

NEW TRENDS IN REGIONAL INTEGRATION AND THEIR IMPACT ON THE COUNTRIES OF CENTRAL ASIA

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Annotation. Integration is one of the most important aspects in contemporary international relations. In the context of constantly changing geopolitical and geoeconomic situations, new global and regional integration trends that affect the foreign policy strategies of states are emerging. Nowadays, regionalization can be considered one of the main trends in international relations due to a variety of socio-economic factors: the changing role of certain regions in global politics, the current regional labor division and the existing common cultural identity of regional ethnic communities. There is no question that the strengthening of regional cooperation and integration is crucial to the accomplishment of political, military, and environmental security as well as the long-term and sustainable economic prosperity of the area.

The authors of this article present their opinion on the impact of new cooperation/integration trends in Central Asia. The issues raised in the article are analyzed through the prism of theories that explain the nature of new integration trends. The possibility of the Central Asian states to adapt to the new conditions of integration is associated with the methodological problems of interaction between states in the face of new opportunities. In order to attain the objectives of economic growth, modernisation, and country development, regional cooperation is objectively necessary for Central Asia. The development of regional unity among the Central Asian nations is the primary means of preventing disintegration of the area.

Keywords: integration, region, Central Asia, cooperation, new trends, open economy, window of opportunity, economic diplomacy

Basic provisions

New trends influence the development of Central Asian integration and form modern systemic integration links that allow creating an open economy of the state, developing regional interaction, and integrating into global technological chains.

A new approach is now required to bring the countries of Central Asia together. First and foremost, this entails the acceptance by the region's nations of solutions to the most difficult issues that threaten regional peace and security that have been jointly agreed upon and accepted by all parties. The foundations of ties between the nations of Central Asia must be built through cooperative efforts. This strategy needs to be focused on creating a theoretical framework for regional relations, emphasizing the most important political and economic growth directions, and predicting how international and interstate interactions will evolve.

The political and economic realms are first and foremost responsible for finding solutions to these issues: in the political domain, this presents a chance to further regional integration efforts; in the economic sphere, this calls for the exploration of trade and economic cooperation arrangements that are mutually advantageous.

To overcome challenges that none of the Central Asian republics can handle alone, they must cooperate. The republics of Central Asia will only be able to attain intellectual and technical advances and social human development via cooperation. This necessitates political compromise, which calls for balancing regional interests with those of individual states.

Introduction

Integration is an essential part of contemporary international relations and involves the intensification of interstate interaction. Regional integration is especially effective because it is based not only on common economic interests, but also implies a new level of political, cultural and security cooperation.

Strengthening regional cooperation and striving for integration is of particular importance for Kazakhstan. The country's participation in integration processes is considered as a condition for strengthening sovereignty and ensuring sustained economic growth. This implies deep modernization, the creation of a knowledge-intensive model of the economy, an increase in the level of investment, scientific developments, labor productivity, the development of small and medium-sized businesses, and an increase in the quality of life of the population. One of the fundamental mechanisms for the implementation of this ambitious goal is the deepening of the integration of the economy of Kazakhstan into the regional and global systems. It is important to mention that in the Concept of the Foreign Policy of the Republic of Kazakhstan for 2020-2030 “achieving a higher level of integration of Kazakhstan into the international community and world economic relations” is defined as one of the main goals [1].

Description of materials and methods

To analyze the problems discussed in the article, three main approaches were used that explain regional cooperation/integration: political and economic integration; realism and/or functionalism; interstate and/or supranational character.

The two main theories that were used to examine cooperation and possible integration are realism and functionalism. These theories examine integration from different points of view:

- Realists focus on the dominance of states in international relations and define the nature of regional integration as an interweaving of national and regional interests. According to an American academic Stephen Krasner, “sovereign states are rational actors, resolutely concerned with benefits...” [2].

