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THE IMPERATIVE OF CENTRAL ASIAN INTEGRATION: PATH TO SUSTAINABLE DEVELOPMENT

Abstract

In the context of growing globalization, there comes an awareness of the importance of integration processes, especially for those countries that, due to geographical features, do not have access to the sea, and geopolitical ones remain a raw materials appendage. The countries of Central Asia (CA) – Kazakhstan, Uzbekistan, Tajikistan, the Kyrgyz Republic and Turkmenistan, are increasingly perceived as a region that has significant prospects for becoming an independent player in the international arena. The purpose of the scientific study is to identify strategic priorities and provide a comprehensive analysis of the strengths of the region, as well as economic potential, in the context of geopolitics. Despite similar historical experiences, thirty years of independence have had different effects on the economic situation of the CA countries. The study of differences between countries in the context of population size, living standards, institutional systems, and economic structure provides a complete picture of the region in order to identify weaknesses and minimize potential threats. The strategic analysis is supported by statistical data from international organizations and the media, as well as the results of scientific research published in journals indexed in the SCOPUS and Web of Science databases. The study of the main factors influencing the economies of Central Asian countries contributes to understanding the importance of growing regional cooperation and economic and strategic collaboration. The results make a valuable contribution to research on the formation of sustainable development in the Central Asian region.

Key words: analysis, geopolitics, globalization, integration, cooperation, development, economics.

Introduction

Central Asia, a region common in history, culture, and natural resources, is at pivotal crossroads in global trade and geopolitics. Central Asia unites five countries - Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Turkmenistan, whose mutual trade in foreign trade turnover for the period from 2013 to 2021 increased from 6.4% to 9.9% [1]. Over energy geopolitics, Central Asia is now the focus of a “ferce game” between major actors like Russian Federation, the United States, and China [2].

At the same time, these nations have increasingly become focal points for international investment and cooperation [3]. Amidst shifting global dynamics, a comprehensive analysis of the strategic landscape of Central Asian economies offers invaluable insights into their potential for integration and sustainable development.

As the world increasingly acknowledges the significance of connection and collaboration in promoting economic success, Central Asia stands out as a hub of unexplored possibilities. By implementing a strategic SWOT analysis, we aim to provide policymakers, investors, and stakeholders with a clear and comprehensive knowledge of the possibilities and challenges influencing the region's path toward integration and growth.

In the early 1990s, these countries moved from a planned economy to a market economy. In Kazakhstan and Kyrgyzstan, market reforms covered almost all areas, while in the other three republics, reforms were partial [4]. Institutional capacity deficiencies and entrepreneurial culture immaturity impeded private sector development. By the end of 2010, Central Asian countries had entirely reformed their institutions [5].

A study of such factors and indicators as the availability of natural resources, the level of labor productivity, technological progress, capital accumulation, and the country's economic development shows a close correlation between them. The progress and level of development that the Central Asian countries have achieved over the past thirty years of independence suggests that the availability of resources does not always determine prosperity, although it "has a significant impact on economic growth", since in Central Asia "natural resources have a resource curse", and "oil, gas, and coal continue to be the main sources of economic growth and generation of foreign exchange" [6].

There is no doubt that Central Asian countries have been able to achieve certain developments due to natural resources [5, 6, 7], and Kazakhstan has even become a successful player in international relations. Thus, Vanderhill et al. claim that natural resources have helped Kazakhstan balance between the Russian Federation, China, and the EU [6]. Thanks to Central Asia, China was able to "reduce its dependence on energy supplies from the Middle East" [2].

At the same time, the Central Asian region needs to move away from the sacrificial position of a resource appendage of large players or an object of control and begin to perceive itself as a self-sufficient player capable of overcoming the "resource curse", diversifying and modernizing its economy. This requires further integration, which can only be effective if a number of problems are resolved through the joint efforts of all Central Asian countries.

Materials and methods

In conducting the research on the seeking ways to integrate Central Asia on the path to sustainable development, the authors were primarily guided by an interdisciplinary approach, which was based on a combination of quantitative and qualitative research methods to provide a comprehensive analysis of the strengths and opportunities, as well as weaknesses and potential threats of the region. The results of the comparative analysis of economic, production and macroeconomic indicators of the Central Asian countries became the basis for identifying the advantages and disadvantages of the economies of the Central Asian countries and made it possible to identify potential areas for cooperation and further collaboration. The historical approach to the Central Asian region made it possible to trace the evolution of the economic and political processes that led these countries to the current situation, giving a complete picture of what the Central Asian region is currently in the context of geopolitical processes.

