



Kyrgyzstan in the Eurasian Economic Union:

Challenges and Opportunities

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Abstract

With its 27 years of independence Kyrgyzstan has experienced poor economic development and continues to suffer from bad governance as well as endemic corruption. The Kyrgyz economy lacks variety and is supported by only a few sectors. Since its independence Kyrgyzstan has aimed at balancing between the great powers and despite of having deep economic, social and cultural connections with Russia it also wants to maintain active relations with China and the Western countries. In 2015 Kyrgyzstan joined the Russian led Eurasian Economic Union with high hopes in receiving pulling aid to help with its economy and to secure domestic stability.

This study analysis the foreign policy of the Kyrgyz republic and its development along the years of its independence. In my research I have made use of the method of qualitative content analysis. Furthermore, the framework of neorealism theory has been used for the study, especially within the theory of bandwagoning, or aligning with the regional hegemonic power, of which I use to illustrate the foreign policy choices of Kyrgyzstan. I will provide answers to questions such as why Kyrgyzstan has decided to join the Union, what would have been the alternative path and what possibilities the membership provides for it.

With my research I have come to the conclusion that the Eurasian Economic Union is not only the best option for Kyrgyzstan in short-term and long-term, but it in fact is the only viable option for this poor and weak Central Asian nation lacking with capabilities.

Keywords: Kyrgyzstan, Eurasian Economic Union, Russia, Economic Integration, Bandwagoning

1. Introduction

1.1. Overview

During the Soviet period, Kyrgyzstan was one of the poorest regions of the country and after the collapse of the union, the Kyrgyz economy has never really gotten onto its feet. It has a small and fragile economy and unstable political history. The nation of just under 6 million people have GDP \$7.2 billion and in 2013 the World Bank estimated that over 1.2 million Kyrgyz citizens lived below the poverty line. Its small economy is largely based on primary production, and its economy accounts for less than 1 per cent of the overall output of the Eurasian Economic Union (EAEU). (Peyrouse, 2015: p. 10). With my research I have come to learn that the EAEU is welcomed development for Kyrgyzstan, as it is expecting the membership to boost its economy and therefore help it to deal with its domestic issues, such as poverty, unemployment and failing health system; problems, which have been present ever since the country's independence in 1991.

With a GDP, per capita 1,270 USD, Kyrgyzstan is the poorest country among the EAEU, and not ranking much better on a world-wide scale. In addition, Kyrgyzstan is undergoing a fight against corruption, which is related to its unstable domestic political situation and lead to regular social unrests. (Peyrouse, 2015: p. 10; Satke, 2015). The Kyrgyz economy consists of a small mining industry, retailing imports of goods from China to other countries, and remittances sent back from Russian and Kazakhstan, as more than 500,000 Kyrgyz are estimated to leave each year to find work abroad. Agriculture is responsible for about a quarter of the country's GDP and provides work for around one third of the work force. The Kyrgyz economy is heavily dependent on Russian, Kazakh and Chinese economies. (Michalowski, 2016: pp. 7-8).

It is legitimate to ask; what are the incentives for this small country to join the union in which it is upper handed by the other more powerful states, both in economic and political means, and will it be able to have its voice heard in the decision-making tables? With my thesis I will represent the issues that Kyrgyzstan is facing with its membership in the EAEU, and what it has to take into consideration as a member.

1.2. Research design

My hypothesis with my research is that Kyrgyzstan is better within the union, as it has no real alternatives and it is very much in need for support when aiming to balance the leverage of its more powerful neighbours China, Uzbekistan and Kazakhstan, as well as to support its failing economy. On its own it has not enough capabilities to maintain its security and stability. This membership will increase Kyrgyzstan's dependence on Russia, but this effect is possible to minimize with the support of the other regional hegemonies, as they have no wish to increase Russian influence in the region any further. Furthermore, with the migration issue, Russia already has a neck loop over Kyrgyzstan, as it is so dependent on the Russian benevolence towards its nationals working in the country and thus being able to send home remittances to support the domestic economy of Kyrgyzstan. Additionally, Kyrgyzstan need the economic cooperation within the EAEU to help with the much-needed reforms that the country is facing in the future.

With my research I will address the following questions:

- What were the incentives for Kyrgyzstan in joining the union?
- What would have been the alternative for the membership in the EAEU?
- What are the possibilities for Kyrgyzstan within the Union in means of economic prospects and developing its society?

The study is aiming to consider the background on which Kyrgyzstan made the decision to join the EAEU and the forces behind that decision, whether stemming from internal sources or possibly as an outside pressure. The framework for the study comes from the neorealism theory and the state's need for survival. This question of states self-preservation is crucial when considering the struggle for a small state such as Kyrgyzstan which has poor capabilities in terms of economic resources and political influence. The neorealism theory defines the term power through the state's capacity to influence in the international system. (Telhami, 2002: pp. 159-160).

In the thesis I apply the international relations theory of neorealism, and in particular, the concept of bandwagoning. The applied approach for bandwagoning will be from the point of view of Randall Schweller (1994: pp. 82-83) and it is defined through

opportunities of gains in addition to the more traditional view of bandwagoning behaviour as a response to an external threat.

I will begin with introducing the international theory of neorealism and its subconcept of bandwagoning. Further I will analyse how in neorealism theory the alliance formation is perceived and how the small states with their interests are often side lined when the spotlight is given to the Great Powers. I have formed my hypothesis from the basis of previous research which I analysed with the help of qualitative content analysis method and in my thesis I plan to test my hypothesis with the help of studying primary sources such as data provided by the World Bank, and I will also use this data to compare the economic developments of Kyrgyzstan and Tajikistan, the neighbouring Central Asian countries with similar country profiles, both have poor economies with weak capabilities which are based largely on the remittances sent by migrant workers in Russia and Kazakhstan. Only Kyrgyzstan has by far decided to join the EAEU.

In the next chapter I will continue with analysing the foreign policy development of Kyrgyzstan beginning from the early years of its independence to this day. I will demonstrate how the opportunities of gain logic is present from the very early on as the Kyrgyz government aims at securing benefits from its relations with Russia, the West and China with the multivector foreign policy tactic created by the first president of Kyrgyzstan Askar Akayev. (Huskey, 2008: pp. 9). I will continue with subchapters where I explain how despite of two revolutions and turbulent internal situation the Kyrgyz governments maintained the multivector foreign policy line and continued to balance between the Great Powers and their power plays in Central Asia.

With chapter five I will analyse the Eurasian Economic Union and the development of the integration process which preceded it. In my research I came to acknowledge the multiform background of the Union and how despite of the formal dissolution of the Soviet Union the newly independent Soviet Republics never stripped off their ties with their former dominion and the shared history and culture continues to preserve the deep-rooted connections. (Galzyev & Tkachuk, 2015: p. 61). With my analysis I will include the how the EAEU has worked in practise and the implementation of the regulations and norms in the member countries, as this has been the biggest issue in the

past with the failed integration attempts. Furthermore, I will consider the effect of the withdrawal of Ukraine from the EAEU integration. The Russian actions in Crimea and Eastern Ukraine will have a long-standing impact on the relationship of the EAEU member states which are increasingly concerned of their own ethnic Russian minorities, as well as the questions about the EAEU functioning which aroused from the Russian counter sanctions against the West which it put into force without consulting the fellow member states. (International Crisis Group, 2016: p. 12).

With the following subchapters I will provide a comprehensive view on the Kyrgyzstan's role within the EAEU and the prospects for the future of the Union. Furthermore, I will address the issue of economic migration and how it has made an impact on Kyrgyz economy and society ever since the independence. The Kyrgyz society is in a dire need of development and modernisation in order to be able to function on its own. The current situation is unsustainable and will not survive in the long-run. In particular, the current situation continues to position Kyrgyzstan under the influence of external powers and does not provide answers for the prevailing internal instability. (Sagynbekova 2017: pp. 5-6; 19-20).

In the chapter six I will consider the alternatives for Kyrgyzstan within the means of economic and political cooperation. My hypothesis with my thesis is that as much as the EAEU puts Kyrgyzstan at risk of increasing Russian influence in addition to the already existing dependence, Kyrgyzstan has no real option to choose from. China has been active in the Central Asia with its plan of the Silk Road Initiative which includes Kyrgyzstan. Beijing has invested enormous amounts of capital into Kyrgyzstan to improve its infrastructure and institution to serve its purposes. The Chinese investments are much needed to boost the Kyrgyz economy and help to develop its infrastructure, though everything is implemented according to Chinese demands. Furthermore, the Chinese interest within the region are limited to economic means and it has no intentions to get involved in the inter-regional disputes. (Kaczmarek, 2017: p. 1363-1364). The Western countries have had mainly political interest towards Kyrgyzstan in supporting its fragile democratic development and during the war in Afghanistan when the US maintained an airbase accommodating its troops. (Kuchins et al., 2015: pp. 21-22).

1.3. Research gap

The EAEU is often perceived as Russia recreating the Soviet Union and returning to the era of geopolitics. This view puts emphasis on the Kremlin's motives and how it aims at re-engage the former Soviet Republics into its sphere of influence. (Sergi, 2018: pp. 53-54). Furthermore, some research has been conducted on Kazakhstan's role in the union and the impact of the Ukraine's crisis, and Ukraine withdrawal from the entry to the EAEU. (Dagneva & Wolczuk, 2017: p. 11). Relatively little focus has been directed to the small Kyrgyz republic and its role within the union. The emphasis on the Kyrgyz membership has been focused on alleged Russian pressure for Kyrgyzstan to join the union and very little attention have been put into the real incentives behind the decision and to the thought that there might even be a real benefit for the participation. (Peyrouse, 2015: pp. 10-11).

2. The Theoretical Framework

With this chapter I will provide the reader with a theoretical framework which I have used with my research. First, I will analyse the theory of neorealism in international relations in general and introduce its main arguments. With the following chapter, I will narrow the framework down to the subtopic alliance formation within the neorealism theory. In addition, I will be analysing how neorealism take into consideration the position of a small state within the world order and how it should be viewed within the overall concept. In my view, this is an essential part of the overall analysis in considering Kyrgyzstan's role within the Eurasian Economic Union and providing the needed framework for understanding its aims and policy goals which are often side lined when discussing the dynamics of the union.

2.1. Basics of neorealism

Neorealism is refined from the classical realism theory of international relations and it is considered as one of the most influential contemporary approaches to international politics. The question of how states achieve security is in the centre of neorealism and it aims at addressing the security strategy a state ought to choose in neorealism theory. In the contrary to the classical realism which has its central aim at producing a theory of international politics in the form of foreign policy, neorealism strives to shift the analytical focus more towards the concept of international system. Neorealism seek to explain the behaviour of states in the light of the structure of the international system and thus because of this is also referred to as structural realism. Perhaps the most prominent scholars from the field of neorealism are Kenneth Waltz and John Mearsheimer. (Schörnig, 2014: pp. 37-38).

All states value security and invest a great deal of energy and resources maintaining it. In the neorealist world the international system is anarchic. The anarchic system does not mean the system lacks order, but instead it means that the international system lacks central authority which would be able to impose agreements and prevent the use of force, a kind of an international police force. In this context the anarchic international

system is in no means it is chaotic. In addition to survival and preserving their own security, the states' main goals include maximisation of power. In the anarchic world of realism theory, states are competing against one another for power which is the main instrument for self-preservation. Power is the basic currency and as an entity the amount of power in the world is fixed. It is also relational, thus increasing power for one state means decreasing power for another. As the world is considered anarchic, this leads to a system of self-help where states seek to improve their own interests in the expense of communal interests. The states concerned of their security should assume the worst about the intentions of others as they are under constant uncertainty about others' intentions. This lack of trust is based on uncertainty stemming from the anarchic world. (Gleason et al., 2008: pp. 40-41).

The key elements of power in neorealist terms are wealth, population and technological sophistication. In the absence of the international authority, it is imperative to rely on the state's own capabilities for protections and to achieve their goals. The assumption is, that the states always prioritise their own survival and this is their benign motive above all. With maximising their power, the states are maximising their chances of survival. The more powerful the state with better capabilities, have better prospects for defending itself. The most effective way to measure power is through material means, or in other words, counting the state's economic and military capabilities. Though, it should not be considered as an end in itself but instead as an instrument. The more powerful a state is, the more influential it is. Influence is the most important commodity in an anarchic world. (Telhami, 2002: pp. 159-160).

Neorealism as a theory is criticised for giving only little weight to an individual state's domestic political system. In realism theory states are often considered as rational unitary actors which play the key roles in the international system. In neorealism term, in the anarchic international system the international institutions possess less important role. Additionally, in the realism world there is no role reserved for moral motives in foreign policy formation. (Telhami, 2002: p. 164)

2.2. Alliance forming: balancing or bandwagoning

Alliances and alignments are central in international politics. Alliances are usually seen as a response to threats, though there is no common agreement on what that response would be. When allying, states can either *balance*, “align with others against the prevailing threat”, or *bandwagon*, “align with the source of danger.” (Walt cited in Gunasekara, 2015: p. 213). These two types of reactions are very distinct from each other and have very different policy outcomes. In Walt’s view, by bandwagoning the more aggressive state is rewarded with allies and therefore this behaviour encourages for more hostile foreign policy and makes the more capable military establishment a logical choice when forming alliances. On the contrary, with balancing the more threatening foreign policy would be encountered with a combined opposition which discourages threatening foreign policy. (Walt, 1985: pp. 4-5).

The idea of balancing comes from the very heart of the balance of power theory. According to the theory “states join alliances to protect themselves from states or coalitions whose superior resources could pose a threat.” (Walt, 1985: p. 5) Failing to balance the potential source of danger before it becomes too dominant the states risks their own survival and security. The safety with this strategy is that by balancing a state would be joining with those who are not able to dominate their allies and thus avoid being dominated by the states which are able to do so. Additionally, joining the more vulnerable side increases the states’ relative power as the weaker side has a greater need for assistance. By contrast, joining the stronger side would reduce the states’ relative power and could predispose them for the domination of the stronger side. According to Walt, this is what makes balancing the preferred policy option. (Walt, 1985: pp. 5-6).