- The theory of functionalism explains new forms of integration that create associations not only on a geographical, but also on a functional basis. Functionalists believe that integration is based on the normative regulation of international relations, without the use of force. They suggest considering

integration as a two-stage process consisting of a low level (pragmatic goals: economic growth, social stability) and a high level (promotion of the country's foreign policy interests) [3].

An analysis of integration processes is impossible without using the main provisions of the theories of federalism and pluralism that describe the need for the institutionalization of economic and, above all, political relations, which should result in the creation of supranational institutions of protection [4].

Particularly important is the thesis that as a result of building relations between states (“zero-sum game”), weaker and smaller countries adjoin stronger ones, which leads to a certain “balance of power” in the international arena.

Functional-based regionalism has following characteristics: broad areas of cooperation (environment, terrorism, energy, etc.); multitasking (different levels); diversity of formats (summits, forums, programs, initiatives); diversity of vectors (the state can be a member of several integration associations, different both in terms of areas of activity and goals of creation – organizations can even represent competing players in the international arena) [5].

New integration trends can also be analyzed through the theory of constructivism, which implies that national interest alone does not explain the integration process and is not the only regulatory function. Modern realities of international relations create a common social world that interprets the meaning of international behavior [6].

Results

An analysis of theoretical and methodological approaches to the study of contemporary regional integration in general and in Central Asia in particular, demonstrated the following:

- The theories chosen by the authors of the article explain the new integration trends of a regional nature. Integration trends vary significantly in regions with different civilizational values, levels of economic development and cultural interaction. Therefore, the formation of the integration policy of the state largely depends on the trends that prevail in the region (emphasis on the economic, military or cultural components, the format of integration, its scale, etc.);

- In the context of the formation/change of integration spaces, the countries of Central Asia are faced with the problem of effectively using new trends in regional and global integration, which is a condition for creating the basis for sovereignty and ensuring the progressive economic growth of countries. This problem is relevant in the context of geopolitical and geoeconomic changes around the region.

- Modern trends show that the primary stages of integration are a free trade zone and a customs union, focused on optimizing trade relations between countries, which are gradually being replaced by a common economic market and then a political union [7]. Integration is not only a linear forward movement (for example, EU) but also a multi-dimensional and multi-layered process. In the context of the development of new regionalism, integration can develop not only within the framework of institutionalization, but also acquire other forms.

Discussion

Based on the analysis of the processes and models of modern integration, new trends in regional integration were identified, the main of which are the modern market, shared risks, the factor of democracy, the economization of diplomacy and the integration of countries into new technological chains.

Modern market. The market is transforming from national to regional and global, becoming a factor that largely contributes to the integration process. The states of Central Asia are integrated into the world market, where they occupy a niche of resource suppliers in the global division of labor. According to the Eurasian Development Bank, the main trading partners of the Central Asian countries are Russia (the share of trade turnover was 21.6% in 2021), China (20.4%) and Turkey (6%) [8].

Within the framework of the modern market and “new regionalism”, developing countries with natural resources have a chance to use the opportunities of integration to strengthen their positions in the world economic arena and protect their national interests in the context of globalization.

In the context of criticism of the raw material export model of economic development of the countries of Central Asia, it is necessary to study the capacities of the resource economy to adequately respond to the geopolitical challenges of our time. The term “resource curse” refers to a lack of economic diversification and a relatively weak level of economic development. However, there are many examples when natural resources served as a catalyst for the rapid development of the country. For instance, Norway has achieved significant economic success as a major raw material exporter. According to the latest data, the oil sector accounts for about 40% of Norway's exports [9].

Thus, based on the fact that the resource orientation of the economies of the Central Asian countries is of a long-term nature, the countries should focus on their potential. These opportunities are connected with the formation of a new economic model of the country's development. It is important to use new integration trends that strengthen the role of countries with rich natural resources in regional and global issues.

A free market economy implies the opening of the national market for the free movement of goods, capital, services and labor (WTO, EU), the openness of society for the free exchange of ideas, achievements of science, culture, art and language (EU). For developing countries, like the countries of Central Asia, the openness of economies means the process of entering the world economy. The role of developing countries in integration processes can be strengthened by the presence of rich natural resources, primarily energy raw materials, which allows them to defend their national interests when interacting with industrialized states. The interdependence in the field of energy raw materials between countries is one of the most important factors of integration on a regional and global scale.