Scientific articles published in the SCOPUS and Web of Science databases, books, publications from open sources, as well as reports of international organizations served as secondary sources for the qualitative analysis and provided the necessary insights for this study. The qualitative research was also enriched by in-depth interviews with experts and specialists in Central Asia and international relations, which ultimately helped to identify the main areas of the study and build a theoretical framework based on the resource curse hypothesis. This theory suggests that countries with abundant natural resources tend to concentrate all their productive resources on one sector (industry) – usually oil, neglecting other sectors of the economy, thereby leading the country to Dutch disease or dependence on one sector.

Results and discussion

If the nineties became a time for reflection on the new economic paradigm and adaptation to the conditions of independence, then the following two decades, mainly due to the rise in energy prices, opened up promising prospects for an “economic miracle” and moments of feeling complete success for the countries of the Central Asian region. For example, according to official statistics, the real GDP of Central Asia increased by an average of 6.2% per year, reaching almost 446 billion US dollars, and this is against the backdrop of a population of almost 80 million people, which has doubled since 2000. At the same time, the population’s average age is almost 26.2 years. The volume of investments from third countries during the same period amounted to 211 billion. The trade turnover of the Central Asian countries with China reached 70 billion, Russia at 41 billion, and mutual trade at 11 billion [1].

Over the two decades of the Millennium, Kazakhstan has proven that it is one of the fastest-growing economies in the Eurasian region, with a GDP of 261 billion. Thanks to oil wealth, Kazakhstan’s economy has been liberalized, diversified, and modernized. However, legal, administrative, and democratic reforms are not systemic [8].

Therefore, the presence of natural resources, on the one hand, has a positive effect on the development of the economy; on the other hand, it leaves no chance to search for alternative strategic solutions. The weakness of institutions, the lack of strategic goal-setting, and the underdevelopment of the regulatory framework manifest themselves in imperfect economic mechanisms. For example, the main problem of the economies of all post-Soviet countries is high energy intensity [9].

Let’s look at the GDP growth rates in the countries of Central Asia (table 1).

Table 1 – GDP growth rates

	GDP		Agriculture		Industry		Manufacturing		Services	
	2000-2010	2010-2020	2000-2010	2010-2020	2000-2010	2010-2020	2000-2010	2010-2020	2000-2010	2010-2020
Uzbek-n	7.1	6.1	6.3	4.5	7.0	7.5	-	7.3	7.6	6.4
Kyrgyz Rep.	4.5	4.0	1.8	2.4	1.5	6.3	-0.5	3.1	8.1	3.4
Turkmen-n	8.3	8.3	-	-	-	-	-	-	-	-
Tajik-n	8.1	6.9	7.8	6.0	7.0	11.2	-	-	13.5	5.3
Kazak-n	8.3	3.4	3.8	3.1	9.0	3.1	6.3	3.3	9.1	4.1

Note: Compiled by the authors based on [10].

According to table 1, the GDP growth rate in the first decade exceeded that in the second decade. We attribute this to the effects of the 2009 global financial crisis and the detrimental effects of the global economic crisis caused by COVID-19. The analysis of the data in Table 1 shows that high growth rates are typical for Kazakhstan and Uzbekistan, two countries with significant production potential. For Kazakhstan, these growth rates are largely determined primarily by the volume of oil production and its cost.

Table 2 is presenting the figures of added value of production and its structure because the analysis of the GDP structure can provide an overview of a country’s economic trends, level of diversification, and potential challenges.

According to table 2, Kazakhstan and Uzbekistan have demonstrated significant economic growth: Kazakhstan has demonstrated steady growth (\$16.8 and \$22.4 billion), while Uzbekistan’s figure has doubled (\$5.1 and \$11.8 billion). The Kyrgyz Republic has demonstrated slow growth (\$0.8 and \$1.1 billion). Data for Tajikistan are available only from the second decade and they are not significant.

The GDP structure of Kazakhstan (21.2%) and the Kyrgyz Republic (14.3%) highlights the importance of agriculture and food processing in these economies. The emergence of food processing as a key sector in Uzbekistan (15% in 2020) reflects significant diversification efforts. Uzbekistan has shown promising industrial diversification (9.6%), which contributing to economic stability and reducing the risk of dependence on one sector.

Table 2 – The GDP structure

	Added value, \$ billion		Food, %		Textiles, %		Machinery, %		Chemicals, %		Other, %	
	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020
Uzbek-n	5.1	11.8	-	15	-	13.2	-	9.6	-	9.0	-	53.2
Kyrgyz Rep.	0.8	1.1	14.3	14	4.1	3.9	1.4	1.2	0.5	0.6	79.6	80.4
Turkmen-n	-	-	-	-	-	-	-	-	-	-	-	-
Tajik-n	-	1.3	-	-	-	-	-	-	-	-	-	-
Kazak-n	16.8	22.4	21.2	-	1.1	-	7.5	-	3.9	-	66.3	-

Note: Compiled by the authors based on [10].