Walt considers it to be surprisingly common belief, that states would prefer to ally with the dominant side instead of allying against it. In his view this is due to the idea that states are enticed towards power and strength. Walt identifies two motives for the behaviour. Bandwagoning could be an outcome from a policy of appeasement and the alignment could be a strategy for a state to avoid a direct attack or other kind of aggression towards itself from the threatening state or coalition. Furthermore, it could be an anticipated move in order to share *the spoils of victory* after a conflict for example. The two

identified cases would be for two different reasons: the other would be a defensive policy decision, and the other an offensive policy decision. (Walt, 1985: pp. 6-8).

No matter whether it is balancing or bandwagoning, the motives in both cases are framed in terms of power; one chooses either the weaker side or the stronger side. This framework in itself is one-sided, as it ignores other possible factors that policy makers ought to consider in order to identify potential threats and prospective allies. Whereas power is important, it should not be the only defining factor. According to Walt it would be more accurate consider that, instead of danger, the state's ally with the most *threatening* power or against it. (Walt, 1985: p. 8).

If one were to consider bandwagoning merely through the definitions of a response to external threats, it is not surprising that one would find only a few cases. However, Schweller breaks the definition and argues that the motivation for bandwagoning should be more often defined by the opportunities of gains as well as danger. In the absence of danger bandwagoning should not be assumed necessarily as unwitting support gained through coercion, but instead a state would do it willingly. This kind of opportunism is especially important aspect of bandwagoning when assessing the choices of alliance of the revisionist states. Additionally, involuntary alliance easily backfires for the oppressive partner as the unwilling partner easily becomes a treacherous and might flee the alliance at the first possible opportunity. (Schweller, 1994: pp. 82-83, 89).

Walt recognises the differences in the state's geographical position when considering the prospective for the alliance formation, as distance matters when considering the scope of the threat. Capacity to project power is reduce with distance and the bordering states are the ones posing the greater threat than the ones far away. This creates the phenomenon of sphere of influence. The small states bordering their powerful neighbours might be so vulnerable that they make a decision to bandwagon instead of balancing. This phenomenon, also known as *Finlandization*, originates from the era of Cold War when after losing in the Second World War to the Soviet Union Finland chose to comply into the framework defined for it by the Kremlin. Though, he points out that Finland only yielded after losing two major wars. Additionally, another reason for the phenomenon of sphere of influence is that faraway partners may not be available to provide assistance in

cases where the aggression is unexpected and the offensive power acts rapidly. The bordering states may have to bandwagon merely due to the fact that the balancing allies are not available. (Walt, 1985: pp. 9-11). The choice between the two strategy options is not in any case insignificant as the appropriate policies in each situation are completely the opposite, as the core of realism theory is the state's survival, and by choosing the wrong strategy, the survival is in jeopardy.

When considering alliance formation, Walt does recognise other causes besides threats as well, such as ideology and economic assistance, or "bribery" as he sees it, though he argues that they are weaker factors and in the aggregate are better used as tools to make the already existing alliances more effective. He views these as secondary explanations, instead of as key factors, although he does recognise their significance in maintaining the alliance relationship. (Walt, 1985: p. 33).

2.3. Realism theory and small states

Despite that a large portion of the states are in fact small in the international system, the world politics are often examined through Great power politics and the small states are easily side-lined. The small states do not operate within the international system in the same way as the Great powers. Their role they possess within the international system is very different and this factor should be taken into consideration when analysing their actions. The definition of a small state is not universally agreed upon, though one can agree that within the concept of power the small states are categorized having low absolute and relative power in economic and political means. (Gunasekara, 2015: pp. 212-213). Additionally, one usually refers to the factors of populations size, geographical size, production levels and military capacity, concluding that "small states are weak because they cannot defend themselves by their own efforts against any of the great powers" (Gunasekara, 2015: p. 213.) Overall, the concept of small state refers to the state's ability to influence. Small states have limited role in global governance and possess little influence in global public decision making albeit a significant proportion of the world's population lives in states which are considered small according to the realism theory definitions. (Gleason et al, 2008: pp. 40-41)

Most of the realist thinking is orientated towards the large states' struggle for power in the international community and how they can achieve their goals. Much less focus has been directed towards explaining what small states with little influence in relative means ought to do to obtain their goals. Small states should not imitate the behaviour of large states, but instead they should pursue a different set of strategies to enhance their own power. Whereas a large and resourceful state has multiple options in achieving their goals, such as partnership, influence, alliance, and coercion, small states' possibilities of achieving their goals are much more constrained due to their lack of capabilities. As small states are unlikely to achieve security by using their own limited resources, they must rely on the assistance provided by other states and institutions. (Gleason et al, 2008: pp. 41-42).

According to Walt (cited in Gunasekara, 2015: p. 213.), the small states have two reckoned options: to balance or bandwagon. Gunasekara forms a hypothesis, that bandwagoning suits the aims of the smaller and more vulnerable states by the means that they are able to secure their interests at the expense of great powers, as they are willing to pursue *strategies of accommodation* with the states which possess more capabilities. Small states' response to bandwagon is more probable to occur when it recognises that it is able to do nothing or very little in order to influence the international system. In other words, the small states aim to, instead of maximising gains, minimise their losses.

A weak state is more prone to bandwagon and it is often used as a tool by the elite to preserve their rule, ending external subversion and undermining domestic rivals. Schweller (1994: pp. 74-77) points out that bandwagoning often emerges within the weak third world countries which have little options in selecting their alliance. Additionally, he argues that on the contrary to Walt's argument that balancing behaviour would be more common, if you take out the argument of threat but instead consider the gains, bandwagoning occurs much more often than balancing within the states in this specific category. The profound difference with balancing and bandwagoning is that in balancing the aim is to protect the state's values, while the goal with bandwagoning is to obtain values desired, or in other words: using the opportunity to gain. In realism theory in general the domestic factors are downplayed and Schweller argues that in this case it is the core factor making the difference. Walt does not take into consideration the importance of states' internal factors in his analysis of alliance decisions. Schweller instead views that it is the

illegitimate elites and states which have a weak legitimacy on the domestic field which are more prone to bandwagon instead of balancing.

Even as Walt argues that the tendency to balance is more common than bandwagoning, he does not claim that it never occurs. He recognises that there are factors which increase the tendency for bandwagoning. Walt agrees that a weak state is more likely to bandwagon due to its vulnerability to pressure and its relatively low capabilities which make its role less significant. Either way, it has little capabilities in order to affect the outcome, so they prefer to opt for the potential winning side. Additionally, even if the state would prefer to balance, there simply might not be available allies and allying with the dominant power might be the only alternative. (Walt, 1985: pp. 16-17).

Bandwagoning behaviour is especially common among the post-Soviet states. Their heavy economic dependence on Russia would make balancing not only difficult but also costly. This stems from the elites need to preserve their power as if they would attempt to pursue foreign policies which are against Russia's preferences, Russia can use its economic power and harm the ruling political elites' chances of re-election. In extreme cases, economic crisis could lead to a coup or regime change. Gvalia et al. in fact argue that this is one of the key elements in Russia's strategy towards the post-Soviet Space. Russia has been keen to aggravate the democratization processes using economic sanctions, leveraging energy, inspiring social unrests and in some cases even utilizing military force if seen necessary to control its perceived sphere of influence and to keep the West out. Furthermore, their shared history and cultural background makes it easier for the elite to advocate the cooperation. (Gvalia et al., 2013: pp. 102-104, 106).

Realism theory pays relatively little attention to Third World alliances in general as well as how in particular the state-society relations might form distinctive patterns of alignment behaviour. Emphasizing the function of alliances in providing resources and the impact of the economic policies on the alignments with weak states, one can conclude that leaders form alliances "to secure urgently needed economic and military resources to promote domestic goals, respond to external and internal security threats, and consolidate their domestic political positions" (Schweller, 1994: p. 77). Thus, meaning that the primary concern for the elite is to preserve their rule and hold onto power, and by

bandwagoning the weak regime is aiming to maintain its position of authority. This kind of state centric perspective of realism ignores the essence of international and domestic political environments that characterises weak states. By bandwagoning, the fragile elite align with possible hostile power to balance the more dangerous internal or foreign threats. (Schweller, 1994: pp. 77-78).

Furthermore, as much as I agree with Schweller in his analysis of bandwagoning, I do disagree with his argument that “bandwagoning rarely involves cost and is typically done in the expectation of gain.” (Schweller, 1994: p. 93) I would argue that when a state allies, especially with a dominant counterpart, it is always expected to hand in something as a return. This might be influence over the weaker state’s foreign and domestic policies, or economic benefits. I am not saying that the weaker one is not getting benefits, though there is no such thing as free lunch, and there is danger that the dominant ally will endanger the weaker state’s sovereignty, thus the cost being the states self-determination.

2.4. Hypothesis

Drawing from the theory of neorealism and in particular the concept of bandwagoning, I hypothesise, that the alliance with Russia through the EAEU is economically beneficial for Kyrgyzstan and helps to maintain its economic stability in short-term. Kyrgyzstan receives direct economic support from Russia and additionally benefits from the remittances sent by Kyrgyz migrants working in Russia, as the citizens of the member states are exempted from migration regulation and quotas.

In addition to the benefits, the alliance is as much endangering Kyrgyzstan’s sovereignty as an independent state in political means, as it maintains the relations of dependence. Moreover, in the long-term the economic dependence jeopardizes the economic stability as Kyrgyzstan would receive the hits and blows to the Russian economy directly. Furthermore, in the case of economic migration and remittances which contribute to around one third of Kyrgyzstan’s GDP, if Russia would decide to take a step back and reintroduce restrictions to economic migrants, again, this would have direct impact on Kyrgyzstan economically.

The possible future rewards entice the states to join the winning side. In Kyrgyzstan's case this is not much of a task, as it is among the poorest nations within the Central Asia and it is scoring low on international level as well. The alliance within the Russian dominated EAEU could possibly endanger Kyrgyzstan's self-determination, as one could imagine. With comparing Kyrgyzstan's share of the EAEU economy which is less than one per cent to Russia's 87 per cent, as well as Kyrgyzstan's already existing reliance on Russian economic and political status, I would say that Russia has a possibility to not only influence Kyrgyzstan's policy making, as well as significantly increase its leverage.

3. Methodology and data collection

With my research I have used the qualitative content analysis method for data analysing and interpretation of texts due to its flexibility as a research method and in my view is the best suited for my research purposes. With this chapter I will start by introducing the method of qualitative content analysis and with the following subchapter explaining the use of this method with my research and data selection. Additionally, I will explain my choices in selecting data as well as justify my decision of refrain in mainly with secondary sources and including relatively little primary data in my research.

3.1. Qualitative content analysis

Content analysis have been developed within communication sciences to analyse extensive amounts of textual corpuses, such as newspapers or other such sources of communication. For example, during the war it has been used to analyse of the enemies' propaganda material. There are two levels of content analysis: quantitative and qualitative. For my research I have used the qualitative content analysis as it is best suited for my research objectives. (Krippendorff, 2013: p. 88).

The fundamental approach of qualitative method in content analysis is to maintain the strengths of the quantitative content analysis and in this sense to develop techniques of systematic, qualitative orientated text analysis. In the procedures of content analysis the material should always be understood as part of a particular context of communication, which is a considered to be a part that the quantitative content analysis neglects. Texts are always interpreted within their context, or in other words, the material is always examined in regards to its origin and effect. (Mayring, 2014: p. 39).

Content analysis is always systematic and rulebound procedure. Establishing a substantial procedural model of analysis is of particularly import. Content analysis in not a standardised instrument which can be expected to remain the same, it must be modified to suit the specific object of the material in question. (Mayring, 2014: pp. 39-40).

The meaning for qualitative content analysis (QCA) is to organise and explain the meaning of the gathered information, as well as to create realistic interpretations from

them. For the researcher, it might be beneficial to have at least some previous knowledge on the topic and to be familiar with the context. This though, should not affect the analysis or interpretations of the results. All qualitative research deal with interpretation in some measure and thus as one cannot avoid it, one should take it into a consideration. Additionally, a researcher needs comprehend the context and circumstances of the analysed sources in order to be able to detect and take into account misrepresentations. The main issue with qualitative research is to achieve rigour and credibility which are crucial for ensuring the results to be trustworthy and reliable. (Bengtsson, 2016: pp. 8-9).

The aim with QCA is to link the analysis and results with the context in which they were produced: "Content analysis is a research method that provides a systematic and objective means to make valid inferences from verbal, visual, or written data in order to describe and quantify specific phenomena" (Downe-Wambolt cited in Bengtsson, 2016, p. 9). Furthermore, content analysis is "a research technique for the objective, systematic and quantitative description of the manifest content of communication" (Berelson quoted in Bengtsson, 2016: p. 9), and with emphasizing the concepts of *technique* and *objective*, process analysis is a reliable method which rules out the personal authority of the researcher.

QCA has found its proponents from the tradition of political analysis, though the researchers have been criticised for being unsystematic with their uses of texts as well as impressionistic with their interpretations. Although, each text is unique and affords multiple interpretations, one ought to aim for transferability with their research and thus increase the credibility. There are several factors which might affect the interpretation coming from a reader, which might be for example one's ideological or political background, or previous knowledge on the topic which restricts the analysis. (Krippendorff, 2013: pp. 88-90).

The object of QCA can be all sorts of recorded communication. As with qualitative research the amount of text should be kept at minimum, one should pay close attention to the relevance of the text, as well as keep the specific research question in mind during the whole process. Furthermore, the selection should be theoretical and purposive. Since the object for qualitative research is not generalizability but instead it aims for

transferability, in sampling it is not necessary to ensure that in analyses all objects have the same probability to be included in the sample.

