

CONTENTS



KAZISS

Kazakhstan Institute
for Strategic Studies under
the President of the Republic
of Kazakhstan

Issued Quarterly Since 2003

Editor-in-Chief

IRINA CHERNYKH

Chief Research Fellow of KazISS

Editor

ANASTASSIYA RESHETNYAK

Senior Research Fellow of KazISS

Responsible for publication:

Almas Arzikulov

Layout:

Ernar Imangaliev

Translation by LLC «Delta Consulting Group»

Address:

Kazakhstan Institute
for Strategic Studies under the President
of the Republic of Kazakhstan
4, Beybitshilik St.
Astana, 010000, Republic of Kazakhstan

Phone: (7172) 75 20 20

Fax: (7172) 75 20 21

E-mail: office@kisi.kz

www.kisi.kz

This Journal was registered
with the Ministry of Culture and Information
of the Republic of Kazakhstan
on January 24, 2003.

Registration certificate No. 3529-zh.

ISSN 2414-570X

None of the articles shall be
reproduced without reference to the
Journal.

The opinion of the editorial board may
differ from that of the authors
of articles.

Printed by Limited liability
"Society of the Disabled "ZAMAN"
VP-6, 22/2, Manas str., Astana city
Copies 350.

EURASIAN SPACE: GLOBAL TRENDS, REGIONAL PROCESSES

Murat Laumulin

The Current Political Development and International Position of
"Post-Karimov" Uzbekistan (The View of Western Experts).....7

Georgy Dubovtsev

Eurasian Security: Current Issues and Ways of
Ensuring Security in the Region26

Alibek Yermekov

Evolution of the Nuclear Strategy after end of the Cold War.
Main Vectors of Strategic Development34

Vyacheslav Dodonov

Consequences of Russia's Sell-off of the U.S. Treasuries -
Evaluation of Stability of American State Finance Affecting42

Ademi Yerasylova

Enhancing the Role of Kazakhstan's Agricultural Exports
in the Agrarian Market of the Eurasian Economic Union.....48

МАЗМҰНЫ



KAZISS
Kazakhstan Institute
for Strategic Studies under
the President of the Republic
of Kazakhstan

Бас редактор
ИРИНА ЧЕРНЫХ
ҚСЗИ-дың бас ғылыми қызметкері

Редактор
АНАСТАСИЯ РЕШЕТНЯК
ҚСЗИ-дың аға ғылыми қызметкері

Басуға жауапты:
Алмас Арзықұлов
Беттеу:
Ернар Иманғалиев
Аударма: ЖШС «Астана білім ордасы»

Мекен-жайы:
Қазақстан Республикасының Президенті
жанындағы Қазақстан стратегиялық
зерттеулер институты
010000, Қазақстан Республикасы, Астана,
Бейбітшілік көш, 4

Телефон: (7172) 75 20 20
Факс: (7172) 75 20 21
E-mail: office@kisi.kz
www.kisi.kz

Журнал Қазақстан Республикасының
мәдениет және ақпарат министрлігінде
2003 жылдың 24 қаңтарында тіркелген

Тіркеу туралы №. 3529-ж. күәлігі берілді

ISSN 2414-570X

Мақалаларды көшіріп басқан жағдайда
журналға сілтеме жасалынуы тиіс.

Мақала авторларының пікірі редакция
көзқарасымен сәйкес келмеуі мүмкін

"Общество инвалидов "ЗАМАН" ЖШС
Астана қ., Манас к., 22/2, ВП-6
баспасынан басылып шығарылды

350 дана.

ЕУРАЗИЯ КЕҢІСТІГІ: ЖАҒАНДЫҚ ТРЕНДТЕР, АЙМАҚТЫҚ ҮДЕРІСТЕР

Мұрат Лаумулин
Өзбекстанның «Каримов кезеңінен кейінгі»
саяси дамуы және халықаралық позициясы
(батыстық сарапшылардың пікірі) 7

Георгий Дубовцев
Еуразиялық қауіпсіздік: өзекті мәселелері
мен қамтамасыз етудің механизмдері 26

Әлібек Ермеков
«Қырғи-қабақ» соғыстан кейінгі ядролық стратегияның
эволюциясы. Стратегиялық дамудың негізгі векторлары 34

Вячеслав Додонов
АҚШ-тың қазынашылық міндеттемелерін Ресей тарапынан
сатылуының салдарлары – американдық мемлекеттік қаржы
тұрақтылығына ықпалын бағамдау 42