The Kyrgyz Republic has insignificant growth in key industrial sectors, reflecting limited diversification efforts. Some countries are progressing in industrialization (Uzbekistan and Kazakhstan), while others are lagging, indicating uneven rates of economic development in Central Asian countries, which negatively impacts integration processes in the region. The lack of data for Turkmenistan indicates complex problems with transparency. Table 3 shows the macroeconomic indicators.

Table 3 – Macroeconomic indicators of Central Asian countries for 2023

	Population, million	GDP, current billion \$	GDP per capita, current \$	Life expectancy at birth, years	Exports billion \$	Imports billion \$	FDI billion \$
Uzbekistan	36.4	101.6	2,788.9	71.7	20.1	30.5	3.5
Kyrgyz Republic	7.1	13.9	1,970.2	71.9	3.2	4.6	0.2
Tajikistan	10.1	12.1	1,189.0	71.6	2.0	4.3	0.3
Turkmenistan	6.4	53.2	7,065	67.8	12.5	7.1	0.9
Kazakhstan	19.8	262.6	13,232.8	74.4	77.6	62.3	6.8
Total	79.8	443.4			115,4	108,8	11.7

Note: Compiled by the authors based on [11, 12, 13, 14, 15].

According to table 3, the highest population (36.4 million people) is in Uzbekistan. Kazakhstan ranks second with a population of 19.8 million, while Tajikistan ranks third with 10.1 million inhabitants. Turkmenistan and the Kyrgyz Republic possess constrained domestic markets. Kazakhstan has the most significant GDP, amounting to US\$262.6 billion, mainly attributable to oil exports. Uzbekistan ranks second with a total of US\$101.6 billion. Tajikistan (\$12.1 billion) and the Kyrgyz Republic (\$13.9 billion) possess the least substantial economies. It indicates constrained economic resources and production. Kazakhstan has the most significant GDP per capita at US\$13,232.8, indicating the robustness of its economy in relation to its population. The most impoverished nations are Tajikistan (\$1,189.0) and the Kyrgyz Republic (\$1,970.2), indicative of elevated poverty levels. Kazakhstan has the greatest life expectancy at 74.4 years, indicative of its living level. Uzbekistan (71.7 years), the Kyrgyz Republic (71.9 years), and Tajikistan (71.6 years) have similar life expectancy, reflecting regional consistency in health and living standards. Consequently, Kazakhstan is a regional leader in economic and social advancement, while Uzbekistan is undergoing active development and has growth potential. Tajikistan and the Kyrgyz Republic have specific developmental obstacles. Only Turkmenistan and Kazakhstan have positive net exports. Another important macroeconomic indicator is foreign direct investment, which contributes to economic development and increased exports. According to the World Bank, in 2023, FDI in Central Asia amounted to about \$11 billion, of which 58% and 30% were in Kazakhstan and Uzbekistan, indicating a more favorable investment climate. Large investors in Central Asia are the Netherlands, Germany and France, if we are talking about the EU, as well as the closest neighbors, which are Russia, China, Turkey. The EU mainly invested in oil

and gas production. China, through the “One Belt, One Road” initiative, invested in infrastructure and transport. It is important to understand that the volume of FDI in the near future will depend on the investment attractiveness of Central Asia, which, in turn, depends not only on political stability, but also on the maturity and depth of the integration processes taking place in this region. In 2024, domestic mutual investments amounted to \$834 million.

Let’s consider the structure of FDI by sectors, which is presented in table 4.

Table 4 – Structure of FDI in Central Asian countries

	Oil and Gas	Industry	Financial Sector	Energy	IT sector	Transport and Logistics
Uzbekistan	30	20	15	10	10	15
Kyrgyz Republic	10	25	10	30	5	20
Tajikistan	5	30	5	25	10	25
Turkmenistan	75	10	3	5	2	5
Kazakhstan	65	12	5	5	5	8

Note: Compiled by the authors based on [11, 12, 13, 14, 15].

According to table 4, the FDI structure is uneven across sectors and depends on the resources available to the country. Thus, in Turkmenistan and Kazakhstan, the main investment flow is directed to the oil and gas sector – 75% and 65%, respectively. Industry is in second place – 10% and 12%. As for the FDI structure of Uzbekistan, it indicates a balanced economic policy aimed not only at the extraction of natural resources, but also at the development of the industry, transport, energy, digital economy and financial sector.

