which is one of the main, necessary and characteristic elements of any international organization. Section III of the Contract is called "Bodies of the Union", which are: **the Supreme Eurasian Economic Council; Eurasian Intergovernmental Council; Eurasian Economic Commission and the Court of the Eurasian Economic Union**. All these bodies are the main ones, each of which is endowed with its own powers, competence and functions.

The principal body that oversees the EAEU is **the Supreme Eurasian Economic Council**, which is composed of the leaders of its member states. Regular meetings take place at least once a year, and non-sequential meetings of this body may be called at the request of any member state or the Chairman of the Supreme Council in order to address pressing issues pertaining to the Union's operations.

The heads of state and government of the member states make up **the Eurasian Intergovernmental Council**, a body within the Union. The Intergovernmental Council meets twice a year, or more frequently as needed. Comparably to the Supreme Council, any Member State or the Intergovernmental Council Chairman may call a special meeting of the Intergovernmental Council to discuss pressing matters pertaining to the Union's operations.

The Eurasian Economic Commission (EEC), which was established on February 2, 2012, is a permanent regulatory body that oversees both the Customs Union and the Single Economic Space. It is composed of a Board and a Council. The Commission issues directives, suggestions, and decisions. The Eurasian Economic Commission's primary goals are to create proposals for additional integration and to guarantee the framework necessary for the Customs Union's growth and operation. In order to represent the Eurasian community's activities and the important partners from the Asia-Pacific and European regions who are involved in the integration processes, the EEC actively participates in international affairs.

A permanent judicial body within the Union is **the Court of the Eurasian Economic Union**. The Statute Courts of the Eurasian Economic Union determine the status, composition, competence, procedure, functioning, and formation of the Court of the Union (Treaty on the Establishment of the European Asian Economic Union, 2014).

To conclude, Eurasian Economic Union is a regional economic organization established with a view of enhancing economic integration in the post-Soviet space. Economic integrations such as European Union, ASEAN and the Eurasian Economic Union help to establish more stable and united world. The core of these organizations are creating free trade and developing its member states' economies at the same level. From my perspective, establishing economic integration will enable its members more or less to enhance their economies. Moreover, I support economic integrations rather than military blocks. When countries cooperate and make economic agreements there is a high probability that all the nations in these states will benefit. The standard of living will increase, protectionism or nativism policies will be replaced by globalization principles and mainly citizens' economic level will increase.

2.2 ECONOMIC AND GEOPOLITICAL POTENTIAL OF THE EAEU

The Eurasian Economic Union is one of the most powerful and promising unions based on its population, economy and geostrategic location.

The main strength of the union is its territory. It includes approximately 14% of the world's land mass. The member states: Armenia (29,743 km²), Belarus (207 600 km²), Kazakhstan (2 725 000 km²), Kirgizstan (199 900 km²) and Russia's (17,125,192 km²) overall territories are estimated around 20, 287, 435 km². This enormous territory means huge amount of natural recourses, geostrategic superiority, and mainly logistical opportunities to trade with the long distances. Understanding this potential, leaders of the union agreed on developing logistics system together (Personal calculation from the figures in the UN database).

The rapid development of new, modern industries, the mobility of labor, goods, and services, and the expansion of transit traffic within the Union's borders along the "East-West" and "North-South" international transport corridors will all benefit from the expansion of the EAEU's transportation and logistics infrastructure. An important place is occupied by infrastructure construction, which will make it possible to form multimillion-dollar packages of orders for other sectors of the economy and ensure high-quality integration in the long term into the economic structures and systems of the member states. Since the beginning of 2017, the market of transport and logistics services of the EAEU countries has begun to develop intensively. According to the statistics of the European Union (Eurostat), in the first half of 2017 compared to the same period of 2016, the import of goods by road from the EU to Russia in physical terms increased by 19.6%, to Ukraine – by 19.8%, to Belarus – by 7.4%, to Kazakhstan – by 16%. Sea and rail container shipments have increased. For 8 months of 2017, container transshipment in the seaports of the Russian Federation increased by 16.4%. (About the main socio-economic indicators of the Eurasian Economic Union. January December 2017 Analytical review of the EAEU)

Currently, for the EAEU member states, a very promising and long-term direction of international cooperation for the development of transport and logistics infrastructure is the project of cooperating the EAEU with the Silk Road Economic Belt. This will undoubtedly be beneficial for both sides, since both the EAEU and China are interested in creating an effective transport and logistics infrastructure of the region, which is on the route of multimillion-dollar cargoes from the Asia-Pacific region (APR) to the European Union (EU). In the regional integration project, China intends to finance large-scale infrastructure construction, which the union urgently needs. The EAEU should create favorable conditions for transportation on its territory according to the criteria of speed, cost, safety, service and stability, update the rolling stock and increase the degree of integration of the provided logistics system. The achieved level of transport-logistic cooperation of the EAEU countries in the international transport-logistic International transport corridor "East – West" allows for the overland delivery of goods from China to the EU on average 3-3.5 times faster than sea transportation by the Southern Sea Route (Kokarev, 2016 p).

The EAEU is also rich in terms of natural resources which enable its member states to be self-sufficient and independent from other unions. At the same time, this potential gives an opportunity to export natural resources such as crude oil, gas, fruit, vegetables, gold in a huge scale.

The head of the Russian Academy of Sciences' Institute of Economics, Ruslan Grinberg, claims that the Eurasian Economic Union (EAEU) is a global leader. It is the world's largest producer of crude oil, ranks second in the production of natural gas, milk, potatoes, and wheat, ranks fourth in the production of electricity and meat, ranks fifth in the production of grain and pulse crops, steel, and coal, and ranks sixth in all of these categories. As a whole, the EAEU ranks sixth globally in terms of industrial production. The collective gross domestic product (GDP) of the members is approximately \$2.5 trillion, which represents approximately 85% of the GDP of the CIS nations. Russia is responsible for between 80 and 87 percent of the EAEU's total economic potential (Grinberg, 2016).