Әдемі Ерасылова
Еуразиялық экономикалық одақтың аграрлық
нарығында Қазақстанның ауыл шаруашылығы
тауарлары экспортының рөлін арттыру 48

СОДЕРЖАНИЕ

**KAZISS**Kazakhstan Institute
for Strategic Studies under
the President of the Republic
of Kazakhstan

Главный редактор
ИРИНА ЧЕРНЫХ
Главный научный сотрудник КИСИ

Редактор
АНАСТАСИЯ РЕШЕТНЯК
Старший научный сотрудник КИСИ

Ответственный за публикацию:
Алмас Арзикулов
Верстка:
Ернар Имангалиев

Перевод: ТОО «Астана білім ордасы»

Адрес:
Казахстанский институт стратегических
исследований при Президенте
Республики Казахстан
010000, Республика Казахстан, Астана
ул. Бейбитшилик 4

Телефон: (7172) 75 20 20
Факс: (7172) 75 20 21
E-mail: office@kisi.kz
www.kisi.kz

Журнал зарегистрирован в Министерстве
культуры и информации Республики
Казахстан 24 января 2003 года

Регистрационное свидетельство № 3529-ж.

ISSN 2414-570X

Статьи не могут быть воспроизведены
без ссылки на Журнал.

Мнение редакторской коллегии может
отличаться от мнения авторов статей

Отпечатано ТОО "Общество инвалидов
"ЗАМАН" г.Астана, МАНАСА, 22/2, ВП-6

350 экз.

ЕВРАЗИЙСКОЕ ПРОСТРАНСТВО: ГЛОБАЛЬНЫЕ ТРЕНДЫ, РЕГИОНАЛЬНЫЕ ПРОЦЕССЫ

Мурат Лаумулин

Современное политическое развитие
и международная позиция «пост-Каримовского»
Узбекистана (взгляд западных экспертов) 7

Георгий Дубовцев

Евразийская безопасность: актуальные проблемы
и механизмы ее обеспечения 26

Алибек Ермеков

Эволюция ядерной стратегии после окончания холодной
войны. Основные векторы стратегического развития 34

Вячеслав Додонов

Последствия продажи Россией казначейских обязательств
США – оценка влияния на стабильность американских
государственных финансов 42

Адеми Ерасылова

Повышение роли экспорта сельскохозяйственных
товаров Казахстана на аграрном рынке Евразийского
экономического союза 48

THE EDITORIAL BOARD



Maulen Ashimbayev	The Chairman of the Editorial Board, First Deputy Chairman of the "Nur Otan" Party, Candidate of Political Sciences
Irina Chernykh	Editor-in-Chief, the Chief Research Fellow of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, Doctor of Historical Sciences
Anastassiya Reshetnyak	Editor, Senior Research Fellow at the Department of International Studies the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, Master of International Relations
Sanat Kushkumbayev	Deputy Director of the Kazakhstan Institute for Strategic Studies under the President of RK, Doctor of Political Sciences
Murat Laumulin	Chief Research Fellow of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, Doctor of Political Sciences
Konstantin Syroyezhkin	Chief Research Fellow of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, Doctor of Political Sciences
Timur Dadabayev	Professor of International Relations, Director of Combined MA/Ph.D. Program for Japanese and Eurasian Studies at the Faculty of Social Sciences and Humanities, University of Tsukuba, Ph.D. (Japan)
Marlène Laruelle	Director of the Central Asia Program (CAP) of the Institute for European, Russian and Eurasian Studies (IERES) at the Elliot School of International Affairs at the George Washington University, Ph.D. (USA)
Thomas Ruttig	Director of Afghanistan Analysts Network (AAN), Ph.D. (Germany)
Ding Xiaoxing	Head of the Central Asia Department at the China Institute of Contemporary International Relations (China)