Kazakhstan has achieved economic success thanks to liberal market reforms and natural resources. It has led to a decrease in poverty and moved the economy of Kazakhstan into the upper middle-income category. However, Kazakhstan’s economic development strategy was based on resource extraction and was entirely controlled by the state. The study findings enable the identification of vulnerabilities and risks, facilitating the formulation of suggestions for modifying local policies to enhance integration. Thus, Yeralina & Izguttiyeva state that the last two decades in of Kazakhstan’s history were characterized by high rate of economic growth, but the “growth was not sustainable and was based on raw material exports and high oil prices at that time” [16].

According to international organizations, Kazakhstan is an example of an energy-intensive economy, which usually relies on unsustainable resource use. On the other hand, we believe that the economy’s energy intensity has become a major driver of industrial modernization, which could subsequently increase the risk of falling into the “middle-income trap”. According to Griffith, the middle-income trap occurs when a “middle-income country fails to move to the level of high-income economies due to rising costs and declining competitiveness” [17]. Modernization of society is required for countries in lower positions to reach a high-income level. Many countries in Latin America, the Middle East, and East Asia have failed to overcome the middle-income trap.

The military actions in the heart of Eurasia are impacting the economic situation in the Central Asian region; there is an acceleration of inflation, a decline in real incomes, and a reduction in household spending in the Central Asian countries. In 2024, the level of oil production in Kazakhstan decreased, which was affected, among other things, by the shutdown of the Caspian Pipeline Consortium for scheduled maintenance, which became systemic after February 2022. As a result, there has been a devaluation of the national currencies of Central Asian countries and an increase in import costs, which has exacerbated the problem. International organizations advise Central Asian countries to increase competition, invest in human capital, improve the efficiency of the public sector and state-owned enterprises, improve the quality of social protection, and invest in climate change adaptation to ensure economic progress and address the middle-income trap.

Kyrgyzstan's economy depends on the agricultural sector, remittances from migrant workers, and the gold mining industry, which accounts for 40% of its gross domestic product and 35% of its exports. The COVID-19 epidemic caused a fall in GDP of 8.4%, which made Kyrgyzstan's poor situation even more severe. Investor trust was damaged due to the nationalization of the Kumtor Gold Company. Because Kyrgyzstan is a member of the EAEU and has strong commercial relations with Russia, the crisis in Ukraine and the sanctions imposed against Russia contribute to the increase in economic instability [18].

Tajikistan transitioned to a lower-middle-income status by 2021. Its GDP per capita rose from \$159 in 2000 to \$877 in 2021. The poverty rate declined from 34% (2013) to 26% (2019) [1]. As a result of the COVID-19 pandemic, the rate of economic development in Tajikistan slowed from 7.6% to 4.5% in the year 2020. However, the growth rate grew to 9.2% in 2021 [18]. According to the research published by the Asian Bank, the nation requires higher productivity "through human capital development" [19], as well as private investment, regional collaboration, trade with other countries, work and employment opportunities. The poverty rate in Tajikistan decreased from 32 percent in 2009 to 14.6 percent in 2021 as a result of the country's steady GDP growth of seven percent from 2011 to 2021 [18]. While this is happening, Tajikistan is seeing a significant increase in its population and economic potential.

The gross domestic product of Turkmenistan was \$45.23 billion in 2019, making it the third biggest economy in the region, behind only Kazakhstan and Uzbekistan. By 2021, Turkmenistan's GDP had already reached \$63.4 billion [1]. Due to its location, Turkmenistan can collaborate with Caspian nations. Approximately 10% of the world's reserves comprise Turkmenistan gas ones. The Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline is currently being constructed, and Turkmenistan is participating in its development. Due to the significant degree of economic centralization, the private sector has been held back from growth. The nation must have a more solid institutional structure. It is important to note that Turkmenistan does not belong to any economic blocs and has minimal commercial relations with other Central Asian nations [20].

The Gross Domestic Product of Uzbekistan in 2021 was \$69.2 billion, making it the second-biggest economy in Central Asia. Uzbekistan's economic prospect is integrating the country into the global economy while also liberalizing and diversifying it. Some progress has been accomplished, including trade liberalization, the currency system reform, and international investment attraction. While this is going on, there is a need for structural adjustments in order to boost productivity, develop the private sector, and provide employment opportunities. The three pillars of Uzbekistan's economy are the agricultural sector, industry, and services. The state has a significant role in the economy. Generally speaking, the economies of the nations that make up Central Asia are confronted with similar challenges, which include an institutional system that is not fully established, restricted access to innovative technologies, and poor diversification. Natural resources, a strategic position, expanding consumer markets, and strong collaboration across Central Asian nations are the region's strengths. These strengths are the keys to overcoming challenges and making the most of new possibilities. Table 4 shows the SWOT analysis of Central Asian economies. It proposes that the Strengths and Weaknesses of the region's economies relate to the internal environment, while the Opportunities and Threats represent the external ones.