This economic and transport-logistic potential is attracting many non-member states to cooperate with the EAEU. Besides of its 5 member states, the union has 2 observer states: the Republic of Uzbekistan and the Republic of Cuba. The Eurasian Economic Union has an intention to widen its cooperation in terms of free trade zones. The union is negotiating the creation of a free trade area with several countries, including Azerbaijan, Afghanistan, Iran, Serbia, Singapore, Turkey, Israel, India, Pakistan, China, and Vietnam. At the end of 2020, new contours of the EAEU's participation in the global economy and trade were outlined. Ethiopia, Venezuela and a number of countries of the Caribbean Community officially announced their interest in cooperation with the Eurasian Union, and in the future – about the creation of free trade zones with the EAEU. Therefore, the Union is forming its presence in the economies and international trade of Africa, Latin America, and the Caribbean. The task is designed so that the EAEU will deepen integration and remove all barriers over the next five years.

The export of the Eurasian Economic Union member states has been increasing notably. During the Covid-19 pandemic this trade volume kept increasing which was surprising to many experts. According to the official webpage of the EAEU, exports of goods to countries outside the Eurasian Economic Union in 2021 increased by 44.7% compared to 2020 and amounted to 527.9 billion US dollars. The growth in exports to the foreign market is due to an increase in exports of goods from Belarus by 48.6%, Russia by 47.3%, Kyrgyzstan by 38.2%, Kazakhstan by 25.4% and Armenia by 16.8%. The price conditions of foreign trade were characterized by a favorable ratio of prices for exported goods and goods purchased by import (the price conditions index was 135.8%). The volume of foreign trade in goods of the Eurasian Economic Union with countries outside the EAEU in 2021 amounted to 844.2 billion US dollars, including exports – 525.7 billion US dollars, imports – 318.5 billion US dollars. Compared to 2020, the turnover increased by 35.1%, or by 219.6 billion US dollars, exports – by 44.1%, or by 160.9 billion dollars, imports – by 22.6%, or by 58.7 billion dollars. The main buyers of goods exported from the EAEU were the countries of the European Union (their share was 41.9% of exports) and APEC (28.4%). China and Germany were the leaders among the countries in importing to the Union market. (Official webpage the EAEU news, 2021)

2.3 POLITICAL AND ECONOMIC PROBLEMS: CURRENT CHALLENGES FOR THE DEVELOPMENT

Although at a glance the Eurasian Economic Union seems a very powerful organization, it is also important to analyze its economic and political problems. Since the Union's emergence, it has been facing various levels of problems. Recent historical memories of the post-Soviet Republics have been making it complicated to be as united as the European Union. Former Soviet Republics still remember the process of conquering of their territories by the USSR, and they are trying to be careful in the relations with the Russian Federation. On the other hand, it is difficult for Russia to cooperate with its former dependent countries. The elite of Russia have been expressing their imperialistic ambitions openly since the very beginning of the new century. These ambitions strengthened, especially after Vladimir Putin became the president of the Russian Federation. The former KGB officer, Vladimir Putin, stabilized the situation in Chechnya so strictly that it was a clear message to the world about ruthless attitude of Putin towards his opponents. Therefore, former members of the USSR are very cautious with cooperation with Russia and Vladimir Putin.

The first political problem of the Eurasian Economic Union is the dark history of member states. It is no secret that Russians invaded each member states territory with the help of power. Therefore, members and observers of the Union are afraid of losing their sovereignty and independence once again. It leads to the loss of mutual trust among member states which a key element in any kind of integration. If countries are afraid of one another, it will be an obstacle for the further development of relations.

The second political problem is inequality among members. The largest country in the Union, Russia, is approximately 570 times bigger than the smallest member, Armenia, and in terms of GDP, Russia's economy is much stronger (\$1.7 trillion) against Armenia's economy (\$24.5 billion). In addition, Russian possesses the second most powerful army in the worlds according to Global Fire Power Index. The population four members are around 38 million (Kazakhstan 19.6, Kirgizstan 6.7, Belarus 9.3, Armenia 2.8) while the population of the Russian Federation is 144 million. These differences will make the division of revenue and privileges disproportionately (Personal calculation from the UN and WTO database).

The third political problem is the fear of sanctions from the West. After Russia's invasion of Ukraine in 2014 and 2022 the USA and EU posed a number of sanctions on Russia. According to the Atlantic Council, the USA has posed more than 3126 sanctions on Russia so far (Nikoladze, 2023). Other members are also afraid of being sanctioned by the western world, and for this reason, they are trying to diversify their foreign policies.

These are the main political problems which are slowing down the development of the Union and integration process within it. If these issues will not be solved, it will be difficult for the Russian-led union to compete with other integrations such as EU and Belt and Road.

Besides political obstacles there are economic problems as well. The first and foremost problem in the EAEU is unequal trade turnover. From the table it can be seen that the main

share in mutual trade belongs to the Russian Federation. Trade among the EAEU countries peaked in 2022, amounting, according to EDB analysts, to \$80.6 billion. If we calculate the percentages and overall trade, about 60% which is equal to roughly \$58 billion belongs to the Russian Federation. This uneven division of trade is making members to reconsider their membership in the EAEU, and making the organization not effective.