In relations to other interpretation methods, the strength of QCA resides in the fact that the analysis is dispersed into separate steps of interpretation which have been determined in advanced. Thereby the whole process is implemented in a way which is aimed to be comprehensible to anyone and intersubjectively testable. For QCA a category of system is a central point as it helps to make it possible for anyone to reconstruct or to repeat the analysis. The system of categories actually makes the foundation for the findings of the analysis. Even with QCA an attempt should be made to concretise the objectives. QCA is also criticised for its “technical fuzziness” which is thus reimbursed by theoretical strictness. (Mayring, 2014: pp. 40-41).

3.2. Data collection

Content analysis is a method of data analysis and with my research I have used two classes of data for analysis: numerical data and texts. As data I have collected a number of documents, such as newspaper articles, official documents from institutes and government data, as well as web pages. In addition, I have used a number of academic articles on Kyrgyzstan and the Eurasian Economic Union. As primary data, in addition to the documents provided by the organisations and institutes, I have used numerical data from such organisations as the World Bank and IMF.

With my data selection I emphasized the common features of the Kyrgyz and Tajik economics which enables me to compare their economic development within the framework of Kyrgyzstan’s accession to the EAEU. I have analysed the data in accordance to my research questions and I will to demonstrate the fragile basis of the economy of Kyrgyzstan which makes it extremely dependent on for outside support and vulnerable to external influence. When collecting the secondary resources for which to base my analysis and to create my hypotheses I paid special attention to the source. As I am not able to read the Russian language though I wished to also include views from non-Western scholars and thus made sure that despite of my language deficiency I am able to make as comprehensive analysis as possible.

As the right to use the data, the World Bank defines the use of their data in terms of “Unless indicated otherwise in the data or indicator metadata, you are free to copy, distribute, adapt, display or include the data in other products for commercial or noncommercial purposes at no cost under a Creative Commons Attribution 4.0 International License.” I have used relevant referencing with my data usage and I have no intentions in benefiting from this data in commercial means, thus I am taking advantage of the information of which they have provided and not taking credit for it.¹ In addition, the IMF allows its material to be subject of “fair use”, or in other words for such use as for example academic research.²

A major obstacle with the data collection was that I have no knowledge on the Russian language which is not only one of the official languages of Kyrgyzstan, but additionally it is the main language of the Eurasian Economic Union. Both the EAEU and the Kyrgyz officials provide only a handful of translated documents and accessing them in English was anything but foregone conclusion in gathering the data. Even though I managed to gain help from a view of my friends whom are native with the Russian language, I wished I could have had access to more primary sources.

My initial plan for data collection was to include interviews into my research, as I would have wished to gain more insight from Kyrgyzstan on the issue discussed in my thesis. Though, quite soon I had to abandon this plan as due to my lack of knowledge of the Russian language it would have been too arduous to gather a group of interviewees of which I would have been able to conduct the interviews entirely in English. Additionally, I believe that I would not have been able to meet the required level of quality with this plan.

¹ The World Bank Data Terms of Use <https://data.worldbank.org/summary-terms-of-use>

² The IMF Copy Rights and Usage Policy <https://www.imf.org/external/terms.htm>

4. The Foreign Policy of the Kyrgyz Republic

“Small countries need big friends.”³



Picture 1. Map of Kyrgyzstan (United Nations, Map No. 3770 Rev. 8, 2011)

The post-Soviet states are implementing their foreign policies under conditions of vast structural changes and uncertainty when at the same time the majority of the officials and politicians lack previous foreign policy experience. This situation is a result from the fact that these states have only recently established their independence following of the collapse of the Soviet Union. Kyrgyzstan’s government has been struggling to balance with the competing political elite and multiple ethnic groups, as well as to maintain stability within the Kyrgyz society. Demonstrations and popular protests against the ruling regimes have in multiple occasions escalated into violent clashes and twice resulted in political regime changes. (Sari, 2012: pp. 131-138).

As a small state, Kyrgyzstan is especially vulnerable and dependent on regional stability and security on international level. It is the utmost importance for a small state to

³ Askar Akayev, the President of Kyrgyzstan during 1991-2005, cited in Huskey E. (2008) 'Foreign Policy in a Vulnerable State: Kyrgyzstan as Military Entrepot Between the Great Powers' p. 5.

have thoroughly thought foreign policy, making use of all the instruments at its disposal to ensure that its security interests are taken into consideration. Due to its deficient capabilities in relation to others, Kyrgyzstan lacks a margin of error, and thus it must be closely integrated to the international system in order to facilitate trade. If it were to isolate itself its survival would be at stake. Becoming an independent state means accepting the liabilities of a sovereign state, as well as becoming accountable to its citizens. Most importantly, the leaders of this newly founded nation had no experience on foreign policy practices, nor experiences on how to conduct diplomacy. (Sari, 2012: pp. 133-134).

It is very central to understand the economic, geographical and political vulnerabilities of Kyrgyzstan in order to comprehend its role in world affairs. It is a small land-locked country, far away from basically everything and has no advantage of the natural resources, such as gas or oil reserves that for example Kazakhstan and Turkmenistan possess. High mountains, poorly developed infrastructure and unnatural borders hamper Kyrgyzstan's internal and external trade as well as its regional communication channels. As a result, Kyrgyzstan remains exposed to the influence of its more powerful neighbours, which are Uzbekistan in the West, Kazakhstan up North, and China to the East. In addition, Russia has maintained its influence within the Central Asia since the collapse of the Soviet Union broke the formal state ties. (Huskey, 2008: p. 6).

With its small population and unfavourable geography Kyrgyzstan has been unable to create vibrant internal markets nor is it able to serve as a regional hub for commerce. Since its independence, Kyrgyzstan has been reliant on foreign assistance in order to develop its economy and push the transition from the planned economy of communism. Despite Kyrgyzstan's great effort in developing towards of a market economy, emigration of many highly-trained Russian and Kyrgyz workers, as well as endemic corruption, characteristic to societies of the post-Soviet states which are under transition from authoritarianism, have greatly undermined its economic development and much needed modernisation. Furthermore, opening of the economy saddled the country with a massive debt and by 2008 Kyrgyzstan had piled up with total national debt of around \$3.5 billion. (Huskey, 2008: p. 7).

The early steps of independence for Kyrgyzstan has been marked by the very same problems of the other transitional states. Kyrgyzstan has been forced to redesign its national identity, while at the same time the country is struggling with political disorder and economic shocks. Furthermore, the government ought to solve the issue of ethnic minorities who are not willing to accept the sovereignty of the central government. Both the administrative structures and the borders of Kyrgyzstan are relics from the Stalinist era and therefore the Kyrgyzstan national boundaries or its ethnic ensemble are not in correspondence with the nominal nationalities. (Sari, 2012: pp. 136-137).

With this chapter I intend to give a comprehensive view of the development of the foreign policy of the Kyrgyz Republic, as well as to explain the foreign policy incentives of this small post-Soviet state and how its vulnerability influences its foreign policy conduct. Furthermore, I will explain Kyrgyzstan's complex relations with its neighbouring countries and the great powers which have their presence in Kyrgyzstan.

4.1. The Foreign Policy development under Askar Akayev 1991-2005

With this subchapter I wish to provide understanding of the situation in which the Kyrgyzstan's foreign policy was formed at its early years of independence. Kyrgyzstan has never been an independent country, nor did the leaders of this newly founded nation have experience in foreign policy conduct. This inexperience reflected to the foreign policy making which one cannot say to have been a story of success.

During the first years of its independence Kyrgyzstan's foreign policy trajectory mirrored that of Russia's. The Ministry of Foreign Affairs is mainly responsible for the realisations of Kyrgyzstan's foreign policy. In the beginning of the new millennia Kyrgyzstan had representation in around 20 countries. In addition to the Ministry of Foreign Affairs a separate body was founded under the Presidential Administration which was called the *International Department of the Presidential Administration*. These two separate institutions are in competition with each other over influence in the foreign policy formation, though in the end it is the President who makes the final decisions on the foreign policy direction. In addition, other groups such as the Ministry of Defence and political parties were influencing the foreign policy formation, however their roles were not clearly defined. (Sari, 2012: pp. 135-136).

In addition to legal designs the Kyrgyz foreign affairs processes are manoeuvred by a wide set of unwritten rules which go beyond legal documentation. As in the other Central Asian states the president holds the overwhelming political superiority and as a result “the Kyrgyz foreign policy frequently rises out of a need to strengthen the domestic political order as well as the personal needs of the president.” (Sari, 2012: p. 136).

Kyrgyzstan adopted a more pro-western stand with its international affairs, though in a few years it developed to a direction which would become known as *multivectorism*. Instead of fully adapting the western diplomatic and economic doctrines Kyrgyzstan, as many other post-communist states, started to emphasize its position in Eurasia and role in between the West and East. With fairly little to sell the president Akayev began to build the image of Kyrgyzstan as the “Switzerland of Asia.” His aim was to provide the world a view of Kyrgyzstan as "a model of political and economic liberalism in a region of the former USSR" which in general was hostile to westernisation. (Huskey, 2008: pp. 9).

In 1993 Kyrgyzstan issued its own currency the *som* and in 1998 it was accepted as a member to the World Trade Organisation (WTO). Additionally, in 1994 Kyrgyzstan joined the Partnership for Peace programme with NATO. The major foreign policy goals for the newly founded Kyrgyz Republic at the time were to consolidate independence and sovereignty, to secure national interests and to accommodate the much needed political and economic reforms for the country. (Sari, 2012: 138-139).

With its liberal image Kyrgyzstan managed to attract the attention of western governments and NGOs. They offered the poor nation large loans and grants to encourage further development. This led to mountainous amounts of debt piling up to burden the country's economy and awakened the nation from a disillusionment of the cost of pluralist politics and liberal market economy. (Huskey, 2008: p. 9)

The rhetoric of president Akayev of an open society did not match with his behaviour. He found himself criticised as Western leaders were worried about his authoritarian behaviour due to his hard-handed actions against the opposition and critical journalists. The local regional powers were concerned about Kyrgyzstan's liberal stand and Islam Karimov, the president of Uzbekistan, warned Akayev about getting dependent on the western charity. Manoeuvring between the competing pressures of regional and world

powers describes Kyrgyzstan's foreign policy which even at its best was contradictory and capricious. (Huskey, 2008: pp. 9-10).

Despite of Akayev's attempts to convince the western world of his intentions of following their example and emphasizing democratic development, with each electoral cycle political competition was reduced and instead the state's dominance of the society was increased. When entering to the new millennia Kyrgyzstan started to flirt more and more with authoritarian nations, especially Russia. Akayev viewed that the more authoritarian nations, such as Russia and China, shared his perspective that the values of order and stability are in conflict with those of open society and contested political environment. Furthermore, rising energy prices gave more leverage for Russia to engage with its *Near Abroad*, and it began to use its newly found wealth to expand its influence within the post-communist world. (Huskey, 2008: pp. 10-11).

The foreign policy relations with Moscow were created with ease as their shared history and culture had created strong economic and social linkage. Furthermore, most of the political elite in Kyrgyzstan were either educated in Russia or had worked there during the Soviet Union. Moreover, due to the fact that Kyrgyz economy was heavily dependent on Russia it could not risk further instability. (Sari, 2012: 139)

Ever since the dissolution of the Soviet Union Russia aimed at regaining its status as the regional hegemon, though its activity increased in the beginning of the 21st century due to the US presence in the region which it considered to be part of its sphere of influence. Kyrgyzstan had been loyal to Russia, and in fact was one of the least problematic of the Russian allies, though the problem was never Kyrgyzstan loyalty but instead the country's chronic instability has been the major challenge for Russia. Russia is seen by the Central Asian countries, and not the least by Kyrgyzstan, as the region's security guarantor and it never lost its position as the most influential external actor in Central Asia. With its scattered and limited military and economic resources Russia need to avoid costly and possibly prolonged interventions in Central Asia, especially as it already has plenty of foreign policy concerns in the other parts of the world. (Troitskiy, 2012: pp. 6-9).

If not for the attacks of the 9/11, Kyrgyzstan might have pursued even deeper cooperation with Moscow. The war in Afghanistan shifted the centre of gravity of the world

politics towards Central Asia and drastically increased Kyrgyzstan's strategic position and geographical value. The West had now a real interest towards Kyrgyzstan which was located just up north from Afghanistan. This newly found partnership not only resulted in an airbase for the US and its allies in Gansi, which is located near the Kyrgyz capital Bishkek, but also provided Kyrgyzstan additional financial support. Thus, the foreign policy line of multivectorism, Kyrgyzstan's balancing between the West and East, continued despite of the western countries' concerns of Kyrgyzstan's democratic development. After granting the US and its allies the rights to the Gansi airbase Kyrgyzstan also agreed to allow Russia to open a base near the city of Kant in 2003, just 50 kilometres from the US airbase in Gansi. (Huskey, 2008: p. 11; Sari, 2012: p. 141).

Increasing US activity within the region and providing economic assistance was vital for Kyrgyzstan as it provided it with an alternative for balancing Russian influence. As such the relations with the US helped Kyrgyzstan not to increase its already heavy reliance on Russia and also to secure its sovereignty. Furthermore, US provided much needed assistance for Kyrgyzstan with its fight against drug trafficking, multi-ethnic conflicts as well as growth of Islamic extremism. (Sari, 2012: 140-141).

4.2. The era of Kurmamber Bakiyev: Reshaping the foreign policy after the Tulip Revolution

After 15 years of independence one could hardly consider Kyrgyzstan as a successful foreign policy establishment, as the professional diplomatic corps is only just emerging. Furthermore, the young nation had many problems characteristic to the post-Soviet transition states. In this chapter I will explain the situation during the second president of Kyrgyzstan and how he failed with maintaining himself within the favour of the Kyrgyzstan's most influential ally and lost his grip on power.

Despite of the speculations, especially behalf of Russia and China, that the Tulip Revolution would have been plotted by the West, Bakiyev in fact turned out to be more authoritarian leader in comparison to Akayev, and began to emphasize Kyrgyzstan's relations more towards Russia, China and the neighbouring Central Asian countries. The underlining reasons behind the revolution in 2005 lay in wide spread discontent on domestic level and particularly in relation with the political and economic marginalisation of

the population living in the southern parts of the country during the 15 years of Akayev's rule. Moreover, Bakiyev and his political allies were all part of the Soviet trained elite, and their favour towards Russia was an important factor in the Kyrgyzstan's foreign policy formation. Merely two weeks after Bakiyev accession to power he announced that it was time to review the situation with the American air base in Gansi. (Huskey, 2008: p. 14; Sari, 2012: p. 141).