Let's consider the strengths of the Central Asian economy. The strengths primarily include the availability of natural resources, which all five Central Asian countries have. These are coal, oil and gas. In the context of modern trends in the development of low-carbon energy, uranium also comes to the fore. Also, the availability of vast agricultural lands allows maintaining food security in the region. The Central Asian region is characterized by a relatively high level of education and healthcare. The economies of the Central Asian countries, especially Kazakhstan and Uzbekistan, are successfully implementing national diversification programs. This factor, coupled with the availability of rich natural resources, allows attracting direct investment, which contributes to the modernization of hard and soft infrastructure. It cannot but affect the expansion of the consumer market in the region, which has potential not only due to an improved quality of life, but also high demographic growth rates. All this contributes to sustainable economic growth of the region.

Table 5 – The SWOT analysis

Strengths:	Weaknesses:
Minerals, water, and agriculture are among the many natural resources available. Investing in human capital, education, and healthcare. National industrialization plans helped to diversify economies. It is drawing international investment. Progress in the region's socioeconomic growth. Tourism is growing. The expanding potential of the hydropower industry. There is a rising customer base. A growing labor pool Stable macroeconomic indices.	High poverty. Corruption. Dependence on migrant remittances. Uneven regional development. Minimal private-sector activity. Need to diversify economies. Landlocked region. Water deficiency Resource curse. Weak institutional foundation. Gender gaps. Dependency on commodities prices.
Opportunities:	Threats:
Transit transportation potential. Green economy Participation in International Organizations	Environmental deterioration. Excessive participation in corrupted mega projects. Secondary sanctions. Energy Geopolitics. Political dependence. Loss of sovereignty Disunity
Note: Elaborated by the authors based on [3, 18, 21].	

As for the Weaknesses, they significantly slow down the development of the Central Asian region. The region's main problems are corruption, parochialism, low efficiency of the state apparatus, and weak institutions, accompanied by insufficient development of democratic reforms, especially in Tajikistan and Turkmenistan. At the same time, the presence of rich natural resources has led to the Dutch disease of the Central Asian region, which makes its economies unstable in the context of volatility in energy prices. Moreover, this situation may worsen due to the intention of the United States and OPEC countries to increase oil production. Against the background of high poverty and uneven development of the regions, there is a strong dependence on remittances from migrants from Tajikistan, Uzbekistan, and the Kyrgyz Republic. Another problem characteristic of the entire Central Asian region is the lack of access to the sea, which makes all countries dependent (politically and economically) on their neighbors and significantly increases transport and logistics costs. Climate change and the shallowing of the Aral Sea lead to an environmental disaster and increase the risk of military conflicts due to limited water resources. Also, due to the growing processes of traditionalization in all Central Asian countries, gender inequality is becoming more acute, which in the future will also affect the structure of the economy and the quality of life.

Opportunities for Central Asian economies can be used for growth. First of all, this is involvement in transport corridor projects. Also, active participation in international organizations contributes to further multi-vector policy, which played a positive role in the conditions of early independence and the increase in trade turnover and the development of trade both within the region and beyond.

Threats to the Central Asian region are secondary sanctions in the context of polarization of relations between the Russian Federation and the West, disunity of the CA countries in matters of integration, which potentially could lead to loss of sovereignty.

Following the dissolution of the Soviet Union, the Central Asian area was able to implement economic reforms aimed at liberalization and privatization of the economy. These changes have been made feasible by the region's abundant natural resources. While this happens, Siraj & Javaid think that "economic development, democratization, and nation-building are still separate areas in Central Asia" [21]. The "centralized political and economic system" of the Central Asian countries, along with the "predatory system of financial regulation and vested interests", are manifestations of the resource curse theory, which states that resource-rich states are unable to create a solid democratic base [21]. This theory is similar to the strong dependence on natural resource exports in Central Asian countries.

It is important to note that economic co-operation in CA has always had opposition from both ongoing domestic policies and disputes over natural resources and borders. It should be taken into

consideration. As an example, tensions along the border between Kyrgyzstan and Tajikistan have led to some violent occurrences, which has made it difficult for the two countries to work together economically. In addition, competition for water resources is a significant barrier to collaboration. For example, the construction of the Rogun hydroelectric power station, which creates environmental and political risks for the countries of Central Asia. According to Zhou et al., the geopolitical situation in Central Asia is influenced by “internal and external factors” [2], various combinations of which can lead to unpredictable consequences.

Let us consider examples of successful integration to clarify the future contours of cooperation and collaboration for Central Asian countries. Let us start with the European Union (EU), the most advanced example of economic integration worldwide. Within the framework of the single market, the EU successfully ensures the free movement of goods and services, capital, and labor, and the single currency introduced in 1999 became an example of monetary integration.