In the context of changing geopolitical conditions, the “*shared risks*” trend is becoming more relevant. An example is the Eurasian Economic Union, where “risk sharing” is associated with the increasing isolation of Russia and its economic

shocks, social instability and residual military power. This may become a new threat not only for its allies and partners, but for all democratic countries.

One of the “shared risks” factors is Anti-Russian sanctions. Given the interdependence of the EAEU member states, it negatively affected the technological development of certain industries in Kazakhstan and Kyrgyzstan due to the fact that technological products, engineering goods, and components for agricultural machinery used to be imported from Russia.

Given the rising inflation, these problems will lead to a slowdown in GDP growth throughout the post-Soviet space. Kazakhstani business suffers greatly because its logistics are tied to Russia. Kazakhstan exports most of its oil products through Russian ports, including the port of Novorossiysk. Oil from Kazakhstan gets there through the Caspian oil pipeline: out of 1.5 million barrels, 91% of daily pumping through it is from Kazakhstan [10]. The Ministry of Trade of Kazakhstan confirmed that “due to the imposition of Anti-Russian sanctions and the absence of new mechanisms for determining the country of origin of goods, there are delays in a number of seaports of Kazakhstani cargo transiting through Russia to the markets of the EU countries” [11].

The *factor of democracy* is becoming increasingly important throughout the integration processes because politics and political regimes affect them. Democracy creates conditions for integration, as it gives new opportunities to the population of the country, provides economic freedoms, ensures freedom of labor and protects the interests of the individual. Non-democratic regimes can hinder integration processes. For example, Turkmenistan pursues a policy of neutrality and does not participate in regional integrations of a trade-economic, military-political, cultural-humanitarian nature, and it negatively affects its citizens.

Economization of diplomacy. In the conditions of economization of foreign policy and diplomacy, the economy acts as a fastening element for the countries participating in various integration projects. Regional integration does not undermine the role of states as the main actors of the IR system, since the degree of consolidation of the positions of participants, even in such an advanced integration association approaching a quasi-state format, as the European Union, cannot yet be compared with that which is generated in the political structure of a sovereign state. Regional integration can aggregate the interests of states, embrace them with a common outline, but it does not make them completely identical.

Globalization and the latest technologies lead to the formation of a space that is associated with the desire and ability of national economies to integrate into global technological chains. This is manifested in the practice of cooperation, when research and development, production, sales and company management can each be conducted in different countries. The creation and promotion of new products to world markets now require the construction of global networks, including specialized suppliers, main producers and consumers connected by a technological chain. Developing countries are acting as outsourcing and offshoring zones in the automotive, ship and aircraft manufacturing, precision engineering, electronics and IT industries [12].

The Central Asian states are integrated into global technological chains mainly with the help of foreign companies. But the question of finding and developing their own sources of development of the national economy and niches of their application is becoming more and more relevant. This process has several stages:

- The first stage is characterized by the entry of large foreign companies into the domestic markets. These companies are suppliers of equipment, which usually seek to locate their service centers closer to the sales markets.

- At the next stage, with the growth of the market for the consumption of technologically complex products, the placement of high-tech industries that use domestic labor and foreign technological platforms in Kazakhstan as outsourcing should be expected.

- The most important stage is the opening of research centers that develop high-tech products. Kazakhstan already has such experience. For example, the Kazakh-French technology transfer center; and the Center for Digital Engineering created by the Fraunhofer Society (Germany) on the basis of the Caspian University of Technology and Mechanical Engineering in Aktau.

Given the new geopolitical conditions, the issue of regionalization of Central Asia is becoming extremely relevant. Relations between the Central Asian countries have long been characterized by a low level of cooperation and regular disputes, including trade wars, border disputes, and disagreements over the management and use of water and energy. Attempts to integrate within the framework of the Central Asian Union (1994-2004) turned out to be unsuccessful.