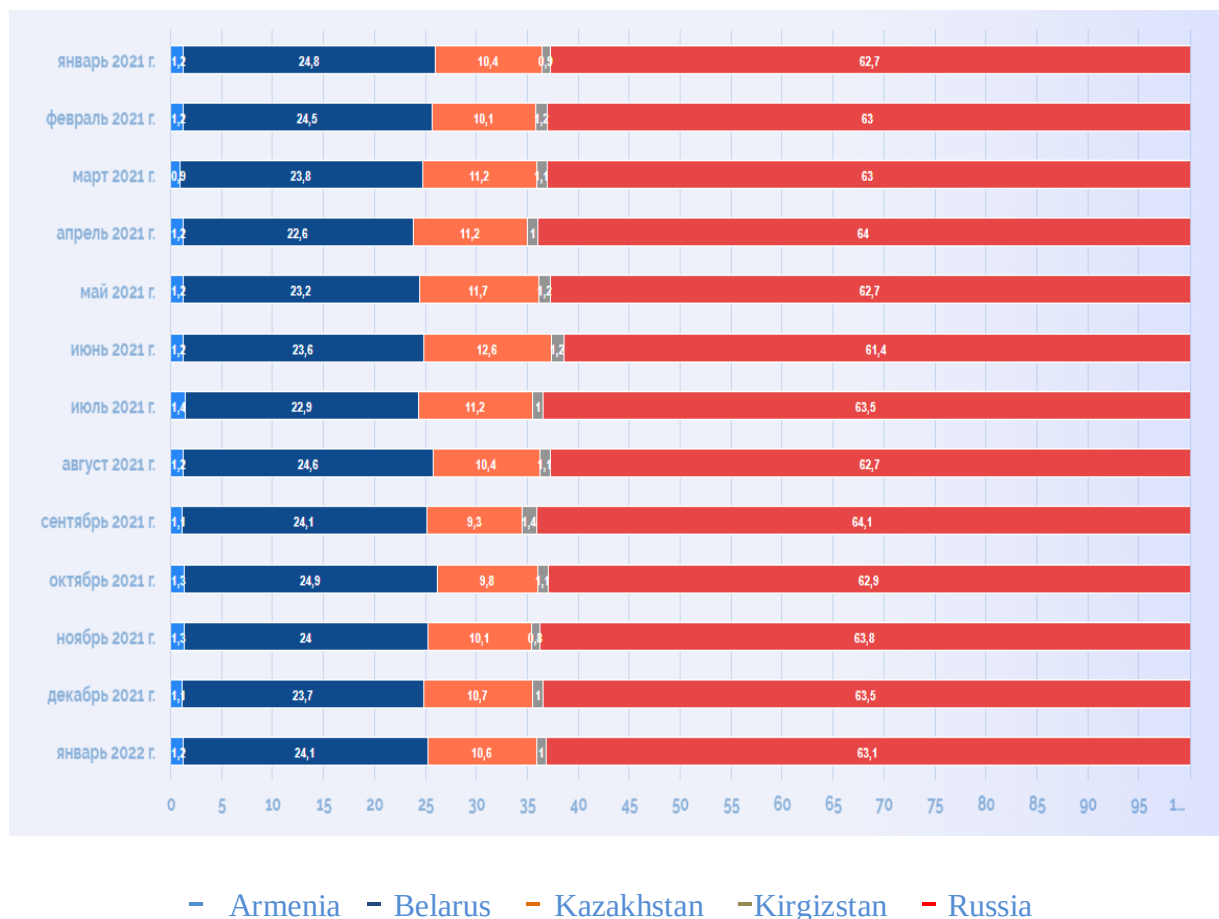


Figure 1 The share of the EEC member States in mutual trade for 2021-2022

Source: The official webpage of the EAEU

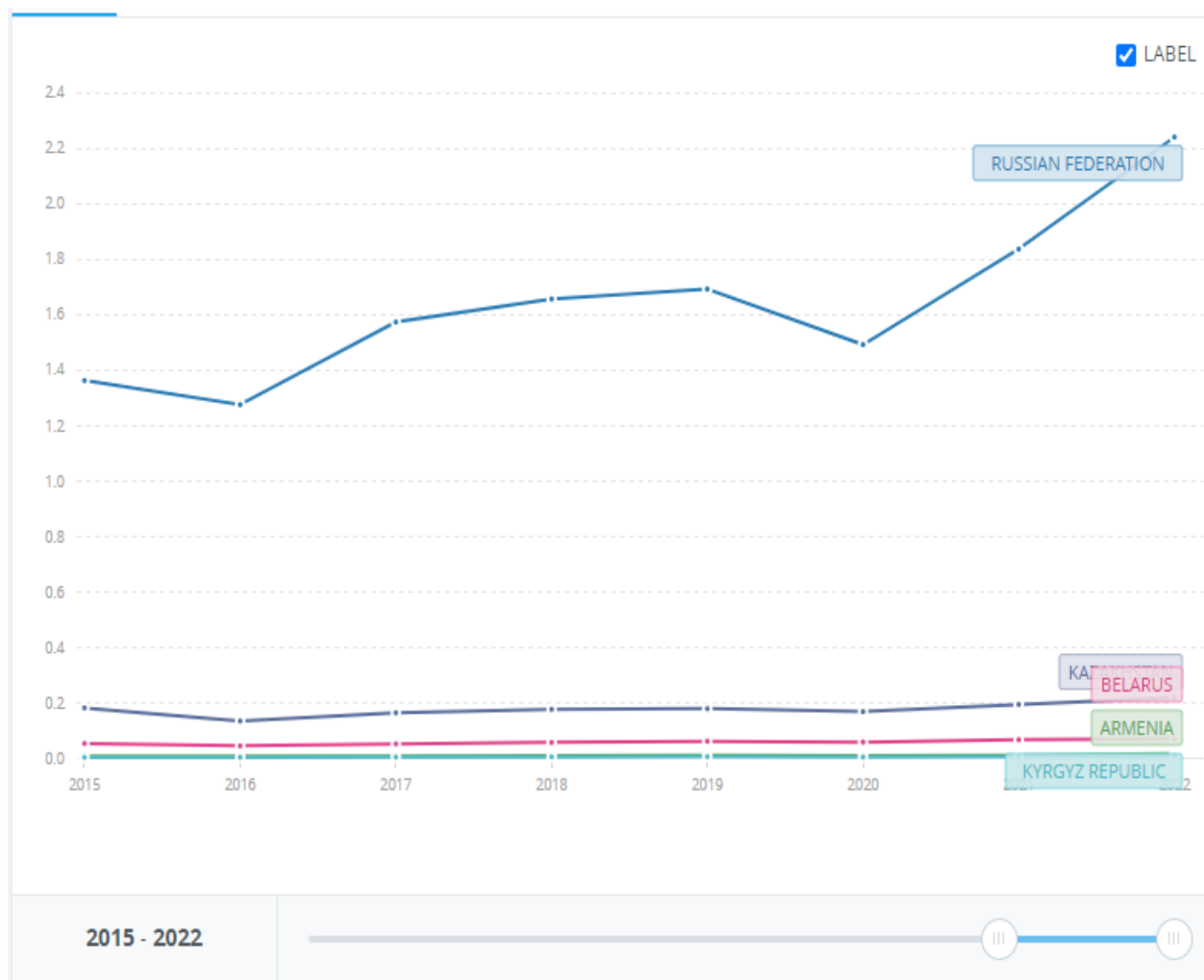


Figure 2 The growth of GDPs of the member states from 2015 to 2022 Source: WTO

Country	Most Recent Year	Most Recent Value (Millions)	
Armenia	2022	19,502.78	
Belarus	2022	72,793.46	
Kazakhstan	2022	220,623.00	
Kyrgyz Republic	2022	10,930.64	
Russian Federation	2022	2,240,422.44	

Table 2 The GDPs of member states in 2022 Source: World Bank statistics of GDP in 2022

The second economic problem of the organization is similarity of the main export products of the members. Almost all members are considered to be commodity (raw material) exporters. These countries mainly sell: crude oil, agricultural products, different types of metals, machinery, precious stones. When members already have above mentioned products, they have no choice to export them to states outside the Union. The main importers, China and Germany, are buying their raw materials at a lower price and selling manufactured products more expensively to the members.

The value has decreased as a result of the decline in global commodity prices. Negative dynamics in both internal and international trade were also driven by the devaluation of the national currencies of EAEU member states. All EAEU member states continue to concentrate on the markets of third countries, even though it was anticipated that the devaluation of the national currencies of the EAEU would increase demand for goods produced within the EAEU and, consequently, boost the competitiveness of national economies.

All EAEU countries, with the exception of Belarus, trade to a greater extent with third countries. For example, the main trading partners of the EAEU are China (the share in the total volume of foreign trade is 15.5%), whose goods are cheaper compared to goods produced within the EAEU, and Germany (the share in the total volume of foreign trade is 8.8%), whose goods are more science-intensive and technological. The reason for this situation is the same type of