Resmini, analyzing the relationship between economic integration and industrial location, concluded that the economic integration of the EU changed the processes of industrial location, “which became less oriented towards the domestic market and more evenly distributed across regions” [22].

Among economists and politicians, there was concern about the integration of European countries into the EU, especially after the introduction of the single currency. Peritz et al. empirically tested the hypothesis that “regional specialization increases vulnerability to economic downturns using a unique data set that included subnational indicators of European Union regions and key economic sectors from 2000 to 2013” [23]. Contrary to conventional opinion, the most specialized EU regions performed better during the global financial crisis of 2009 than those industries that remained outside the eurozone.

At the same time, Peritz et al. do not associate the “increased vulnerability” of non-eurozone countries with “failures of budgetary or social policy” and explain the success of specialized EU regions by the introduction of a single currency, which “helped eurozone members share risks” [23]. According to Peritz et al., this is a sign of the “EU’s resilience” in the face of an economic downturn as a result of the “next” crisis, which is what the COVID-19 pandemic has become [23].

Adamiv believes that economic integration should be understood as an objective and structured process. Moreover, this process is step-by-step, with the definition of priority tasks and optimal ways to solve them to ensure effective economic integration [24].

At the same time, one of the consequences of economic integration is more active migration processes. Simionescu’s study covers the period from 2000 to 2015 and shows that the number of migrants from the new EU member states increased by an average of more than 2,200 people due to their EU membership alone. According to Simionescu, the study results show a positive impact of European economic integration on the number of emigrants from Central and Eastern European countries who chose the EU-15 countries as their destination. Moreover, between 2004 and 2015, “EU-15 immigrants from the EU-13 did not hurt the economic growth of the EU-15 countries” [25]. Bamwenda found that the implementation of the EU’s sustainable development strategy is faced with global challenges, including “Euroscepticism, European integration, globalization and the growing competitiveness of the fast-growing economies of China and India, the information technology revolution, the growing importance of knowledge and innovation, and the prospect of depletion of non-renewable natural resources.” These challenges are becoming increasingly “prominent on the list of problems” facing the European Union [26].

Let us consider the economic integration of the Asia-Pacific countries. The largest integration associations are concentrated in the Asia-Pacific region, which covers 58 countries:

- ◆ G-20, G-7;
- ◆ Asia-Pacific Economic Cooperation (APEC);
- ◆ Association of Southeast Asian Nations (ASEAN),
- ◆ BRICS;
- ◆ Eurasian Economic Union (EAEU);
- ◆ Organization for Economic Cooperation and Development (OECD);
- ◆ Commonwealth of Independent States (CIS);
- ◆ Shanghai Cooperation Organization (SCO).

The economic integration taking place among the Asia-Pacific region (APR) countries is unique in itself. It has implications for these countries in the form of a “new Asian regionalism” which

represents “the collective power of countries” with a “rule firmly rooted in the rule of law, supported by comprehensive trade and investment agreements” and the Regional Comprehensive Economic Partnership (RCEP) has led to the emergence of unique features of this partnership: “consultation, conciliation, negotiation, and mediation have become essential elements of dispute resolution” in the Asia-Pacific region. According to Nedumpara, this is the New Regional Economic Order [27].

RCEP is a free trade agreement between the Asia-Pacific countries – the largest trading bloc in history, signed in 2020 against the backdrop of “deglobalization” and the first free trade agreement between the largest economies of Asia, including South Korea, China, Indonesia, and Japan, essentially uniting the signatory countries in a free trade area. Incidentally, the RCEP agreement aimed at achieving liberalization of intra-regional trade has affected the sustainability of cooperation among the Asia-Pacific region countries. According to the results of the Global Trade Analysis Project modeling and comparative analysis based on international relations conducted by Jia et al., it was proven that despite trade conflicts, “RCEP can exist in the long term and effectively promote regional economic integration and sustainability” in the Asia-Pacific region [28]. RCEP demonstrates “the region’s confidence and determination to uphold the multilateral trading system, build an open economy, promote the integration process in the Asia-Pacific region, and stabilize the world economy” [29]. According to Wang, RCEP creates “new opportunities for trade cooperation, optimization of industrial chains, and the creation of a free trade area, but at the same time increases competition among signatory countries” in matters of “influence on related industries and international currency competition” [29].

According to Titovich and Toropygin, despite the global trends of expanding integration processes in the world’s regions, the development of economic integration in the ASEAN and Asia Pacific region is “influenced by the rivalry between China and the United States” [30]. Potapov & Kotlyarov, analyzing the trends of China’s participation in the Asia Pacific integration processes, believe that this integration cooperation is developing favorably for China since it strengthens its regional positions, and “China has now become the leading trading partner for the Asia Pacific countries.” Its trade turnover with the participating countries exceeds its trade with the United States. According to Potapov & Kotlyarov, all this allows the Chinese initiative “One Belt, One Road” to become “the world’s largest cooperation platform operating on the principles of an open mega-project.