Bakiyev's regime aimed their focus more towards the domestic issues and soon announced that there would be no major foreign policy changes, and thus the government would continue to conduct the multivector foreign policy developing its relations with the great powers, US, Russia and China. Additionally, Kyrgyz government was willing to strengthen ties with the EU and other Asian countries, like Japan and Korea. Despite of formally holding onto the multivector foreign policy, the Kyrgyz leadership emphasized Russian relations as their priority and viewed Shanghai Cooperation Organisation and Collective Security Treaty Organisation as the main regional organisations. Furthermore, Bakiyev counted on that in case of the domestic situation in Kyrgyzstan would worsen, Russia would be closer and more willing to provide assistance to counter any such threats. Additionally, the fact that Kyrgyzstan and Russia had been part of a single country with shared history and culture made this development path more natural. (Sari, 2012: pp. 142-143).

The power transition in the end did little to solve the deep-rooted problems with the Kyrgyzstan's politics. The endemic problem with corruption continued and Bakiyev's politics was marked by frequent and chaotic government reshuffles. Furthermore, Bakiyev soon began to concentrate the political and economic assets into the hands of his extended family and associates. It was speculated that the Bakiyev's decision to close the Drug Control Agency in Kyrgyzstan would have been due to the ruling family's control over drug trafficking. (Troitskiy, 2012: pp. 13-14).

The persistent internal discord in Kyrgyzstan has always been a problem with its relations towards the other Central Asian powers. This has resulted in Kyrgyzstan becoming dependent on Russia as the security guarantor within the region. Even in case of a minor conflict Kyrgyzstan has no capability to protect its borders. Kyrgyzstan has

experienced border disputes with Uzbekistan as in fact only around half of the total of 1270 kilometres of the Uzbek-Kyrgyz border, which is a relic from the Stalinist era, is a subject of formal agreements. Furthermore, Kyrgyzstan has been unable to stick up for itself against the more powerful neighbours which has resulted in unequal treaties with China and Kazakhstan involving land transfers and this has greatly contributed to undermining the authority of the Kyrgyz governments. In 1999 Kyrgyzstan lost 1 000 000 m² of its land to China in a refining of the Sino-Kyrgyz border and later off was forced to hand over area of a tourist resort to Kazakhstan in order to pay off debts. (Huskey, 2008: pp. 14-15).

Moreover, the cooperation with the West and openness for democratic development was raising concerns with Kyrgyzstan's authoritarian neighbours Uzbekistan, Kazakhstan, China and Russia, which have been concerned especially with the political turmoil that has led to a regime change twice: The Tulip Revolution in 2005 and the Second Revolution in 2010. It was a concern that the democratic movements would spread from Kyrgyzstan over the borders and would undermine the legitimacy of the authoritarian leader of the countries. In 2005, just two months after the events of the Tulip Revolution, Uzbek forces killed several hundred demonstrators just across the border from Kyrgyzstan.

Additionally, the neighbouring regimes were concerned that across the poorly guarded borders of Kyrgyzstan their own opposition movements could find a safe haven. Uzbekistan violated the Kyrgyz border in several instances when it was after the rebels from the Islamic Movement of Uzbekistan, or other dissidents like human rights activists or journalists who defied the official government line. (Huskey, 2008: pp. 7-10; Sari, 2012: 145).

However, Bakiyev became concerned about the increasing Russian influence over Kyrgyzstan and following the July presidential elections in 2009 signed a new agreement with the US to keep its military base in Gansi. This was a risky step as the base was highly opposed by Russia. Here, Bakiyev underestimated Moscow's capabilities and was faced with a heavy propaganda campaign which was channelled through the Russian owned media outlets, which openly criticised Bakiyev and his family of corruption. With the shared cultural and historical background Russian is widely spoken in Kyrgyzstan and one of its

official languages in addition to Kyrgyz language, and the Russian TV is popular. (Sari, 2012: pp. 142)

Furthermore, as the Russian government had previously refused any formal communication with the Kyrgyz opposition groups now Kremlin invited them to Moscow. Additionally, in April 2010, the agreement on preferred customs taxes for Kyrgyzstan was terminated by the Russian government and this led to increasing prices for the products imported from Russia, such as oil. The dissatisfaction against the current regime, economic uncertainty and the ethnic tensions were now channelled towards Bakiyev and resulted in bloody riots and demonstrations. In 2010 Bakiyev was forced to step down and flee the country. (Sari, 2012: pp. 142-144).

4.3. Kyrgyzstan after the Second Revolution in 2010

After the two violent revolutions Kyrgyzstan managed to redirect its course towards more stable democracy and execute relatively legitimate elections. With this subchapter I aim to demonstrate how Kyrgyzstan was able to find its course in democracy and earn its status as the “oasis of democracy” in Central Asia. Furthermore, I wish to explain how this impacted the foreign policy formation, especially in relation with its autocratic neighbours. Despite of the clear Russian influence over the events leading to the power transition in 2010, there is no evidence to suggest that it tried to influence the domestic situation nor ouster Bakiyev from power. In fact, Russia did not have a replacement for Bakiyev in hand. (Troitskiy, 2012: p. 17).

After deposition of Bakiyev the parliamentary premier Rosa Otumbayeva took the position as the country leader as the acting president until new elections were held a year later. At the time the major political players were unable to come in terms with identifying and pursuing foreign policy priorities. The parliament took a strong pro-Kremlin stand while Otumbayeva would have avoided deepening the Russian relations further and expressed her view that it would be too early to join the Russian led Customs Union. (Marat, 2011).

Furthermore, the parliament banned the Finnish member of parliament Kimmo Kiljunen from entering the country. Kiljunen was the head of a delegation

investigating the violence during the uprising in June 2010. Otumbayeva appealed to the members of the Kyrgyz parliament to reconsider their decision. The Kyrgyz foreign minister Ruslan Kazakbayev combined the two views and while defending the parliament for their decision of banning Kimmo Kiljunen and praising the importance of cooperating with Moscow, he on the other hand expressed his aim in investing into the relationship with the US. The US had been supporting Kyrgyzstan with its combat with drug trafficking for example by contributing in reopening the Drugs Control Agency. (ibid).

This kind of a situation where the country was lacking the central foreign policy initiator was a new situation for Kyrgyzstan. The previous presidents had been leaning on both sides in search for support from the major powers, though their aim was always to strengthen their authoritarian regimes. In fact, the newly adapted constitution which was formed after Bakiyev gave no clear definition on who's the highest foreign policy authority – the president, prime minister or the parliament. (ibid).

The presidential elections were held in late autumn in 2011 and thus Kyrgyzstan experienced the first peaceful power transition in the Central Asia when Rosa Otumbayeva gave way to Almazbek Atambayev after a relatively open and free election campaign. Atambayev's reign was characterised by his increasingly authoritarian rule and there were widespread concerns that he would not be willing to step down when his term was due to end in 2017. With the constitution which was constructed in the aftermath of the 2010 events the presidential terms were limited to one 6-year term. (Troitskiy, 2012: pp. 21).

The election result was a disappointment for Moscow as it had been supporting another candidate. Though still, with his foreign policy Atambayev emphasized Kyrgyzstan's relations to Russia and became an active advocate for the Kyrgyzstan's accession to the EAEU. Additionally, he finalised the agreement to close the US military base in Gansi, which had for a long time been an issue in the Kyrgyz-Russian relations. (Troitskiy, 2012: pp. 21-22).

Again in 2017, Kyrgyzstan proved the world that it has the means to be concluded within the group of democratic nations, as the presidential elections took place in November and Sooronbai Jeenbekov became the nation's fifth president since its

independence 26 years ago. Despite of accusations of corruption and elections' fraud, the 2017 presidential elections are considered to be relatively free and as Kate Mallinson from the Chatham House (2017) put it: "despite these caveats, this seemingly peaceful transfer of presidential power demonstrates that Kyrgyzstan has the ability to put its turbulent past behind and to push forward with much needed reforms".

The OSCE praised Kyrgyzstan for the orderly transfer of power even though there were no surprises, as Sooronbay Jeenbekov, incumbent president Almazbek Atambayev's personal pick, unexpectedly gathered 54% of the vote; avoiding a second-round competition with businessman Omurbek Babanov. A widespread perception was that a lack of capability of winning the elections legitimately would strip Jeenbekov of the legitimacy needed to undertake the much-needed reforms. (Mallison, 2017)

Jeenbekov continues the tradition of Russian educated and trained elite in the state leadership and his first visit in late 2017 was directed to Moscow where he met with the Russian president Vladimir Putin. Additionally, Jeenbekov immediately announced his support for the Kyrgyzstan tradition of multivectoral foreign policy conduct and within the first one hundred days in office he had met with all major regional and global powers. (ibid).

4.4. Kyrgyzstan's security and foreign policy interests up to date

"Kyrgyzstan is still a young parliamentary democracy in a difficult neighbourhood"⁴

The Kyrgyz foreign policy has been balancing between the hegemonic power of Russia, increasing Chinese economic dominance, and wishing to attract the attention and support of the Western powers. At times this policy has been more successful than other at other time. With the decreasing Western interest towards the Central Asian region in general has weakened Kyrgyzstan attractiveness and despite of its active democratic development it has not been able to lure the EU or the US to consolidate their presence. Here I will provide a contemporary view to the Kyrgyzstan's foreign policy as well as to lighten the backgrounds of its accession to the EAEU.

⁴ Tynan, 2017.

Askar Akayev is considered to be the founder of the multivector foreign policy for Kyrgyzstan. The new-born country wished to attract intergovernmental organisations and multilateral cooperation, and it was active in joining to the international and regional organisations such as the WTO. The government viewed that active participation in international foreign policy agendas became one of its main priorities and it implemented this through signing bilateral agreements with its allies. (Kuchins et al., 2015: p. 4).

Kuchins et al. (2015: p. 4) are citing Kyrgyz experts and officials which all strongly emphasized the limited freedom of choice that Kyrgyzstan has and express their own view of how the Kyrgyz foreign policy implementation is best described as “to make the best of a difficult situation.” Additionally, they quote an anonymous official on his statement of Kyrgyzstan’s foreign policy priorities being “regional security, however it is achieved.” Furthermore, Kuchins et al. are highly cautious on the official Military Doctrine from 2013 which in their view put emphasis too much on the external factors influencing the domestic stability and thus downplays the government’s role in failing to promote development in the society.

The Eurasian Economic Union has taken a dominant role in the Kyrgyzstan’s foreign policy formation. Despite of the fact that officially the Union is supposed to be merely economic by its means, it is binding Kyrgyzstan increasingly into the Russian sphere of influence. The EAEU membership is expected to bring more stability to Kyrgyzstan in domestic and regional means. Furthermore, Kyrgyzstan is relying on the membership to increase its leverage in negotiations with the territorial and water disputes with Tajikistan, Uzbekistan and China. (Kuchins et al., 2015: pp. 14-15).

Despite of the claims of Russian pressure towards Kyrgyzstan with its accession to the Union, the Kyrgyz elite were unanimous with their view that in the end the decision was made voluntarily and considering the overall economic benefits for Kyrgyzstan. However, at the same time the Kyrgyz elite share consensus on the fact that the increasing integration with Russia is undermining Kyrgyzstan’s national security. Especially the Russian dominance over the Kyrgyz media market is raising concerns as the Kyrgyz public tends to receive only the Russian perspective. This includes news on international issues such as the crisis in Ukraine and information concerning the EAEU. (Kuchins et al., 2015: pp. 15-16).

With its relations to China the main driving force is economic considerations as Bishkek considers China as critically important economic partner whose assistance is not dependent on any political preconditions. However, security issues are increasing their role within the Kyrgyzstan-China foreign policy cooperation as Beijing views stability in Central Asia as an important factor affecting its domestic region Xianjiang, which is home to the Chinese Muslim Uyghur minority. Economically, China is Kyrgyzstan's main partner in trade and the Kyrgyz government has emphasized active participation within the China's Silk Road Initiative, which is expected to bring prominent investments into the Kyrgyz economy and infrastructure. Additionally, Kyrgyzstan wishes to balance the Russian dominance with Chinese cooperation. (Kuchins et al., 2015: pp. 17-18).

After the US started to decrease its presence in Afghanistan also the role of Kyrgyzstan has decreased within the US foreign policy interests. Kyrgyz officials complain that the Washington remains uninterested in developing and deepening the relationship. Especially, Kyrgyzstan does not want the US to terminate its support for democratisation and civil society programmes. The US has been a major economic assistance contributor for the Kyrgyz society and it is feared that the general lack in interest towards the region after the US withdrawal from Afghanistan will diminish its support towards the Central Asian region and Kyrgyzstan especially. (Kuchins et al., 2015: pp. 21-22).

With the EU Kyrgyzstan has had similar relations of that with the US. Kyrgyzstan would wish the EU to invest more into the society to support the democratic as well as economic development of the country. In 2013, the EU as a collective entity made up around 5 per cent of Kyrgyzstan's total trade. Additionally, The EU-Kyrgyz relations have been afflicted by the EU's claims for Kyrgyzstan to respect the preconditions of human rights and the EU's normative view on democracy. (Kuchins et al., 2015: p. 21)

Despite of Kyrgyzstan persistent efforts the economic ties with both the EU and the US fall far below its expectations, as does the level and intensity of intergovernmental engagement. The Kyrgyz elite views that the shared commitment to democratic values should provide the US and the EU a clear interest towards Kyrgyzstan. (Kuchins et al., 2015: pp. 21, 32-33). Erlan Abdyldaev (2017), the Foreign Minister of Kyrgyzstan, emphasizes the need for deepening cooperation with the EU and he strongly believes that Kyrgyzstan ought

to direct its foreign policy priorities towards the West as with their shares values the EU is able to provide the much-needed support for the Kyrgyzstan in its quest for stable democratic society.