structure of export goods that the EAEU member states can offer each other. In other words, the EAEU member states have nothing to do to offer each other, except for raw materials. To overcome the negative trend, it is necessary to eliminate the same type of structure of export goods The EAEU through internal cooperation, through the creation of its own value chains in non-resource, knowledge-intensive and high-tech sectors of the economy (Official webpage of the EAEU trade turnover statistics 2014-2021, 2022).

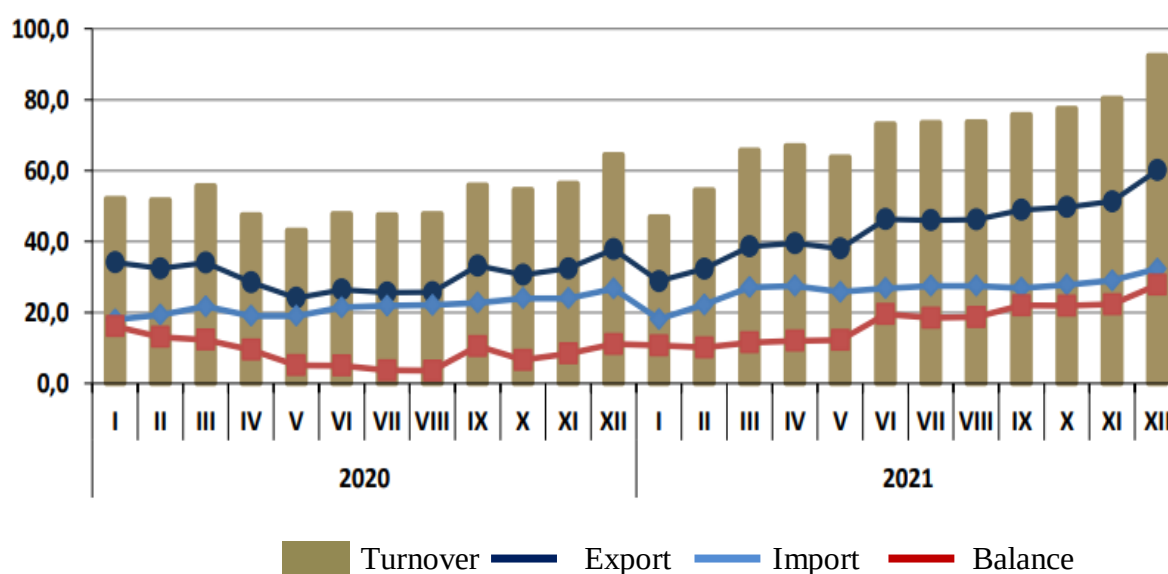


Figure 3 The overall outcome of foreign and mutual trade in goods of the members of the EAEU during January–December 2021 in billion dollars Source: EAEU Official webpage

The third economic problem that the EAEU is facing is the China's presence in the Eurasian region. China has initiated several projects among of which the Belt and Road initiative is the most spread throughout the Eurasian region. This initiative includes almost all the member states of the EAEU and the ambitious economic offers attracting the Union states. As the second economy of the world, China is offering very promising proposals. Most importantly, the post-Soviet states do not have political fear of cooperating with China since they do not have common history. Therefore, Chinese proposals might be appealing for some member states of the EAEU. But one very subtle aspect should be taken into account when comparing two unions: 3 out of 5 members of the EAEU (Russia, Kazakhstan and Kirgizstan) are included into the Chinese initiative and getting benefits while Armenia and Belarus are not a part of it. Moscow, Astana and Bishkek have an opportunity to diversify their economic trajectories when Armenia and Belarus have to follow only one routine. Especially, the main founder of the EAEU, Russia's cooperation with other organizations might be accepted as an unfair deal by Armenia and Belarus. In the long run the pairing of two initiatives might occur. The members of the EAEU might strengthen their participation in the Belt and Road Initiative, and stop their presence in the EAEU.