In their literature review of Asia Pacific studies, Mangla, Jain, and Gupta highlight the region’s growing importance in the global value chain and emphasize the potential of leveraging global supply chains to facilitate economic integration.

Consider the economic integration of the United States, Canada, and Mexico. The USMCA is a free trade agreement that came into force in 2020, replacing the 1992 North American Free Trade Agreement (NAFTA).

The passage of NAFTA recognized Mexico as an equal trading partner with the United States and Canada, but it “challenged deeply ingrained U.S. perceptions of Mexico as inferior, dependent, and suspicious”. Skonieczny argues that “Mexico’s image was left intact” and that “American myths and other representative elements” were used instead, which created a positive image of NAFTA for the American public and ensured political success for President Clinton.

According to Ardhana and Daniah, the factors behind the renegotiations of NAFTA and USMCA were due to “internal and external factors”. Internal factors included gains from foreign direct investment and losses in the form of trade deficits. External factors were related to the existence of “third-party economic threats,” namely considerations of “the potential for modernization of NAFTA rules from a digital trade perspective”. Ardhana and Daniah believe that USMCA brought international agreements to a “deeper stage of economic integration,” with USMCA becoming the next step between a Free Trade Agreement (FTA) and a Customs Union. Lopez and Carvajal believe that “trade effects generated by economic integration processes vary depending on the endogenous conditions of the industries in the member countries, as well as on the consolidation phase of the integration processes”.

On the other hand, governments of the North American Free Trade Agreement countries have concerns about the need for further steps towards economic integration of the member countries since “institutions with supranational powers to facilitate the deepening of the new trading environment” have not been created.

Economic integration is a tool for economic growth, sustainable development, and regional stability. In this context, the European Union (EU), the Asia-Pacific Region (APR), and the North

American Free Trade Area (USMCA) represent successful examples of integration projects that can provide valuable information for the CA countries.

Despite the challenges, the nations of Central Asia are motivated to work together because of their economic interdependence and cultural and historical links. Trust and cooperation may be fostered via a shared language, religious beliefs, and cultural heritage. Landlocked nations are economically dependent on their neighbors for commerce and transit to global markets, highlighting economic interdependence's significance. In addition, the presence of terrorism and instability in adjacent countries has played a role in developing cooperative security and stability measures.

Central Asian nations have the potential to work together in commerce, investment, infrastructure, and natural resource management. Increases in trade and investment fuel economic growth and the creation of new jobs. Infrastructure at the regional level, such as transportation and energy communications, may be a catalyst for more international collaboration and investment. While ensuring that natural resources are used sustainably, cooperative management of natural resources, particularly water, may accommodate the competing interests of nations located upstream and downstream.

There are many opportunities for integration in Central Asia despite the numerous challenges that stand in the way of collaboration. By capitalizing on their economic strengths and tackling the hurdles that stand in the way of collaboration, Central Asian nations have the potential to foster economic development, stability, and prosperity.

Conclusion

In this study, we identified the strengths and weaknesses of the Central Asian region as well as opportunities and potential threats. A comparative analysis of economic indicators by Central Asian countries was also conducted, which showed progress in key indicators. For example, if in 2000, the total trade turnover of all Central Asian countries was 27.4 billion US dollars, then by 2021, this figure reached 165.5 billion US dollars [1]. This progress was mainly due to natural resources. Another factor in economic growth and development was the transport corridors, thanks to which Central Asia became a trade and transport hub connecting different parts of the Eurasian continent.

The Central Asian countries are actively pursuing regional integration despite the complex nature of integration processes and conflicting interests. This integration mainly takes place through the construction of logistics routes. Thus, joint infrastructure projects to improve logistics in the Central Asian region and harmonize regulatory standards and procedures, a pressing issue for logisticians and transport workers in Kazakhstan and Central Asia, will undoubtedly contribute to deeper integration.

Several challenges are confronting the economy of Central Asia. As a result of the Central Asian nations' inability to successfully transition to a democratic political system and a market economy, they have been placed in the category of "states affected by the resource curse" [21]. Because it relies on natural resources, the economy of Central Asia is susceptible to the price fluctuations that characterize commodity markets. Countries suffering from the resource curse are less interested in economic and political diversification [21]. All this reduces the effectiveness of economic reforms and hinders transparency in society. Eliminating dependence on natural resource exports and remittances is only possible through the institutional transformation of the Central Asian economy.

At the same time, the nations of Central Asia can collaborate on collective security, energy, tourism, and logistics. The region must also create innovative infrastructure to participate in international logistics, as transportation and communication networks are essential in economic integration between nations.