For Kyrgyzstan stability has been in short supply since its independence in 1991. It has experienced two revolutions which have led to violent regime changes, ethnic violence, and it suffers of poor economic development as well as endemic corruption. The domestic issues keep the government busy on a regular basis as religious extremism and terrorism, drug trafficking and the ethnic tensions are major concerns for hampering the stability in the Kyrgyz society.

Vulnerability and dependence on outside support compel Kyrgyzstan to maintain close relations with the former hegemon Russia. China has taken its place as the most important economic partner with Kyrgyzstan and re-exporting Chinese goods to the former Soviet countries is a major economic factor for the Kyrgyz society. Additionally, Kyrgyzstan's relations with the other Central Asian countries remain complicated due to their mutual mistrust. Furthermore, Kyrgyzstan's instability makes it a potential failed state, which in such case would endanger the stability in its neighbouring countries.

Kyrgyzstan has strived to develop good relations with the European Union and the US, especially to balance the dominance of both Russia and China in the region. Though both EU and the US are far away and following the withdrawal of troops from Afghanistan Kyrgyzstan's strategic importance has reduced dramatically and thus faded the interest of the Western powers. Kyrgyz regime nevertheless remains positive that their democratic trial will maintain its attraction and lure investment and support from the West in the future as well.

5. Kyrgyzstan and the Eurasian Economic Union

“Eurasian Economic integration has become a major success story”⁵

In 1994 Nursurtan Nazarbayev, the president of Kazakhstan, introduced an idea of Eurasian integration for the former Soviet sphere. About ten years later his vision was realised with the Eurasian Economic Union which came into action 1st of January in 2015, currently combining five countries, consumer market of 182 million people and total of 14 per cent of the world land mass reaching from the Polish border to the Pacific Ocean. By uniting the member states economies, legal systems and custom services the aim for the EAEU to become part of a multipolar international system. Additionally, the Kremlin is aiming to create a stronger Eurasian player on global level, similar to the European Union. (Galzyev & Tkachuk, 2015: p. 68).

With this chapter I will provide the reader with an overview of the Eurasian Economic Union as a whole and the integration process with its backgrounds. The newly formed union has faced harsh critique and especially the many commentators from the Western sphere are unconvinced of the functionality and the possibilities of the union. Additionally, it is argued that the EAEU is merely a cover for the Kremlin to attempt to rebuild the Soviet Union and regain its role as a world superpower. As I do acknowledge the basis for this kind of argumentation, though I would like to point out with my thesis that this is in fact not like the other integration attempts before but much better structured and executed. I wish to give a comprehensive picture of the Union and analyse its development during its first years and address the topic with as much of neutrality as possible.

In my overview of the EAEU I will include discussion of the Ukraine crisis which have a major role in shaping the Union within its first years as in the Kremlin’s plans Ukraine had an important role within the EAEU and Ukraine would have also reduced Russian dominance in the Union in economic and political means. Furthermore, the consequences for Russia following its actions also had impact on the other members states in variety of

⁵ Eurasian Development Bank; Report 43: Eurasian Economic Integration 2017, p. 10.

ways and also the Kremlin’s unilateral actions of retaliation seriously undermined the core principles of the EAEU and its unity.

With the following subchapter I will be analysing Kyrgyzstan’s position within the Union and its integration process. Additionally, I will be discussing the country’s incentives for joining as well as the advantages the membership provides for this poor remote nation. My hypothesis is that despite of the risks for its sovereignty and political self-determination that the integration with the Russian dominated Union brings to the country, in the end Kyrgyzstan is a clear beneficiary in economic and social means. The Union brings stability and support for this small nation surrounded by unstable countries in

the south and dominant powers such as China and Uzbekistan to its East and West.

5.1. A brief history of the post-Soviet Integration

Russia has been trying to reintegrate the former Soviet region many times following the fall of the USSR. The first organisation, the Commonwealth of Independent States (CIS), was formed in the immediate aftermath of the breakup. The CIS has been the longest lasting of the multiple integration organisations and it is a loose coalition constituting many of the former Soviet Republics. It was created as a cooperation organisation for the newly independent states to improve their



Figure 1 - Eurasian integration stages (Eurasian Development Bank, 2017: p. 13)

transition process, though it was strictly political in nature and had no clear economic policies or regulations. The CIS was followed by several smaller integration projects. The projects never succeeded due to the lack of incentives for implementing the rules and regulations and they often they lacked of real power to compel the demanded policies. (Carneiro, 2013: pp. 1-2). The disclosed picture provided by the Eurasian Development Bank

illustrates the timeline of the overall integration process and the different stages implemented along the way, as well as the future prospects.

In 2010 the Eurasian Customs Union (ECU) was established, and as a final step before the EAEU in 2012 the Single Economic Space was introduced by Russia, Kazakhstan and Belarus. The SES was to function as a common market for goods, capital and labour. Additionally, it was meant to unify the member's macroeconomic conditions, for example the economic and financial regulations and institutions, and to improve the basis for international competition. Furthermore, the plan was to harmonise policies on economic sectors, such as the energy and transport sectors. The goal for SES was to minimise the cost of cross-border trade within common economic space. (Carneiro, 2013: p. 2). In addition, for facilitating common trade, Russia has been gathering plans to introduce rouble as the common currency for the member states. (Wisniewska, 2013: p. 26).

With the ECU and SES, the integration process was taking necessary steps towards the right direction, as in order to be able to compete in the international markets they were in dire need of clear and transparent market regulations, and economic and financial policies. These kind of comprehensive regulations, norm and transparency is imperative in attract private investment and when absent the states have been unable to lure additional income and technological investments that would be necessary for the modernising the old Soviet economic, social and social structures. Instead the former Soviet republics have often continued with their inefficient and poor Soviet-era practises. (Galzyev & Tkachuk, 2015: p. 68).

EAEU is the first example of the multiple integration attempts within the post-Soviet space which is based on international law, respect for democratic norms, and equality among partners. Galzyev & Tkachuk (2015: p. 67) view, that there is a good reason to believe that having a supranational authority adopt resolution by consensus will help overcome possible sources of tensions and growth-related issues. Though, I would be a slightly more sceptical on this matter, as with its overwhelming dominance in both political and economic means, Russia has multiple tools to use to pressure its fellow member states to rethink their stand in any matter.

5.2. The Eurasian Economic Union in Practice

As a model the EAEU has used the European Union (EU) with similar structures and institutions and taking into consideration the location of the EAEU in between the two continents, it combines both the European and Asian traditions. The major difference to any other integration project is that the Eurasian Economic Union is formed by countries which in fact used to be a part of a one country. Thus, the integration is to a large extent about restoring old economic and social links that were already existing before, and in fact, the links between the former Soviet republics were never completely removed. (Podadera Rivera & Garashchuk, 2016: pp. 99-103.)

As such, the economic integration should be viewed as a logical, historically justified and economically viable process. Additionally, the integration process is an unprecedented step for the member states which are willing to ally with Russia and delegate some of their newly acquired sovereignty to a supranational authority after experiencing centuries of Russian dominance under the Russian empire and then later the USSR. (Galzyev & Tkachuk, 2015: p. 61).

The asymmetries of the economies are not necessary obstacles in economic integration if the cooperation is otherwise functioning and the members are on the same line with each other. One example of this kind of economic integration is the Mercosur from Latin America. Mercosur was established during the 1991 and it is an economic and political agreement with Brazil, Argentina, Paraguay and Uruguay. The Mercosur agreement was originally created to promote rapprochement between the regional hegemonic rivals Argentina and Brazil. Venezuela was a member from 2012 until it was permanently suspended in 2016 (Felter & Renwick, 2017). The country profiles of the Mercosur members are very different from each other. In terms of the size of population, territory and GDP Brazil makes up to 70 per cent. However, when measured in terms of GDP per capita the results are not in favour of Brazil, but instead the per capita GDP is comparable with Argentina and Uruguay. (EBRD, 2012).

Despite of the discrepancies between the members Mercosur has been successful in promoting trade within as well as outside the region, especially in the case of Brazil and Argentina. Initial concern was that the agreement would lead to incentives to

promote more interregional trade, but those concerns have been proved unnecessary. In the case of Paraguay and Uruguay, which have smaller and more open specialised economies, Mercosur has provided an instrument to expand their international trading possibilities, as well as increase their trade within the bloc. The other members provide a relatively large market for their products. (EBRD, 2012). Despite of the loose cooperation Mercosur has been functional to this day and is one of the world's largest economic blocs with around \$2.9 trillion of GDP. (Felter & Renwick, 2017).

The EAEU has potential in bringing multiple of benefits for its members through trade creation within the region and in increasing the attractiveness of the members in terms to lure foreign direct investments. In addition, the Union provides a unique framework in developing stronger and better functioning economic and political institutions. Furthermore, the integration can act as an incentive towards increasing exports outside the region, as the value-added-goods can be exported elsewhere in the future. Evidence from other regional integration processes suggests that differences in development of institutional quality tend to diminish over time with deeply integrated regional units. Though in this case the members are very similar in terms of institutional quality and thus they ought to find additional incentives and pull factors in order to improve their institutions. This is not the case with Kyrgyzstan which possesses poor institutions and is expected to gain help to improve them. (EBRD, 2012).

However, the previous integration attempts within the post-Soviet space cast a shadow of doubt if these countries are able, or even willing, to deepen their integration into the level necessary to get good results. Furthermore, it remains to be seen if the members, and especially Russia, have enough incentives to continue with this process and force the stronger institutions.

The EAEU is seen for the first time creating the conditions for solid foundations enabling future development on a sustainable basis as an integrated regional organisation in the post-Soviet space. Albeit, the member states would like the project to be perceived strictly by economic means, there is clear data demonstrating the unequal share of economic benefits that this free trade cooperation project provides to its members and which also enables political pressuring. The most conspicuous feature is the imbalance

between the countries in terms of population size, GDP and bilateral trade. From the table 1 below, one can notice the significant imbalance of the output of the EAEU members. Russia makes 87 per cent of the overall GDP of the EAEU, in comparison to Germany which is the largest country in EU and makes 21 per cent of the GDP. (Carbone, 2013; Bird, 2014; Gutierrez, 2014). Kazakhstan, the second biggest member combines mere 9 per cent of the overall GDP of the union and Belarus, Armenia and Kyrgyzstan together make 4 per cent.

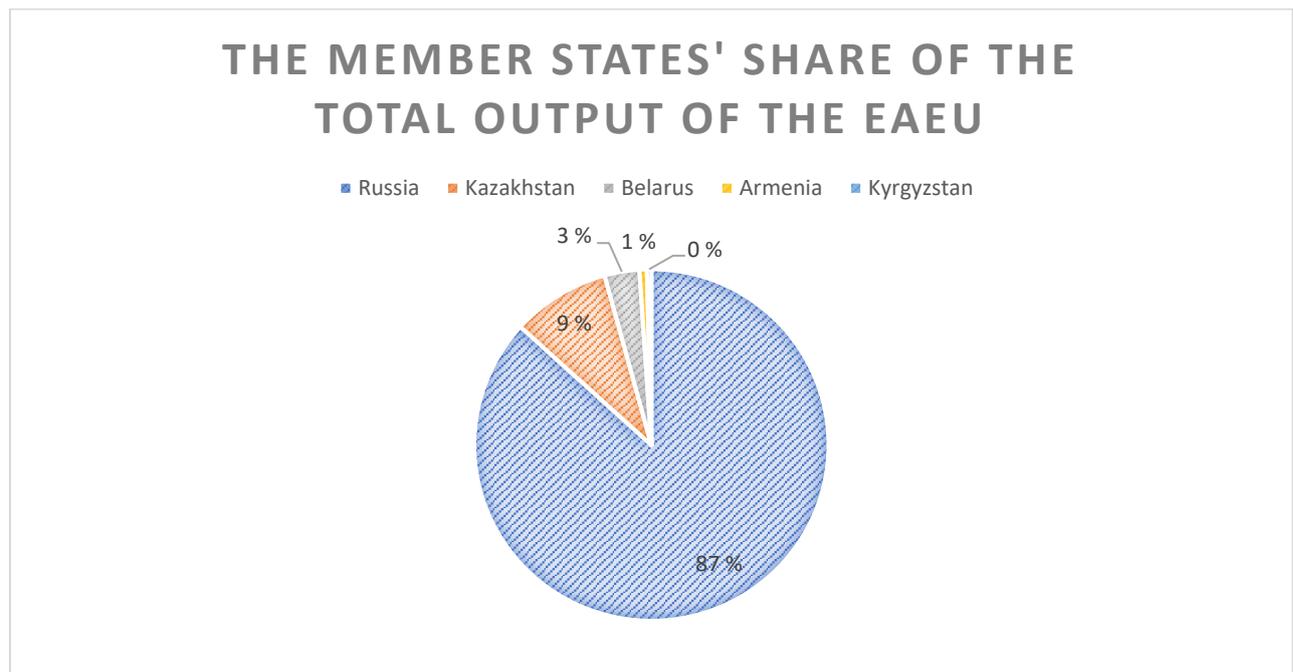


Figure 2 – The Member State’s Share of the Total Output of the EAEU (Anna Laitinen, Data from the Global Economy)

Galzyev & Tkachuk (2015: pp. 68-69) express their view that the common currency, a.k.a. rouble, would be advisable for the EAEU. Though this would increase the dependency of the members for Russia even further. The Russian economic turmoil resulting from the plummeting oil prices and Western sanctions has had a major impact on the other member states, and the fall of the rouble affected for example the remittances flow from Russia to the other countries, as well as resulted in troubles in Kazakhstan with its currency tenge which lost a major share of its value.

The creation of a single market space has also posed a number of new challenges to the member countries. For example, the greater competition in the chemical and metallurgical industries, agricultural, construction and trade have impacted the domestic economies of Kazakhstan and Russia. Furthermore, the major player in Kyrgyz

economy, the Bazaar trade, is facing increasing competition from Kazakhstan, which is planning to expand and invest majorly into its Bazaars business to allure the Chinese investment and therefore directly threatening the Kyrgyz bazaar sector which has a major share of the country's economy. (Glazyev & Tkachuk, 2015: p. 69).