However, Chinese Belt and Road Initiative pose threat mainly on the Russian leadership in the region. China is the main candidate for the regional leader due to its economic and geostrategic potential. If we compare two states, China is the second economy with 17.96 trillion dollars while Russian GDP is 2.24 trillion dollars according to the World Bank statistics in 2022.

In terms of technological advancement, China is much superior to Russia. According to the Global Economy Innovation Index China ranks 11th while Russia is 46th which clearly shows the discrepancy between Moscow and Beijing in the sphere of technological advancement. (Online source, the global economy index, 2023) Moreover, China has quite friendly relations with the western world. It is not under as many sanctions as the Russian Federation. The only sphere in which Russia surpasses China is military sphere. But China is spending approximately 3 times more on the development of its army than Russia does (\$292 billion versus \$86.4 billion) (Countries with the highest military spending worldwide in 2022, Statista.com). Therefore, this superiority cannot last for a long time.

For the Chinese government, former Soviet Republics are also essential for its economic and geostrategic goals. The members of the EAEU will serve for China as a corridor to reach the European markets. One of the BRI's objectives, according to the Chinese leadership, is to ensure that Chinese businesses have easier access to significant markets, the majority of which are located in Southeast Asia and Western Europe. (2017) Rolland In the long run, Beijing must prioritize having diversified transit options. The USA may use its allies in the southeast (Japan, South Korea, Vietnam, and others) to obstruct Chinese trade with the West if the trade war between China and the USA worsens. Therefore, China will undoubtedly gain from diversifying its trade corridors.



Figure 4 Mapping the Belt and Road Initiative's progress Source: CSIS Reconnecting Asia Project, U.S. Global Investors

Over time, it is possible for two unions to be paired together. The EAEU members may decide to discontinue their membership in the EAEU and increase their involvement in Belt and Road Initiative. Trade and commercial cooperation between the Eurasian "five" countries and China have already increased dramatically as a result of the process of combining the EAEU and the BRI. China's percentage of the Union's exports was 16.8% in 2018 (it was 16.2% in 2017). It is noteworthy that the integration process prompted the six nations to collaboratively explore for new domains and forms of interstate interaction, including the establishment of a shared space for commerce, transportation, communications, standards, and methodologies. About 70 investment projects worth a combined 120 billion dollars are currently being planned and carried out by China and Russia; of these, 11 have already been operationalized, and 15 are in the process of being carried out. One such project is the building of the Great Wall of China car factory in the Tula region. The collaboration with Kazakhstan has developed into an outstanding illustration of work in the area of production capacities. In Belarus, the Great Stone Industrial Park is expanding quickly. A fresh perspective is emerging on the integration of Kyrgyzstan's development objectives with the "Belt and Road" program (On the results of foreign trade in goods of the Eurasian Economic Union. Analytical review, 2019).

Lack of technological development and leadership is the final economic problem within the EAEU. None of member states are considered as a high-tech country, and they cannot provide sufficient numbers of latest technologies to develop mutual cooperation. Inside the EU, Germany and France, in the Belt and Road Initiative China, in ASEAN Singapore, and in the

American region the USA play the role of technological leaders. However, the trigger force of the Union, Russia lags behind above-mentioned high-tech states.

Once more, the fall of the USSR had a significant impact on Russia's inventive system. Thousands of Soviet scientists emigrated to Israel, Western Europe, and North America in the 1990s. In the long run, Russia's scientific and technological foundation was weakened by the brain drains and financial shortages of the 1990s. The Russian government has not been able to adequately replace these scientists to address the issue of brain drain (Crane& Usanov, 2010).

According to Russian economist Sergei Bodrunov, the liberal-monetarist policies implemented during the 1990s transition period resulted in a relative deindustrialization that weakened the technological and innovative foundation of the Russian economy as well as the labor force's qualifications (Bodrunov, 2017).

Therefore, Russia or any other members of the EUAU can provide the latest technologies which can help to boost economic relations. If members will not pay enough attention to technological development or attract new innovative member to join their Union, the EAEU might have serious problems in the upcoming future.

3. UZBEKISTAN'S CONTAINMENT POLICY

3.1 THE POLICY OF RESISTANCE: POLITICAL AND ECONOMIC FEARS

The main trajectory of the foreign policy of the Republic of Uzbekistan is not to join any kind of military blocks and support equal economic and cultural cooperation. Since its foundation, Uzbekistan has been following this approach of foreign policy.

Based on the nation's interests, the Republic of Uzbekistan pursues an open, beneficial, and constructive foreign policy. The republic's current foreign policy is being developed with consideration for the rapidly shifting conditions in the region and the world, as well as significant domestic changes within the nation.

The Republic of Uzbekistan's foreign policy activity primarily aims to uphold the nation's independence and sovereignty, enhance its standing and role in international affairs, erect a security and stability belt around the nation, and aggressively advance the republic's foreign economic interests.

The Republic of Uzbekistan currently maintains diplomatic ties with over 130 nations worldwide. In Tashkent, there are forty-four foreign embassies, one general consulate, eight honorary consuls, seventeen representative offices of international organizations, thirteen representative offices of international intergovernmental and governmental organizations of

foreign states, and one diplomatic trade mission. The Republic of Uzbekistan maintains 55 diplomatic and consular missions abroad as well as at international organizations. Uzbekistan fosters cooperation through a variety of multilateral cooperation frameworks and is a member of more than 100 international organizations (Foreign policy and security Governmental portal of the Republic of Uzbekistan, 2023).