As world experience shows, the basis for developing national economies' competitiveness is improving state institutions' activities and non-state regulation of the economy. General recommendations for all five Central Asian countries include a strong legal framework, reducing corruption, structural reforms, developing and supporting a competitive environment, and investing in infrastructure, education, and healthcare. The Central Asian countries maintain their positions as suppliers of the most important categories of raw materials on world markets, including fuel, ores, metals, and agricultural raw materials. Current differences in the structure of countries' exports are associated only with the predominance of specific categories and types of raw materials. The Central Asian countries currently have a slight competitive advantage in the world market for industrial exports. Thus, to move to a diversified economic structure, it is necessary to use natural and labor resources properly.

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ОРТАЛЫҚ АЗИЯНЫҢ ИНТЕГРАЦИЯ ИМПЕРАТИВІ: ТҰРАҚТЫ ДАМУҒА ЖОЛ

Аңдатпа

Өсіп келе жатқан жаһандану жағдайында, әсіресе географиялық ерекшеліктеріне байланысты теңізге шығу мүмкіндігі жоқ, ал геосаяси елдер шикізат қосымшасы болып қала беретін елдер үшін интеграциялық үдерістердің маңыздылығын түсіну пайда болады. Орталық Азия (ОА) елдері – Қазақстан, Өзбекстан, Тәжікстан, Қырғыз Республикасы және Түрікменстан халықаралық аренада тәуелсіз ойыншы болу перспективалары бар аймақ ретінде қабылдануда. Ғылыми зерттеудің мақсаты – стратегиялық басымдықтарды анықтау және геосаясат контекстінде аймақтың күшті жақтарын, сондай-ақ экономикалық әлеуетін кешенді талдауды қамтамасыз ету. Осындай тарихи тәжірибелерге қарамастан, тәуелсіздіктің отыз жылы ОА елдерінің экономикалық жағдайына әртүрлі әсер етті. Халық саны, өмір сүру деңгейі, институционалдық жүйелер және экономикалық құрылым контекстіндегі елдер арасындағы айырмашылықтарды зерттеу әлсіз жақтарды анықтау және ықтимал қауіптерді азайту мақсатында аймақтың толық бейнесін береді. Стратегиялық талдау халықаралық ұйымдар мен бұқаралық ақпарат құралдарының статистикалық деректерімен, сондай-ақ SCOPUS

және Web of Science деректер базасында индекстелген журналдарда жарияланған ғылыми зерттеулердің нәтижелерімен расталады. Орталық Азия елдерінің экономикасына әсер ететін негізгі факторларды зерттеу өсіп келе жатқан аймақтық ынтымақтастық пен экономикалық және стратегиялық ынтымақтастықтың маңыздылығын түсінуге ықпал етеді. Нәтижелер Орталық Азия аймағында тұрақты дамуды қалыптастыру бойынша зерттеулерге құнды үлес қосуда.

Тірек сөздер: талдау, геосаясат, жаһандану, интеграция, ынтымақтастық, даму, экономика.

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ИМПЕРАТИВ ИНТЕГРАЦИИ ЦЕНТРАЛЬНОЙ АЗИИ: ПУТЬ К УСТОЙЧИВОМУ РАЗВИТИЮ

Аннотация

В условиях растущей глобализации приходит осознание важности интеграционных процессов, особенно для тех стран, которые в силу географических особенностей не имеют выхода к морю, а геополитических – продолжают оставаться сырьевым придатком. Страны Центральной Азии (ЦА): Казахстан, Узбекистан, Таджикистан, Кыргызская Республика и Туркменистан – все чаще воспринимаются как регион, у которого имеются значительные перспективы получить роль независимого игрока на международной арене. Цель научного исследования состоит в определении стратегических приоритетов и предоставлении всестороннего анализа сильных сторон региона, а также экономического потенциала в контексте геополитики. Несмотря на схожий исторический опыт, тридцатилетие независимости по-разному сказалось на экономическом положении стран ЦА. Изучение различий между странами в контексте численности населения, уровня жизни, институциональных систем, структуры экономики дает цельное представление о регионе с целью выявления слабых сторон и минимизации потенциальных угроз. Стратегический анализ подкреплен статистическими данными международных организаций, СМИ и результатами научных исследований, опубликованных в журналах, индексируемых в базах данных SCOPUS и Web of Science. Изучение основных факторов, влияющих на экономику стран Центральной Азии, способствует пониманию важности растущей региональной кооперации, экономического и стратегического сотрудничества. Результаты вносят ценный вклад в исследования по формированию устойчивого развития региона Центральной Азии.

Ключевые слова: анализ, геополитика, глобализация, интеграция, кооперация, развитие, экономика.

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