A major factor which needs to be addressed when discussing about the EAEU is that none of the members are internationally recognised for their high quality democratic governance. Kyrgyzstan is often referred as the "oasis of democracy" in Central Asia, though this only applies when comparing to its neighbours. Especially, in Russia the democratic development has been diverted during the recent years and its governance is becoming increasingly centralised. There is a real concern that this might be the path for Kyrgyzstan as well despite of the good development since its independence. Roberts (2017: p. 426) views the EAEU as a perfect example of authoritarian-led regional organisation where all the three founding members are clear non-democracies, despite of their attempts to sustain a "façade of democracy".

The Freedom House's (2018) aggregated scores for the member states in terms of freedom are not good. Armenia scores the highest with rating of 44 out of a hundred (scale 1-100, 100 being the best possible score for freedom.) Kyrgyzstan coming on second place with a score of 37. Russia, Kazakhstan and Belarus are all within a tight margin from Russia 20, to Belarus 21 and Kazakhstan 22, whereas for example for Finland the score is 100 and for Germany 94. Kyrgyzstan is profiled as partly free and its scores for political rights and civil liberties are five out of seven. (Scale 1-7, 1 being the best possible score for freedom.) In the Freedom House's 2018 review Kyrgyzstan is categorised as not free in terms of freedom of the press.

Whereas the cooperation among the authoritarian regimes is natural in its means it is also viewed as a great barrier to effective cooperation, as in the end the interests of the ruling elite over power the national interests. (Roberts, 2017: pp.421-422). The desire of the regime to maintain power goes along with the realism theory expectations for preservation of power and Schweller's argument (see chapter 2) that the nation elite's primary interest is to secure its own survival, and thus in the end the elite might not always make the decisions by considering what is best for the country and its people.

5.3. The Ukraine Effect

The most striking feature of the EAEU is the Russia's overwhelming dominance by all means. In 2014 the EU and US imposed economic and political sanctions against Russia following its actions in Ukraine. The sanctions contributed towards the Russian economic slowdown and through which it also affected the Union as a whole due to the Russian economic dominance as well as the members reliance and deep rooted economic links with the Russian economy. The situation has been problematic in many ways. The EAEU members refused to support Russia with its quest against Ukraine and continued to pursue good relations with Kiev. Additionally, they refused to join the Russian counter sanctions which for example included ban for multiple agricultural products from Ukraine and the EU, and imposed obstacles on the goods transiting to Kazakhstan and Kyrgyzstan. (International Crisis Group, 2016: p. 12).

In Moscow's view the Ukraine's participation in the EAEU was essential and its membership as obligatory for Russia to achieve its global ambitions. The Kremlin aimed to secure Ukraine's membership with extensive economic and political campaign promising prominent economic benefits, which were to lure it away from the Association Agreement with the EU. Following the economic slowdown Ukraine's pro-Russian president Victor Yanukovich decided to shift towards Russia and the EAEU and turn down the proposed agreement with the EU. This move triggered mass protests which evolved into violent anti-regime protests. Ultimately, Yanukovich was forced to resign and flee to Russia. The new government of Ukraine turned the Russian proposal down and instead decided to proceed the Association Agreement with the EU. Following this power transition, of which the Kremlin perceived as illegitimate, Russia imposed retaliatory measures by annexing the Crimean Peninsula and beginning to support separatist movements in the Eastern Ukraine. (Dragneva & Wolczuk, 2017: p. 11).

The EAEU's main goal to improve regional trade was seriously undermined by Russian actions in response to the EU and US over the Ukraine crisis. Moreover, the Moscow's unilateral decision on imposing sanctions against Ukraine, the EU and US of which it expected the other members to follow calls into question the Kremlin's perception on the EAEU decision making and its view on the hierarchy of the members of the Union.

Furthermore, as Moscow failed to consult the other members in this case, could it be expected to act otherwise in the future? The Eurasian Commission discussed the issue but was unable to come into conclusion. (International Crisis Group, 2016: p. 12).

Moreover, the Russian actions in Ukraine emphasised the painstaking fact that the EAEU members all have their own ethnic Russian minorities and following the Putin's introduction of the Crimean Doctrine they became increasingly concerned of their own security and sovereignty. Furthermore, the Russian actions in Ukraine demonstrated the economic, political and military costs for disregarding the Kremlin's interests. Russia showed its readiness to undermine the very organisation through which it sought to regain its regional hegemony. (Dragneva & Wolczuk, 2017: p. 11-12).

5.4. Kyrgyzstan within Eurasian Economic Union

The decision for Kyrgyzstan to join the EAEU was heavily influenced by the Moscow's guarantees of investments on the Kyrgyz energy sector and securing the supply of gas, as well as solving the longstanding question of the Kyrgyz migrants in Russia, as for following the accession to the Union, the workers now have equal rights in relations to the domestic work force. The energy issue is important for Kyrgyzstan in both economic and social means, as every year it struggles to provide its population with enough gas and electricity, and the frequent electricity shortages have their impact on the production reliability. Additionally, it is expected that the foreign direct investment to Kyrgyzstan will increase, as Moscow has promised Bishkek with 1.2 billion dollars, in order for it to develop its infrastructure and production facilities. Furthermore, a special development fund of 500 million is created, and additional revenue has been promised for Kyrgyzstan to meet the conditions linked to its membership. (Peyrouse, 2015: p. 11).

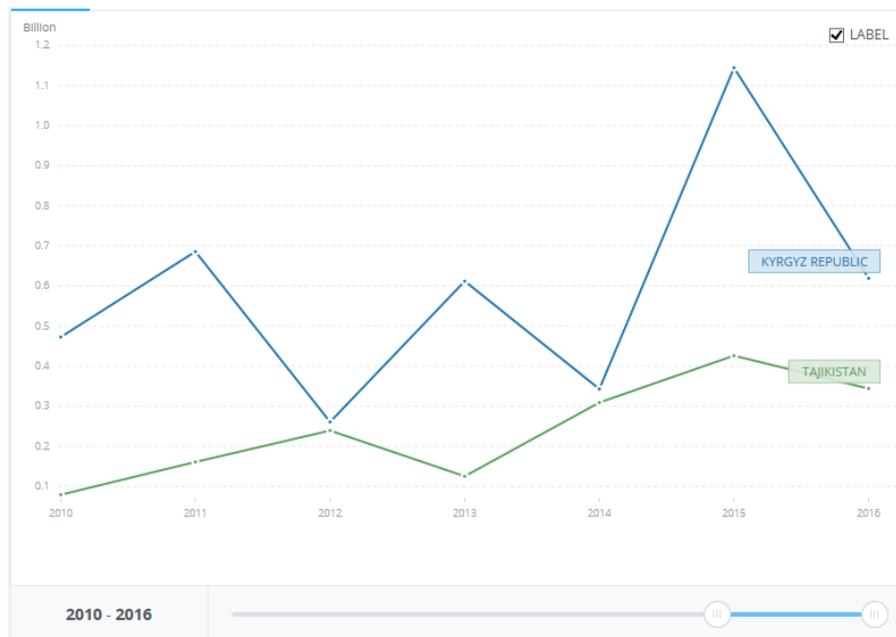


Figure 3 – Foreign Direct Investment Net Inflow – Kyrgyzstan and Tajikistan (The World Bank Data, 2018)

As the table 2 presents, one can see that the accession to the EAEU in 2015 dramatically increased the FDI inflow to Kyrgyzstan. As a comparison there was a slight change for Tajikistan as well, though as one can see it is not anywhere near as dramatic as with Kyrgyzstan. In the best case, the FDI could significantly improve the economic growth for Kyrgyzstan through technology, knowledge and skills transfers. The EU is a good example of successful FDI patterns in case of economic integration process. Following the accession to the EU the less developed Eastern European countries have benefited from the FDI spill over by improving their competitiveness and trade openness, which contributed in increasing economic growth. In the case of Kyrgyzstan, the FDI has not only increased from its fellow members, but also the third party FDI has increased following the EAEU membership. (Akhmetzaki & Mukhamediyev, 2017: pp. 959-961, 965-966).

The International Crisis Group (2016: p. 13) emphasizes with their report the possible destabilising factors which are stemming from the uncertain economic prospects. They view that by raising external tariffs and potentially orientating economies away from the global markets the EAEU poses economic risks which are especially acute for the smaller and more vulnerable states like Kyrgyzstan. Though, at the same time they acknowledge the stabilising factors as the deepening economic cooperation within the EAEU should make

conflicts between the member states less likely. Additionally, cross-border trade and movement could reduce tensions within the Central Asia. Furthermore, despite of their generally critical tone in the report, they agree that even though the increasing tariffs will hamper the Kyrgyz economy in a short-run, there will be long-term gains from harmonising customs and trade rules.

Russian economic dominance within the framework of the EAEU is not only a concern for Kyrgyzstan but for all the members. The sanctions which followed the Russian actions in Ukraine combined with a sharp decline in oil prices led the Russian economy to recession, which in turn created a spill-over effect on the other EAEU member states which remain deeply interconnected with the Russian economy. As illustrated in the table 3 below, both Kyrgyzstan and Kazakhstan have very similar change in their curve of GDP development and they are closely following the Russian economic turns. The Union membership will only deepen the interconnectivity of the members' economies and this trend will be seen to continue in the future. (Dagneva & Wolczuk, 2017: p. 11-12). In total the EAEU exports decrease by almost 30 per cent between 2014 and 2015 (Gast, 2018: p. 12).



Figure 4 – GDP Growth Annual % - Kyrgyzstan, Kazakhstan and Russia (The World Bank Open Data, 2018)

The participation within the union has not reached a unanimous support, but often it is reminded that the membership bears critical political and economic risks, which are in the mainstream political dialogue undermined in Kyrgyzstan. Whereas the membership is presented by the political elite as an essential step forward in the country's development and necessary for its economy, the question is not as simple as that. The membership bears great risks in getting overwhelmed by the larger and more powerful members of the EAEU and the increasing Russian hegemony is creating concerns of the political future of the country. These concerns have a solid legitimate base, but the opposition has not been able to provide tenable options for this integration model. (Esenaliev & Asylbek kyzy, 2017).

The biggest issues with the integration lies with the increasing dependence on the Russian economy and political good will. Not only is the weak and small Kyrgyz economy unprepared to cushion the economic crisis coming from outside, the current hard times with the Russian economy is having its impact on Kyrgyzstan as well. Currently, the Russian economy is unable to absorb the overall inflow of workers from Central Asia and the fragility of the remittances dependent system is ever more visible. Overall, the flow of remittances has been reduced by 50 per cent over the past three years, and despite of fact that Kyrgyzstan has been better off than for example the neighbouring Tajikistan, it has also been forced face the reality of falling remittances flows and the returning migrants who have been unable to find work abroad. (Lang, 2017: p. 1)

The remittances reliant economy has been unable to develop itself for a long time as it lacks the necessary investment flows and incentives for the development process. In a short run, Kyrgyzstan might be able to return to the profitable path of sending migrants to Russia, but in the long run the increasing dependence on the Russian economy will be fatal when the Russian economy will encounter the next economic turmoil, if not taking serious steps with its economic development. The current model is simply unsustainable and the Kyrgyz government should make substantial changes in the society and economic sphere to gain economic independence on any level. (Lang, 2017: p. 2-3).

Adoption of higher tariffs, which could enhance the strength of a trade diversion effect and thereby limit the benefits of static integration. Additionally, the

increasing of the consumer goods due to the rising customs tariffs have had a negative impact on the already poor population. The possibility for the Kyrgyz products to enter the EAEU market does not counter balance this effect as before the productions means should develop greatly. Furthermore, the increased tariffs have hit hard the retail business, which is heavily leaning on importing Chinese goods and reselling them in the CIS region. The economic crisis in Russia and Kazakhstan increased the blow. (Satke, 2015).

Moreover, to minimize their own losses, Russia and Kazakhstan have adopted regulations and strengthening control to restrict the free flow of good to their markets and Ivan Zuenko calls this as full-scale trade war. For example, Kazakhstan has banned meat and dairy products from Kyrgyzstan due to their low level of quality and Kyrgyzstan's inability to maintain control within the production. This might make sense for health regulations, but it completely undermines the core basis of the union. The EAEU and Kyrgyzstan's participation in it demonstrates well the problem with the integration as long as there is such a large gap in the levels of economic development and quality of governance. (Zuenko, 2016; Ögütçü, 2017).

The Kyrgyz economy is in urgent need for economic development to be able to compete in the international markets and transform from a transit route to a country with variety of economic production to be able to ease its dependence on other states. However, a research conducted to investigate the economic comparative advantages brought into light the fact that none of the EAEU countries have systematic high lever production, but instead they are specialised in exporting primary goods and raw materials, such as natural resources. The results were especially striking with the two largest economies Russia and Kazakhstan, which have relatively low level of competitiveness when considering their economic potential. (Falkowski, 2017: pp.43-44).

Considering the realities of the international trade and its highly competitive nature, the demand is for high and medium level technology goods and to achieve success in exporting goods in the long-run the countries should take pivotal actions to improve their position in the international markets. It is often considered that the more developed countries of the EAEU would act as pulling actors in economic means for the smaller and

less developed members such as Kyrgyzstan, though this notion of their real capabilities in this regard needs to be considered. (Falkowski, 2017: pp.43-44).

The members of the EAEU are not recognised for their commitment and efforts for human rights and liberal democratic values and concerns has been raised over the Kyrgyzstan's democratic future. In Central Asia the human rights violations are widespread and among its neighbours Kyrgyzstan has often been considered as the oasis of democracy. However, during the recent years the human rights situation has been increasingly deteriorated and the political opposition, liberal media and religious groups have been forced to manoeuvre on an ever-narrower field. Especially, when approaching the presidential elections in autumn 2017, the persecution for dissidents intensified and the observers noted serious violations against the freedom of media, attacks against the journalists and the members of the opposition. In May 2017 several human rights organisations wrote an open letter to the EU urging it to intervene in Kyrgyzstan due to the alarming situation. (International Federation for Human Rights, 2017).