One of these international regional organizations is the Eurasian Economic Union. Currently, the Republic of Uzbekistan is not its member but it has a status of an observer in the organization. On 11 of December 2020, Uzbekistan was accepted as an observer state to the union. Since then, Tashkent has been actively cooperating with the organization in the field of agriculture, energy, precious stones and others. Within the framework of the EAEU, Uzbekistan, together with the member states of the Union, is working to create favorable conditions, search for new growth points and opportunities for expanding trade relations. On May 25, President Shavkat Mirziyoyev of the Republic of Uzbekistan took part in the 30th meeting of the Supreme Eurasian Economic Council in a videoconference format. In the meeting, the President of Uzbekistan stressed: "To address the priorities of sustainable socio-economic development in our countries, closer coordination is required due to the strengthening of global challenges, significant gaps in transportation and logistics chains, growing risks associated with food and energy security, and other issues" (Foreign policy and security Governmental portal of the Republic of Uzbekistan, 2023).

One of the most important areas of cooperation is the expansion of trade. Uzbekistan is the first trading partner of the EAEU countries among the CIS countries that are not members of the EAEU. The trade turnover of the EAEU states with Uzbekistan is growing every year. In 2020, despite numerous restrictions related to the pandemic, trade turnover increased by 3.9% compared to 2019, to 9.4 billion US dollars, including exports – by 15.3%, to 7.2 billion US dollars, imports decreased by 21.1%, to 2.2 billion US dollars. The share of the EAEU in trade with Uzbekistan is more than 28%. More than 60% of the EAEU's trade with Uzbekistan accounts for Russia, about 30% – for Kazakhstan, about 3% – for Belarus, about 4% – for Kyrgyzstan and about 0.1% – for Armenia (Center for economic research and trade of the Republic of Uzbekistan, 2020).

From the statistics shown above, one can conclude that the cooperation between Uzbekistan and the EAEU is mutually beneficial. Then, a question will arise here: why is Uzbekistan not joining the Union? Is there any benefit for the members of the union if Uzbekistan joins to the organization?

First of all, the importance of the Republic of Uzbekistan should be highlighted as a member of the Union. For Russian Federation the presence of Uzbekistan in its block is crucial in terms of geopolitics and geostrategic plan. Therefore, Russia is insisting Uzbekistan to join the EAEU as soon as possible. It could be proved by Valentina Matvienko's (Chairman of the Federation Council of the Federal Assembly of the Russian Federation) visit to Uzbekistan in 2019 and declaration about the preparation of the government of Uzbekistan to join the union when the official of Uzbekistan (Matvienko: Uzbekistan is working on the issue of joining the EAEU, 2019) had not showed its intention towards the EAEU yet. Later Sodik Safoev, the

Deputy of the Chairman of the Parliament of Uzbekistan, commented that Uzbekistan had not decided on the issue of its joining to the Union yet. The declaration of Matvienko can be seen as a forcing action towards the Uzbek government. For Russian Federation Uzbekistan is important due to several reasons:

- Uzbekistan is a key geostrategic player in the region of Central Asia. It is located in the middle of the region and has a profound influence on its neighboring countries. Therefore, close relations with Uzbekistan will allow Russia to have an indirect influence on the countries such as Kirgizstan, Tajikistan, Turkmenistan and Afghanistan. While China is spreading its “Belt and Road Initiative” initiative through the Central, south-eastern and south-western Asia of the Eurasian region and the USA is influencing the Middle East with the help of Israel and Western and Eastern Europe, it is of paramount importance for Russia to create its own influence zone and buffer zone in order to preserve its security.
- Uzbekistan has more than 36 million populations which is a huge consuming market. When the West is sanctioning Russian oil and gas, Russia needs alternative markets to export its goods (in addition to China).
- Uzbekistan has one of the most effective armies. According to the Global fire power index, Uzbekistan ranks 62. Therefore, after the EAEU, Russia might offer to join to the Collective Security Treaty Organization which is Russia`s main military ally.
- Russia is seeing Uzbekistan as a substitute to Kazakhstan. After the first president of Kazakhstan, Nursultan Nazarbaev, left his post, the foreign policy of Kazakhstan changed and became unfavorable to the Russian interests. The new president Tokaev declared that Kazakhstan "will definitely follow" the sanctions regime against Russia which was unexpected turn for Russia.
- It is also important for Russia to reduce the influence of the United States in the region. A regular meeting of the ministers of Foreign Affairs of the five Central Asian countries and the USA in the "C5+1" format was held in New York in September 2023. The previous meeting was held in August 2019 in Kazakhstan. And the first meeting was in Uzbekistan. It is striking that the number of such meetings in the "C5+1" format has been increasing recently, which indicates the mutual interest of the United States and all Central Asian countries to keep in touch on various issues. Despite the fact that the United States has relatively little room for maneuver in Central Asia, nearly all of the region's nations are involved in the activities of the Shanghai Cooperation Organization, two of the five Central Asian states are members of the Eurasian Economic Union, and three of the five are members of the Collective Security Treaty Organization. In Tajikistan and Kyrgyzstan, Russia maintains its own military bases. Furthermore, China ranks among the top investors in all of the region's nations and is the biggest creditor of these two economies.

As for the most important economic partner for the United States in Central Asia, it has traditionally been Kazakhstan. But, most likely, another economic and military-political partner for the United States will be Uzbekistan, which is currently liberalizing its economic policy and which is also one of the important players in the intra-Afghan peace process. Thus,

it is Kazakhstan and Uzbekistan that may be of the greatest interest to the United States in terms of supporting American security initiatives (economic and military). Naturally, all this does not suit Russia and China (Abaturov, 2021).