The meeting of Central Asian leaders in Astana in March 2018 and the initiative of the President of Uzbekistan Sh. Mirziyoyev encouraged the expert community to predict the launch of a process that can be described as “Central Asia 2.0”. There are a few factors behind the possibility of a new regionalization of Central Asia.

First, under the new President of Uzbekistan, Tashkent's foreign policy began to take on regional characteristics. In the first year of his presidency, Mirziyoyev paid official visits to all the countries of Central Asia. During his travels, he resolved such issues, as territorial disputes and energy projects that threatened to create a water shortage for Uzbekistan. In 2018, for the first time since gaining independence, Uzbekistan took part in a meeting of the Cooperation Council of Turkic Speaking States, known as the Turkic Council, in Bishkek. Mirziyoyev also initiated the creation of the Consultative Meeting of the Heads of State of Central Asia, which was first held in March 2018 in the capital of Kazakhstan [13].

Secondly, in the context of changing geopolitics, the Central Asian countries are looking for their place in international and regional processes, as well as new opportunities for expanding cooperation, independently without the participation of Russia. Consultative meetings of the heads of state of Central Asia are a new format for interaction between the countries of the region. As a result of these meetings, “Treaty of Friendship, Good Neighborliness and Cooperation for the Development of Central Asia in the 21st Century” was signed in 2022. The agreement provides for the intensification of cooperation between the parties in

military, trade, economic, logistics, cultural and humanitarian, civil defense, as well as energy and tourism fields [14]. However, the refusal of Tajikistan (the presence of border territorial disputes) and Turkmenistan (status of neutrality) to sign this agreement slowed down the integration process within the region and outside of the Eurasian Economic Union.

Thirdly, relations between the key Central Asian countries, Kazakhstan and Uzbekistan, are being strengthened. Based on the economic potential, trade partnership and legal framework, both countries can become the locomotives of Central Asian integration, as Germany and France are for the European Union. An important factor is mutual understanding on such issues as the regional agenda, the development of cooperation in the trade and economic sphere, investments and joint projects. For instance, the creation of the International Center for Trade and Economic Cooperation “Central Asia” [15].

Fourthly, the participation of the Central Asian countries in global supply chains makes it possible to develop regional trade transport links. The location of the Central Asian countries at the crossroads of transport corridors creates opportunities for developing transit potential both in terms of transporting goods and for involving the countries of the region in cross-border production chains. The implementation of the transit potential of the states of the region is facilitated by two main factors: the development of full-fledged national infrastructure projects and intra-regional corridors, and the participation of the Central Asian countries in the trans-Eurasian corridors connecting China with Europe. Infrastructure development allows increasing the volume of transported goods and creates favorable conditions for trade, turning the region into an international multimodal transport corridor. Supply chain development in Central Asia is key to poverty reduction and economic diversification. This is especially relevant for a region that is landlocked because of its restrictions on overall socio-economic development and trade competitiveness. Close transport connectivity will allow the region to cover a significant share of world trade and accelerate the integration of domestic producers participating in global value and supply chains.

Conclusion

An analysis of the problems discussed in the article showed that the main effect of adaptation and use of the new opportunities in regional integration for the countries of Central Asia should be the deepening of cooperation and the transition to integration. Integration will solve the following tasks: moving away from the raw materials and export economy; increasing the competitiveness of national business and national goods; increasing investment attractiveness; implementation of transit potential and development of transport and logistics infrastructure; development of industrial cooperation; elimination of remaining barriers and restrictions on trade; and formation of the human resources potential for a common labor market. Modern trends in regionalization form a qualitatively new space, where Central Asia is part of the global integration space and is influenced by regional and global powers.