5.5. The Case of Economic Migration

Within the Central Asian region and Russia, the issue of economic migration has been a long-standing problem already from beginning from the break-up of the Soviet Union which have failed to be resolved. Millions of labour migrants have left the Central Asian countries in search for better job opportunities and higher salaries to Russia and elsewhere. This stems from well-established historical and social backgrounds, as a part of the Soviet Union the movement of labour and people was general. There are several pull and push factors contributing for this phenomenon, most importantly to do with the social situation in the countries of origin. With poor economic development, the countries have been unable to follow the rapid demographic development and provide their young population with work and education. This has led to structural poverty and the people have ended up with a lack of alternatives. Easy access to the Russian labour market from the visa free CIS region and Russia's demand for cheap labour has worked to create an attractive destination. (Lang, 2017: pp. 1-2).

The labour migration to Russia has worked as a key determinant to the region's stability and to reduce the internal problems helping to provide a source of income

for the societies. As the countries of Central Asia have been unable to provide their population with jobs and sustainable income, the people have been forced to travel abroad for work. This has led to solidified socio-economic model in which the main source of income for the society is wages earned by migrants. (Esenaliev & Asylbek kyzy, 2017; Lang, 2017: pp. 2-3).

The dissolution of the Soviet Union tore down the complex economic ties between the former Soviet republics and the Kyrgyz economy collapsed. The troubled economy was not able to provide jobs or income for the population and contributed to deterioration of the labour market conditions in this resource poor country. The failing economy and labour market drove workers to seek employment abroad and the labour migration increased significantly throughout the 1990's, and the pace merely accelerated in the turn of the century. (Sagynbekova, 2017: p. 5).

In 2016, almost 600 000 migrants from Kyrgyzstan lived in Russia and remittances contribute up to 30 per cent of the GDP, counting it the second last remittances dependent country just after the neighbouring Tajikistan, and the migration issue was the key factor within the motives for Kyrgyzstan to join the EAEU. Overall, more than 25 per cent of Kyrgyzstan's total workforce worked in Russia, and including the calculations for seasonal workers, around one million Kyrgyz people worked abroad in 2015 and the World Bank estimated that Kyrgyzstan received around \$1.7 billion in remittances as approximately 82 per cent of the workers abroad sent remittances to their families. (Sagynbekova, 2017: pp. 5-6)

The question of migrant cannot really be over emphasized, as the remittances consists for such a large portion of the Kyrgyzstan's GDP, and is the factor keeping a large number of the population above the poverty line. The EAEU's decree to guarantee the right to work legally is not only helping to improve the situation for the current workers, as the "[...] goal is to create a common labour market, for which it is necessary to develop a common policy in labour migration, including on the provision of social security , health care for workers – citizens of the EAEU countries and their family members on the territories of other countries of the Union, export of pensions and credited seniority gained in another country – member of the Union" (Eurasian Economic Commission, 2015). In practise, this

would reduce the possibilities of the employers and officials to exploit the migrants in the country of destination. Moreover, it also enables the workers to seek better employment possibilities and thus creating possibilities for increasing remittances flow back to Kyrgyzstan.

The process for the migrants coming to Russia has been often complicated and expensive, and the workers frequently report experiences of corruption and misconduct when dealing with the Russian official. The common labour market is an aspect where the union has done the most success and improvement. Major barriers have been lifted and the social guarantees are widely available for workers and their family members. Licenses and quotas have been removed, thus no working permits are necessary. The largest remaining unresolved problem concerns the pension mobility. (Vinokurov, 2017: p. 67)

From 2015 to 2016, the number of Kyrgyz migrant workers in Russia increased by 22 per cent, whereas during the same time the number of Tajik workers decreased by 12 per cent. Furthermore, during the same time period, the amount of remittances increased by 26 per cent in absolute means for Kyrgyzstan and decreased 13 per cent for Tajik migrants. (Lang, 2017: p. 9; Esenaliev & Asylbek kyzy, 2017). As demonstrated below in table 4 this is a major difference between these two neighbours following Kyrgyzstan accession to the Union in 2015 and it has managed to catch up Tajikistan in terms remittances net inflow. Both Kyrgyzstan and Tajikistan are heavily dependent on the remittance revenues sent from Russia and Kazakhstan.

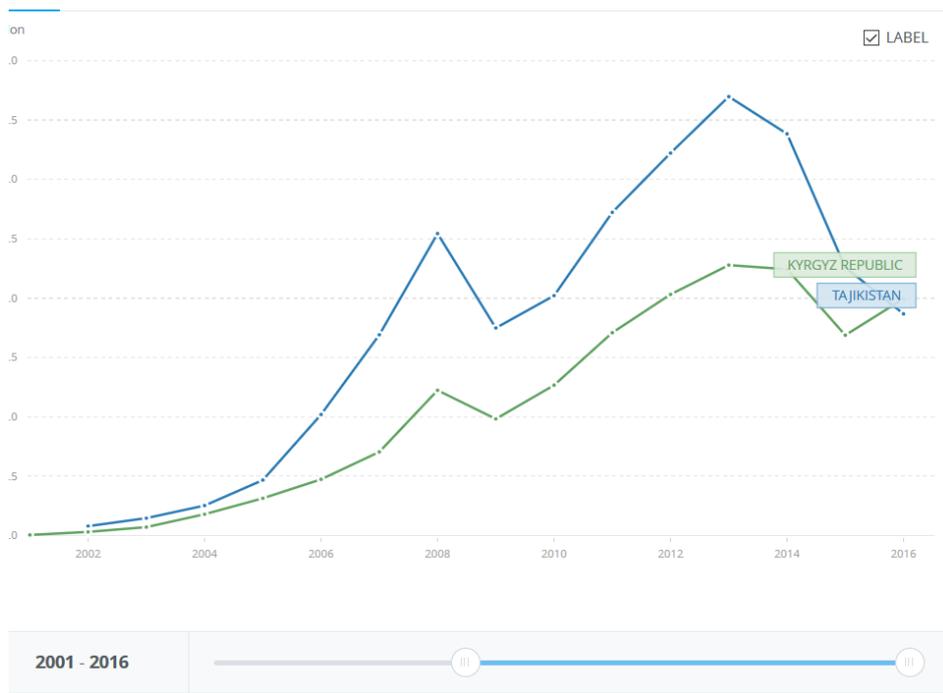


Figure 5 –Personal Remittances Received – Kyrgyzstan and Tajikistan (The World Bank Data, 2018)

However, despite of the formal improvements to the status of the migrants and their families, when interviewing them in Moscow, Sagynbekova (2017: pp. 19-20) discovered that they are still experiencing difficulties and arbitrariness from the officials’ despite of the fact that Kyrgyzstan became a full member two years ago, in August 2015. Furthermore, the humane price for the migration has been enormous and continues to affect the Kyrgyz society in multiple of ways. The current migration mode drains the Kyrgyz Republic of the young, well-educated and highly competitive segment of its society. Furthermore, often the families are left behind and kids live without their parents, as often both are working abroad. According to the survey conducted by Sagynbekova indicated that 78 per cent of the respondents had left their children behind, most staying with close family members or other relatives, but also 4 per cent responded that they had left their children alone in Kyrgyzstan.

5.6. The Future Prospects

Overall, the Russian relations with the Central Asian region continue to be complex with economic dependence and political cooperation. Their shared history and culture are deeply intertwined and continue to influence their political and economic relations. I would say that the Eurasian integration will be successful if it helps the participant states to deliver

on the economic development goals in practise. Additionally, one should ensure that the domestic growth drivers are used efficiently and to promote competitiveness of the states on international markets amid growing global challenges.

The IMF with its report on Kyrgyzstan sets a positive tone on the countries future as the inflow of remittances have reverted in US\$ and RUB terms due to the benefits that the Kyrgyz citizens enjoy within the access to the labour markets of the EAEU. Furthermore, with the Russia-Kyrgyzstan Development Fund has generated a strong inflow of FDI to Kyrgyzstan which has been invested into the infrastructure and the society. The report projects that despite of the negative of the short-term outlook, the medium-term prospect have been improving, and it is expected that the Kyrgyz economy would reach growth of 5 per cent. Already during the 2017 the Kyrgyzstan's economic growth surpassed the IMF expectations of 3.2 per cent resulting in 4.5 per cent. Furthermore, the head of the IMF mission to Kyrgyzstan Edward Gemayel praised the government's efforts in keeping the budget deficit close to its target figure at 3.5 per cent. (IMF, 2017; XinhuaNet, 2018).

However, speculations have arisen of possible *Kyrexit* if the promises more prosperous economic and social future fail to materialise. Especially, if Kyrgyzstan fails to secure support within the Union for its border issues with Uzbekistan and Tajikistan, it might not consider the membership as valuable and necessary anymore. The rocky road with the EAEU which is mainly resulting from the Russian economic turmoil might lead to Kyrgyzstan searching for optional cooperation models. (Schwartz, 2016). Even though it in my view is too early to speculate such a drastic turn, Kyrgyzstan really needs the development for which it itself cannot afford.

As Bruno Sergi (2018: p. 54) puts it: "If the EAEU were to succeed in all its economic and political goals, it would represent the EU's geopolitical contemporary in the East, attracting those European countries with non-Western historical and cultural roots seeking an alternative to the EU in order to support development, independence and political autonomy." Additionally, even though the smaller members of the Union might lose some of their sovereignty to Russia, Kremlin could simultaneously use the Union to increase its soft power status also with countries outside the Union.

Though more ought to be done towards achieving the aims of sustainable economic development and balanced opportunity for all of the member countries. The previous integration attempts have suffered from a lack of commitment and enthusiasm, and this should not be the case this time. I would not go as far as the Eurasian Development Bank announcing that the integration process would have been a major success story. It is too early to say whether the needed pieces of the puzzle find their place, though I would say that at least this time all the pieces are there.

6. Optional Alliances for Kyrgyzstan

6.1. China and the Silk Road Initiative

It is important to consider how the actors outside of the Western sphere use their wealth and influence within their power orbit. China has made a strong case in creating its own sphere of influence pursuing territorial claims and strengthening its military presence in its neighbourhood, especially at the South China Sea. China has now put forward its initiatives portraying its own views of the international politics and how the cooperation between nations ought to be operated by creating the Belt and Road Initiative (BRI). For example, the realist scholar John Mearsheimer argues that this kind of behaviour of driving for regional dominance is natural and even unavoidable consequence in the case of a rising power. (Kaczmarek, 2017: p. 1357).

With this chapter I will briefly present the BRI plan for which China has invested significant amounts of resources in political and economic means. I will focus on the component of the Silk Road Economic Belt which is directed towards the Central Asian and Caucasus region. Additionally, I will explain what this plan means for Kyrgyzstan and what is its role in the overall picture. Furthermore, I will explain why Kyrgyzstan has prioritised the EAEU and Russian relations over pursuing deepening cooperation with China.

Trade and investments form the key channels which link the Kyrgyz and Chinese economies. Additionally, both the Kyrgyz and Chinese officials aim at deepening this connection. Trade with China accounted around one fifth of Kyrgyzstan's external trade turnover and imports one quarter in 2015. By early 2016 the FDI from China to Kyrgyzstan had exceeded \$1.2 billion and contributed for average of 30 per cent of overall FDI inflow to Kyrgyzstan. Despite of some minor downturns, the overall trend with Kyrgyz-China trade relations remains positive. Furthermore, the number of Chinese business enterprises and their output are increasing. Their level of production in fact increased significantly in 2014 and 2015. This positive development is much to do with the intensifying Kyrgyz-Chinese economic relations in the context of BRI. (IMF, 2017).

Within the BRI are condensed China's political and economic ambitions, as well as how in Beijing the need for opening to the outside world is acknowledged. The BRI is not limited to a specific territory or even necessary to a continent, but instead remains open to all states whom wish to join. Within the Chinese elite the BRI and the regional cooperation is understood mainly in economic terms. The regional cooperation model of which China is proposing offers the poorer participants infrastructure as well as access to technology, of which they could not afford otherwise. This is the kind of kicker of which the western powers had never offered. (Kaczmarek, 2017: p. 1363-1364). With this ambitious programme China is planning on investing as much as \$1 trillion into new transport and trade infrastructure. Overall the BRI involves around 60 countries and its aims are to improve the Eurasian land routes' connectivity to Europe. Within these plans Central Asia has a vital role for it to succeed. (International Crisis Group, 2017: p. 2).

The primary incentive for the Chinese leadership is to elevate China's status in international politics. The elite recognises the BRI's role as a way to enhance the China's interests in a non-confrontational way as a part of its broader soft power political agenda. (Kaczmarek, 2017: p. 1364). Furthermore, with its slowing economy China is looking for new ways to boost its economic development by creating new markets. (International Crisis Group, 2017: p. 3).

Lack of strict institutional design and absence of norms make this cooperation model flexible which is designed to attract multiple partner of which all can negotiate their own entry deals. The absence of formal and universal norms of which would be binding for all participants keeps the entry barrier low for newcomers, though at the same time this gives Beijing major leeway in interpreting of what the norms should be and how they are developed. (Kaczmarek, 2017: pp. 1365-1366).

In addition to its economic aims, the Silk Road Economic Belt in Central Asia is an important part of the Chinese government's "neighbourhood diplomacy" and is aimed in creating stability and security within the region. Especially for China its major concern has been its Xinjiang Uighur Autonomous Region border the Central Asian in the East. Around 46 per cent of the local population of the region are Uighur Muslims which have had long-running tensions with the Chinese government. Furthermore, the region is rich with natural

resources of which China is aiming to utilise more effectively in the future. (International Crisis Group, 2017: pp. 3-5).