It is also important to look through advantages and disadvantages for Uzbekistan of joining to the EAEU.

Advantages:

- Expansion of the sales market: Joining the EAEU can provide Uzbek companies with access to a wider market for the sale of their goods and services. Considering that Uzbekistan is a double land locked country, it is crucial to have trade partners which located close to the country. Export and import from the EAEU will be much more cost-effective in terms of logistics for Uzbekistan. Tashkent will be able to export its main production goods: agricultural products and nationally manufactured cars to the members of the Union more easily as these countries do not manufacture cars.
- Trade Improvement: Participation in the Customs Union can simplify trade procedures and reduce customs barriers, which reduces costs for Uzbek exporters. The EAEU members do not pay customs duties and fees when importing goods into each other's territories. This advantage will bring great revenue to Uzbek businessmen and the states as well.
- Investments: Joining the EAEU can encourage cooperative ventures in a range of economic areas and draw investments from Union member states. The recent reforms in Uzbekistan have influenced the country's economy significantly. The country is seeking for new investments in order to stabilize its GDP.
- Security cooperation: Collaboration within the framework of the EAEU can enhance joint efforts in the fight against terrorism, drug trafficking and other security threats. By using latest military weapons and technologies of the Russia, Uzbekistan will be able to increase its security state. Especially, after the changes in Afghanistan it is one of the priorities of Uzbek government to develop the security sphere.

At a glance everything looks beneficial for both sides. However, there are some aspects that should be taken into account when analyzing the process of Uzbekistan's joining to the EAEU.

Uzbekistan's resistance policy can be understood better after analyzing disadvantages and threats which might appear after joining to the Union.

Disadvantages:

- Loss of economic independence: Since trade and economic decisions are made collectively, Uzbekistan's independence may be limited in some ways by joining the EAEU. Like any other organization of this type, the EAEU has rules that its members must abide by. It will be necessary for Uzbekistan to enter the single trade zone and eliminate customs duties for its allies.

- Restrictions on foreign policy: Participation in the customs Union may limit Uzbekistan's freedom to conduct its own foreign policy, since the EAEU members are required to comply with some international agreements.
- The cost of joining: Uzbekistan may need to invest a lot of time and money to bring its legal and economic structures into compliance with EAEU regulations before it can become a member of the Customs Union.
- The next step might to pull Uzbekistan into the Collective Security Treaty Organization which will change the foreign policy trajectory of Uzbekistan (Uzbekistan will not join any kinds of military blocks).
- There is a possibility of sanctions of the USA due to close relations with Russia. Uzbekistan is not willing to support any side. It supports only economic cooperation and respects the sovereignty of states.
- Most importantly, Uzbekistan still remembers the dependent period to the former Soviet Union. The attack of Russia to Ukraine revealed that Russia still has imperialistic ambitions to reunite the USSR.

Tashkent should consider that, similar to Kazakhstan, Uzbekistan will have to constantly reflect information manipulation from Russia if it joins the Eurasian Union. In Russia, statements are frequently made that cast doubt on the sovereignty of other EAEU members, whether they be requests for the introduction of a single currency or the establishment of a supranational parliament. For instance, the 2019 remarks made by Andrey Belyaninov, the Eurasian Development Bank's chairman of the board, that the EDB will serve as the model for the EAEU's future central bank sparked a legitimate backlash in Kazakhstan, where it was formally declared that the EAEU's central banks will continue to have sole authority over matters of monetary policy and currency regulation. Thus, the establishment of a single currency and the creation of a monetary union are not anticipated.

The officials of Uzbekistan are observing member states, especially its neighboring states (Kazakhstan and Kirgizstan), before making any decisions. However, the rebellion in Kazakhstan in 2022 and changes in Russian-Kazakh relations increased Uzbekistan's doubt about the membership in the EAEU.

After his election, the president of the Republic of Kazakhstan Kassym-Jomart Tokayev started to criticize the EAEU openly. He, at a meeting of the Supreme Eurasian Economic Council in May 19, 2020, stated: the strategy in its current form "restricts the sovereign rights of governments and parliament." He also called for a "careful" approach to the issue of expanding the powers of the Eurasian Economic Commission, the regulatory body of the Union.

As a response to the head of Kazakh nation, State Duma deputy Vyacheslav Nikonov stated during a TV program that "the territory of Kazakhstan is a great gift from Russia." The Ministry of Foreign Affairs of Kazakhstan conveyed a note to Russia and also noted "the frequent provocative attacks of some Russian politicians" against the country.

From these criticisms and situations, the Uzbek officials chose to be an observer rather than a member of the EAEU. Uzbekistan is seeking ways of not joining the EAEU, and accelerated

the process of joining the World Trade Organization instead. However, Uzbekistan cannot declare its true intentions of unwillingness to the EAEU due to several reasons.

Firstly, Uzbekistan is closely economically connected to Russia. Russia is the second trade partner of Uzbekistan. In 2022, Russia was on the second place (14.2%) on the volume of foreign trade turnover of the Republic of Uzbekistan according to the Ministry of Foreign Trade and Innovation (2022). Therefore, worsening relations with Russia will have dire consequences to the economy of Uzbekistan.

Secondly, for the security reasons Uzbekistan is trying to have close relations with Russia. Uzbekistan's neighbors Kazakhstan, Kirgizstan, Tajikistan are either the members of the Eurasian Economic Union or the Collective Security Treaty Organization. If relations deteriorate, Uzbekistan will be surrounded by Russia's close allies.

Thirdly, if Russia starts any kinds of military actions due to worsening the relations with Uzbekistan, there will not be any effective help. Russia invaded Ukraine in 2022, since then the USA, EU, Scandinavian countries have been supporting both economically and with military equipments. But the scenario will be a lot different in the case of Uzbekistan. Above mentioned supporters will not be able to help as much as they are supporting Ukraine. Because Uzbekistan is located far away from them but Russia is closer.