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АЙМАҚТЫҚ ИНТЕГРАЦИЯНЫҢ ЖАҢА ТЕНДЕНЦИЯЛАРЫ ЖӘНЕ ОЛАРДЫҢ ОРТАЛЫҚ АЗИЯ ЕЛДЕРІНЕ ӘСЕРІ

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Аңдатпа. Интеграция қазіргі халықаралық қатынастардың маңызды аспектілерінің бірі болып табылады. Халықаралық қатынастардағы қазіргі геосаяси және геэкономикалық үрдістер мемлекеттердің сыртқы саяси стратегияларына әсер етеді. Қазіргі уақытта аймақтандыруды көптеген әлеуметтік-экономикалық факторларға байланысты халықаралық қатынастардағы негізгі тенденциялардың бірі ретінде қарастыруға болады: әлемдік саясаттағы жекелеген аймақтардың рөлінің өзгеруі, қазіргі аймақтық еңбек бөлінісі, аймақтық этникалық қауымдастықтардың қалыптасқан жалпы мәдени бірегейлігі. Аймақтық ынтымақтастық пен интеграцияны нығайту саяси, әскери және экологиялық қауіпсіздікке қол жеткізу үшін, сондай-ақ аймақтардың ұзақ мерзімді және тұрақты экономикалық өркендеуіне маңызды рөл атқаратыны сөзсіз.

Осы мақаланың авторлары Орталық Азиядағы жаңа ынтымақтастық/интеграциялық үрдістердің әсері туралы өз пікірлерін ұсынады. Мақалада көтерілген мәселелер жаңа интеграциялық тенденциялардың табиғатын түсіндіретін теориялар призмасы арқылы талданады. Орталық Азия мемлекеттерінің интеграцияның жаңа жағдайларына бейімделу қабілеті жаңа геосаяси жағдайдағы мемлекеттердің өзара әрекеттесуінің әдіснамалық мәселелерімен байланысты. Экономикалық өсу, елді жаңғырту және дамыту мақсаттарына қол жеткізу үшін Орталық Азия үшін аймақтық ынтымақтастық объективті түрде қажет. Орталық Азия халықтары арасындағы аймақтық бірлікті дамыту аймақтың ыдырауын болдырмаудың негізгі құралы болып табылады.

Тірек сөздер: интеграция, аймақ, Орталық Азия, ынтымақтастық, жаңа үрдістер, ашық экономика, мүмкіндіктер терезесі, экономикалық дипломатия

НОВЫЕ ТРЕНДЫ РЕГИОНАЛЬНОЙ ИНТЕГРАЦИИ И ИХ ВЛИЯНИЕ НА СТРАНЫ ЦЕНТРАЛЬНОЙ АЗИИ

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Аннотация. Интеграция является одним из важнейших аспектов современных международных отношений. Актуальные геополитические и геэкономические тенденции международных отношений влияют на формирование новых глобальных и региональных объединений, воздействующих на внешнеполитические стратегии государств. В настоящее время регионализация может считаться одним из основных трендов международных отношений в силу множества социально-экономических факторов: меняющейся роли отдельных регионов в мировой политике, современного регионального разделения труда и сложившейся общекультурной идентичности региональных этнических общностей. Нет никаких сомнений в том, что укрепление регионального сотрудничества и интеграции имеет решающее значение для достижения политической, военной и экологической безопасности, а также для долгосрочного и устойчивого экономического процветания регионов.

Авторы данной статьи представляют свое мнение о влиянии новых тенденций сотрудничества/интеграции в Центральной Азии. Поднятые в статье вопросы

анализируются через призму теорий, объясняющих природу новых интеграционных тенденций. Возможность государств Центральной Азии адаптироваться к новым условиям интеграции связана с методологическими проблемами взаимодействия государств в условиях новой геополитической обстановки. Для достижения целей экономического роста, модернизации и развития государств региональное сотрудничество объективно необходимо для Центральной Азии. Развитие регионального единства среди народов Центральной Азии является основным средством предотвращения распада региона.

Ключевые слова: интеграция, регион, Центральная Азия, сотрудничество, новые тенденции, открытая экономика, окно возможностей, экономическая дипломатия.