The initiative leaves open several questions, such as the responsibility for environmental protection as well as human rights aspects. The Central Asian countries have often a poor track record when examining the human rights issues within the region, and Kyrgyzstan makes no exception in this. The Chinese companies are less known for their respect towards workers' rights, no matter whether it is about their own citizens or about other nationalities. The Chinese official and company executives have been engaged with multiple cases of corruption, human rights violations and environmental misconduct in Kyrgyzstan for example. (International Crisis Group, 2017: pp. 13-14; Richardson & Williamson, 2017).

Within the past few years China has been working on to improve its image among the Central Asian states and to fade away the suspicion of its increasing influence. However, the anti-Chinese sentiment is deep rooted and racist stereotypes are widespread. These kinds of negative views are particularly common in Kazakhstan and Kyrgyzstan of which both share a lengthy border with China. According to an opinion poll executed in 2016 a majority of Kyrgyz citizens consider China as an economic threat. The anti-Chinese sentiment has often fuelled protests in Kyrgyzstan and resulted even in violent attacks against the Chinese people in the country. (International Crisis Group, 2017: pp. 10-11).

Despite of the negative views of the Kyrgyz citizens towards China and their concern over China's influence, the Kyrgyz government has put high hopes in Chinese investments and hoping for it to result in industrial breakthrough for Kyrgyzstan. China has promised to not only to invest into Kyrgyzstan's infrastructure, but additionally, that it would import manufacturing bases into Kyrgyzstan to benefit from the EAEU free movement of goods. Chinese government has already stepped in to invest into the Kyrgyzstan's energy sector after Russia withdrew from two key hydropower projects. The main attraction for China in Kyrgyzstan is to use it as a transit route to access the EAEU's internal markets. So, the question arises whether Kyrgyzstan in the long-run will in fact gain real benefits from this cooperation on local level in addition to facilitating simply the transit channel. (Lelik, 2016; Patucci, 2016).

The same caution with the future cooperation prospects apply to the Kyrgyz relations with China as for its alliance with Russia within the framework of the EAEU. In the light of the current data, the outlook for Kyrgyz-Chinese cooperation seems positive, though it is too early to confirm this as a matter of fact as long-term development. The easy access and loose norm with this cooperation makes it especially beneficial for Kyrgyzstan as it does not have to give up its alliance with Russia or the membership within the EAEU, but instead it can make the most of the both cooperation channels. China has only little political interests in addition to its economic aims, and those interests are mainly limited to securing the region's stability to avoid unrest along its own borders.

Furthermore, the cooperation with China does not include the conditional factors which are often present within the Western relations demanding to respect the human rights and western liberal norms. This cooperation model cannot be formed into something more than trade cooperation due to a one major factor: China has no interest in tying its resources to binding agreements for which it could be held accountable for. If China does not view the cooperation as beneficial for itself it wants to maintain an easy way out to redirect its investment resources somewhere else.

6.2. Kyrgyzstan and its relations with the West

In collective means, the European Union member countries contributed to only around 5 per cent of Kyrgyzstan's total trade in 2013. Similarly, the trade with the US accounted for just over one per cent in 2013. When interviewing the Kyrgyz elite Kuchins et al. (2015: pp. 21-22) discovered some practical and conceptual barriers for trade and investment cooperation with the US. For the Kyrgyz businesses the US standards and practices are often obscure and navigating among them is experienced as difficult.

The EU signed the Partnership and Cooperation Agreement with Kyrgyzstan in 1999 which has been designed as a cooperation channel for the former Soviet Republics with the EU. The agreement outlines the pillars of cooperation in terms of political dialogue, economic relations and such sectors as for example science, technology and culture. Additionally, the Kyrgyz Republic and the EU are cooperating within the European Union and Central Asia: Strategy for a New Partnership program which aims at "achieving stability and prosperity" (EU External Action, 2017).

The aid from the EU to Kyrgyzstan is budgeted to account 174 million euros with a time span of 2014-2020. The US aid for Kyrgyzstan in 2017 was budgeted at \$51.8 million. Daniel Rosenblum, the deputy assistant secretary of state for Central Asia justified the increasing aid towards the region with long-term security interests. He argued that by supporting the stability of the states in Central Asia it is possible to prevent growth of radical Islamism within the region. Both the US and the EU aim at strengthening democratic institutions and promoting respect for human rights. (Putz, 2016b; EU External Action, 2017).

Furthermore, in 2016 the EU granted Kyrgyzstan the status of GSP+ which “offers Kyrgyzstan zero customs duties on over 6,200 EU tariff lines.” In exchange, EU requires Kyrgyzstan to commit into an effective implementation of 27 core international conventions which consist the entities of human and labour rights, environmental protection and good governance. (EU External Action, 2017).

Despite of their aid contributions, Kyrgyzstan is dissatisfied with contribution of the Western countries towards its development aims and their lack of interest in deepening the political relations which Kyrgyzstan views as essential in balancing the Russian and Chinese dominance. (Kuchins et al., 2015: pp. 22-23). After closing the military base in Kyrgyzstan, the US-Kyrgyz relations have deteriorated drastically. The US officials have criticised Kyrgyz government in favouring its relations with Russia and China and for unwillingness to pursue cooperation with the US. Thus, the US has turned its attention towards more willing partners in Central Asia, such as Tajikistan and Uzbekistan, which are not members of the Russian led EAEU. Especially in Tajikistan, the US troops are cooperating with the local government in order to secure the Tajik-Afghan border from Islamic militants and drug trafficking. (Putz,2016b).

Moreover, for Kyrgyzstan the conditionality which comes with the cooperation with the US and the EU is unsettling and it views that they are intervening with its domestic politics, especially when it comes to the dialogue of the human rights issues which are ongoing debate Kyrgyzstan and its Western partners. Additionally, the demands for transparency and eradicating corruption for the public governance have not pleased the

local politicians which often prefer cooperation with China and Russia over the EU and the US, as they do not force conditionality within their relations.

During the past few years and especially following Jeenbekov's accession to power in 2017 Kyrgyzstan has begun increasing its emphasis on multivector foreign policy after his predecessor Atambayev had had his focus mainly towards Russia and China. He made this clear by visiting Russia, EU, US and China all within the first one hundred days as president.

Conclusion

According to neorealism theory the states' main goal is to secure its own survival within the anarchic international system where states are competing against each other in order to maximise their power. By maximising power, the state maximises its own chances of survival. In neorealist terms Kyrgyzstan can be considered as a weak state as it possesses little capabilities in economic and military terms. Thus, it has no capabilities to secure its own survival but needs to resort to alliances. With my thesis I have argued that the Kyrgyzstan's choice of alliance is bandwagoning, which means it has chosen to form an alliance with the hegemonic power. Though, instead of using the more traditional view of bandwagoning where the state would be aligning as a response to a significant threat, Kyrgyzstan is aiming for opportunities of gains and thus is not forced into the alliance but instead it does it willingly. The tendency to bandwagon increases with small vulnerable states which have little capabilities and here the concept of small refers to not only the actual size of the country, but to its ability to influence.

My hypothesis with my thesis was that the Kyrgyzstan's alliance with Russia within the framework of the EAEU is economically beneficial for it and helps it to secure its internal stability. Though, as a counterweight to the benefits Kyrgyzstan is putting its sovereignty and self-determination in danger with deepening its dependence on Russia. Furthermore, the short-term benefits might be deceiving and blur the reality in which Kyrgyzstan is in a dire need of economic and social reforms.

The Kyrgyzstan's political history has been turbulent as it has experienced two revolutions which have resulted a regime change and continues events of social uprisings. Additionally, it has a troubled relationship with its Central Asian neighbours which are not pleased with the Kyrgyzstan's democratic state model. Furthermore, the Central Asian borders which are relics from the Stalinist era are still contested and the weak Kyrgyz governments have been unable to secure its borders from the neighbours' violations as well as maintain control from illegal border crossing and drug trafficking.

The ties between Kyrgyzstan and Russia has remained strong despite of the fall of the Soviet Union in 1991 due to their deep grounded cultural, historical and economic

ties which never broke despite of the formal separation. The Russian language continues to maintain its position as the *Lingua Franca* within the Central Asia. Kyrgyzstan's vulnerability and internal instability keep dominating the Kyrgyz-Russian relations as the domestic turbulences has resulted in two violent regime changes and the ruling elite has failed to solve the fundamental problems which contributed to these events.

Furthermore, despite of the continuing and ever deepening cooperation with Russia and later the EAEU Kyrgyzstan has been able to maintain its pluralist foreign policy aims and continues its economic and political cooperation with China and the West. Though with its relations to the Western partners Kyrgyzstan would prefer more in terms of economic cooperation and less conditionality. Whereas China has taken its position as Kyrgyzstan's most important economic partner, Russia remains as Kyrgyzstan's closest ally in political means.

The post-Soviet space has seen multiple of integration attempts of which all the previous ones have somewhat failed. EAEU is different with its clear and functioning institutions which provide transparent rule-based foundation for economic cooperation. All of the members are lacking from their economic potential and are in need of economic development. Strong links already combine these members as not long ago they were part of a single country.

Kyrgyzstan's decision to join the EAEU was influenced by two major factors; Moscow's guarantees of increasing investments to the Kyrgyz economy and infrastructure, and along with the membership a major issue was solved due to the EAEU agreement on free movement of labour which guarantees the Kyrgyz migrants working in Russia and Kazakhstan a legal status. When comparing the FDI inflows and migrant situation with Tajikistan, it is clear that the Kyrgyzstan's accession to the Union had a major positive impact. The FDI to Kyrgyzstan has increased due to its accession in the Union and the conditions for its labour migrants have improved.

Furthermore, despite of the major setbacks in the beginning, such as the Russian economic recession which was due to the drop-in oil prices and the Western sanctions, the EAEU has been able to maintain its support among its member states. The economic turmoil in Russia had major impact on the other members states, and in the case

of Kyrgyzstan as it is heavily dependent on the Russian economic success in the means of direct support as well as economic migration it resulted as increasing instability and uncertainty.

Kyrgyzstan was ill prepared for the membership and it has continuously struggled to meet the requirements to pursue free trade within the EAEU. The increased external tariffs have had unfavourable impact on the Kyrgyzstan's economy by affecting the important retail industry in which the Kyrgyz vendors resell Chinese goods to the other post-Soviet countries. The retail imports from China decreased due to the increased tariffs, though there are agreements that China would in some measure transfer its manufacturing industry to Kyrgyzstan. But then again, the more transparent and predictable investment environment attracts foreign investment and is exactly what the Kyrgyz economy is lacking, and also is beneficial on a long-run.

The issue of labour migration can hardly be over emphasised, as already mentioned, it represents an essential part of the Kyrgyz economy with its share of around one third of the GDP. Additionally, the remittances act as a determinant to the Kyrgyzstan's internal stability and reduces domestic problems. The importance of the labour migration cannot be overestimated as more than half a million Kyrgyz citizens travel abroad to find work. Though, this is not a sustainable economic model in a long-run and as the membership within the EAEU eases the domestic pressure for reforms, it is not the final solution. More needs to be done towards economic and social development as the membership does not erase the deep grounding problems in the Kyrgyz society.

Within the Central Asian region, the Kyrgyz Republic has been an oddity with its democratic model of society. In comparison to its autocratic neighbours it has been called as the oasis of democracy in Central Asia. Though, the integration with the increasingly autocratic Russia and the other members, some human rights organisations and Western countries have raised concerns over Kyrgyzstan's democratic development in the future. Especially, it has been speculated that in a case of political turmoil Kyrgyzstan would probably not receive assistance in maintaining its democratic course. Though, despite of the lack of support in democratic means Kyrgyzstan has by far managed to maintain its

democratic course and as the latest presidential elections in autumn 2017 demonstrated that it has the capability to execute democratic governance.

To conclude, I would not call the EAEU as major success story but in my view, it has been a subject of criticism in unnecessary measures. Despite of the uncertain prospects, the Union has been functioning for just over two years and more time is required for assessing the development before making comprehensive and final condemnations. When considering of the past integration projects in the post-Soviet region one cannot say that future prospects of the EAEU look good, but in my view, it is still necessary to wait before a complete assessment about the project can be made.

There is no doubt in my mind that the EAEU and the member states' economic integration with Russia would expose the participants deeper into dependency with Russia in economic and political terms. Though, as mentioned above, attractive alternatives for Kyrgyzstan are scarce. In 2014 the president Atambayev concluded: "we are choosing the lesser of two evils. We have no other option." (Atambayev cited in Putz, 2016a) With his statement he clarifies that it is better to be within the Russian led EAEU than face the uncertainty of the relations with China, or worse, be left alone.

Kyrgyzstan is in a dire need of an alliance which would help it to secure stability and provide support in its disputes with the neighbouring countries. With its small economy and poor resources, it has only little capability to maintain economic or social development. The speculations about "Kyrexit" are in my view premature as by far Kyrgyzstan is a clear beneficiary in economic and social means.

The EAEU is definitely the most ambitious and successful model of the post-Soviet integration processes. If succeeding, the EAEU integration could push the member countries to implement the kind of institutional reforms which are badly needed in order for these countries to become globally competitive. The previous integration attempts have failed due to the lack of incentives for implementing the necessary reforms. In my view the EAEU provides good incentives for its members in order to keep them in the course of development and possesses all the ingredients for a major success story.

For further research, more focus should be aimed at Kyrgyzstan's role in the EAEU and instead of what it would gain from this alliance one should also consider the question what Kyrgyzstan can provide for the Union. For example, as noted that the majority of the members are autocratic would Kyrgyzstan be able to provide them a model of democracy suitable for considering? Additionally, as the decision making in the Union is based on consensus which favours the smaller states, it is necessary to examine how effectively Kyrgyzstan is using this opportunity to enhance its own interests within the Union.

In economic means, more research should be aimed at how Kyrgyzstan manages to boost its own production for value-added goods over its retail businesses and remittances relied economic model. To develop its economic model Kyrgyzstan would be able to generate jobs to reduce migration and thus also prevent further brain drain. Furthermore, Kyrgyzstan should pursue for more modernisation with its economy for which it would be able to harness assistance from its cooperation with the EU and China.

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