To conclude, the EAEU could be beneficial to Uzbekistan if the organization is only economic and does not require cooperation in political or any other spheres. Uzbekistan will be very cautious regarding with the accession to the Union, and try to keep balance in the relation with Russian Federation in order to avoid deterioration of relations.

CONCLUSION

To summarize, after careful analysis of the EAEU, it is possible to make the following conclusions.

The Eurasian Economic Union has a huge potential considering its territory, population, geostrategic location and natural resources. More than 20 million square kilometers of its land will enable its members to benefit from diverse natural resources including minerals, energy resources, precious stones and others. Member states geographical location will serve as a bridge between west and east. Not only do they benefit from exporting goods to east and west but also they could take an advantage of transits from their territories. Especially, Chinese the Belt and Road Initiative increased these countries importance as a main corridor between Europe and Asia.

Roughly 170 million populations are a huge market for export and import. As the population is growing in these countries more products will be required to meet the people's demands. As a result, merchants and manufacturers will benefit from the cooperation among the members.

The huge reserves of oil and gas in the EAEU will make it the main supplier of the world's energy security. At the same time, it will provide significant amounts of revenue. Until the green energy is produced sufficiently, the world has to deal with the members of the EAEU, and the importance of the Union will not be underestimated. If this potential is used correctly, the Union might become one of the most profitable and dominant organizations in the world.

Answers to the main questions of the research:

➤ What were the interests of member states that led to joining the union?

Every member state had different and unique motives for joining or creating the Eurasian Economic Union. For example, the Union shows a new attempt by the Russian Federation to unite former Soviet states. In addition, Russia also attempts to gain financial benefit from this initiative, primarily due to the potential expansion of its consumer market by approximately 38 million people across the four member countries. This became particularly essential after the Crimea crisis, when Russia faced sanctions from Western countries and needed collaborative partners for its economic well-being and resilience.

Belarus's decision to become a part of the Union was mainly motivated by its desire for a consistent and reasonable supply of oil and gas from Russia. Additionally, Belarus expects to take advantages from serving as a transit point for the transportation of these resources between Russia and Europe. The transit pipelines for Russian oil and gas passing through Belarus also enables to get high economic benefits for Belarus in the long run.

For Kazakhstan, it is also important to get Russian oil and gas at a discounted price. But the main reason is its geographical location. As a neighbor of Russia, Astana should be very careful in its actions. Any kinds of risky actions against Moscow could lead to facing the second most powerful army in the world.

Regarding with Armenia's case, the motives behind its decision are relatively clear. The most lasting issue in the Caucasus region is undoubtedly Nagorno-Karabakh. Azerbaijan has close ties with Turkey and Israel and has a more potent military force compared to Armenia. Consequently, Armenia needed a strong ally to withstand against its stronger opponent. Additionally, the availability of discounted oil and gas from Russia could bring substantial economic benefits to Armenia.

Kyrgyzstan's decision to join the EAEU can be primarily connected to two key factors. Firstly, it was content with an offer from the Russian Federation, which involved exempting its citizens from the need to comply with work permit regulations when seeking employment in Russia. Secondly, the dramatic situation in China's Uyghur region prompted Bishkek to seek a strong ally to ensure its national security.

➤ **What are the current political and economic challenges for the development of the Union?**

There are several political and economic problems which are preventing the Union's development. Among political challenges the most notables are the lack of Union identity and trust because of dark history of members, enormous differences (Russia's dominance) among the members, and foreign pressure on the driver of the Union (sanctions on the Russian Federation).

Regarding with economic challenges unequal trade turnover inside the Union, similarity of main export products, technological problems and China's presence and efforts to get leadership in the region could be the most dramatic ones.

➤ **The reasons for Uzbekistan's containment policy towards joining the union?**

In terms of Uzbekistan's resistance policy, the officials of Uzbekistan are observing very attentively every action and statistics of the Union. Threats and calls of Moscow on Kazakhstan and Kirgizstan are postponing Tashkent's accession to the EAEU. The stagnation process in Kazakhstan and Kirgizstan after joining the Union is distancing Uzbekistan from the Russian-led Union.

These and other problems are discouraging new members from joining the Union. If Russia does not change its fear-based actions in the EAEU, the members will have no choice but to seek other ways of developing their economies, probably with Chinese Belt and Road Initiative.

RECOMMENDATIONS FOR IMPROVING THE EAEU

- Russian Federation should change its imperialistic and dominant ambitions and treat each member state as an equal partner. It enables other member states to overcome fear of losing their sovereignty.
- Members should invest in infrastructure projects to improve transportation links, including roads, railways, and ports, to facilitate the movement of goods and people within the EAEU region. This would reduce transportation costs and enhance competitiveness.
- Countries ought to negotiate and implement free trade agreements with other countries and regional blocs to increase market access for EAEU member states. This could include exploring partnerships with neighboring countries in Central Asia (Uzbekistan, Turkmenistan and Tajikistan) and the Middle East, as well as deepening economic ties with China and the European Union.
- Strengthening the institutional framework and governance mechanisms of the EAEU will enhance transparency, accountability, and effectiveness. This could involve improving decision-making processes, enhancing the role of civil society, and promoting greater engagement with stakeholders.
- The EAEU members should foster digital integration by developing common standards for e-commerce, data protection, and cybersecurity. This would stimulate the growth of digital trade and innovation within the EAEU.

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APPENDIXES



Appendix I Territories of the member states

Source: https://blog.wika.com/knowhow/eac-the-certification-system-of-the-urasian-economic-union-in-overview/?doing_wp_cron=1699357078.9217810630798339843750



Appendix II Meeting of the leaders of the EAEU in Saint Petersburg in 2018

Source: <https://astanatimes.com/2018/05/nazarbayev-attends-urasian-economic-union-summit-in-sochi-meets-with-putin/>