РЕДАКЦИЯЛЫҚ КЕҢЕС



Мәулен Әшімбаев	Редакциялық кеңестің төрағасы, "Нұр Отан" партиясы Төрағасының Бірінші орынбасары, саяси ғылымдарының кандидаты
Ирина Черных	Бас редактор, ҚР Президенті жанындағы Қазақстанның стратегиялық зерттеулер институтының бас ғылыми қызметкері, тарих ғылымдарының докторы
Анастасия Решетняк	Редактор, ҚР Президенті жанындағы Қазақстанның стратегиялық зерттеулер институтының Халықаралық зерттеулер бөлімінің аға ғылыми қызметкері, әлеуметтік ғылымдары магистрі
Санат Көшкімбаев	ҚР Президенті жанындағы Қазақстанның стратегиялық зерттеулер институты директорының орынбасары, саяси ғылымдарының докторы
Мұрат Лаумулин	ҚР Президенті жанындағы Қазақстанның стратегиялық зерттеулер институтының бас ғылыми қызметкері, саяси ғылымдарының докторы
Константин Сыроежкин	ҚР Президенті жанындағы Қазақстанның стратегиялық зерттеулер институтының бас ғылыми қызметкері, саяси ғылымдарының докторы
Тимур Дадабаев	Халықаралық қатынастар кафедрасының доценті, Цукуба Университеті Әлеуметтік және гуманитарлық ғылымдар факультетінің жапон және еуразиялық зерттеулерге арналған біріктірілген MA/Ph.D. бағдарламасының директоры, Ph.D. (Жапония)
Марлен Ларуэль	Джордж Вашингтон университеті Эллиот Халықаралық қатынастар мектебі Орталық Азияны зерттеу бағдарламасының жетекшісі, Ph.D. (АҚШ)
Томас Руттиг	Ауғанстан бойынша сарапшылар желісінің директоры, Ph.D. (Германия)
Дин Сяосин	Қытайлық заманауи халықаралық қатынастар институтының Орталық Азияны зерттеу бөлімінің директоры (Қытай)

РЕДАКЦИОННЫЙ СОВЕТ



Маулен Ашимбаев	Председатель Редакционного совета, Первый заместитель Председателя партии "Нур Отан", кандидат политических наук
Ирина Черных	Шеф-редактор, главный научный сотрудник Казахстанского института стратегических исследований при Президенте РК, доктор исторических наук
Анастасия Решетняк	Редактор, старший научный сотрудник Отдела международных исследований Казахстанского института стратегических исследований при Президенте РК, магистр социальных наук
Санат Кушкумбаев	Заместитель директора Казахстанского института стратегических исследований при Президенте РК, доктор политических наук
Мурат Лаумулин	Главный научный сотрудник Казахстанского института стратегических исследований при Президенте РК, доктор политических наук
Константин Сыроежкин	Главный научный сотрудник Казахстанского института стратегических исследований при Президенте РК, доктор политических наук
Тимур Дадабаев	Доцент кафедры международных отношений, директор Объединенной программы магистратуры и Ph.D. докторантуры по японским и евразийским исследованиям факультета социальных и гуманитарных наук Университета Цукуба, доктор Ph.D. (Япония)
Марлен Ларуэль	Руководитель программы по изучению Центральной Азии Школы Международных отношений Эллиота университета Джорджа Вашингтона, доктор Ph.D. (США)
Томас Руттиг	Директор Сети аналитиков по Афганистану, доктор Ph.D. (Германия)
Дин Сяосин	Директор отдела по изучению Центральной Азии Китайской академии современных международных отношений (Китай)

MPHTI
11.25.40

THE CURRENT POLITICAL DEVELOPMENT AND INTERNATIONAL POSITION OF “POST-KARIMOV” UZBEKISTAN (THE VIEW OF WESTERN EXPERTS)

Murat Laumulin

The Chief Research Fellow of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, Doctor of Political Sciences

Abstract. 2018 year was proclaimed as «Year of entrepreneurship, innovation ideas and technologies» in the Republic of Uzbekistan (RU). In turn, Central Asian political science could proclaim with good reason this year as a year of Uzbekistan which attracted attention from western researches. Result became whole series (call it «uzbek») works dedicated to reforms, initiated by new leadership of the country Shavkat Mirziyoyev.

As a matter of fact, this factor became a basic reason of the highly attention to Tashkent from foreign and predominantly – western political science. The first in a row of experts was Marlene Laruel, who, as early as December 2017, prepared as an editor a publication in which she tried to reflect the first results and main directions of reforms carried out by the second president of the RU. But the bulk of research came from the depths of the Institute of Central Asia and the Caucasus of the J. Hopkins University under the guidance of prof. F. Starr. They represent a number of separate works, the results of which were then combined by F. Starr into a coherent monograph. These works reflected almost all areas - foreign policy, domestic political, economic, legal and religious - reforms of Uzbek society and state policy.

Key words: *Central Asia, Uzbekistan, reforms, domestic and foreign policy, political science, studies.*

ЎЗБЕКСТАННИҲ «КАРИМОВ КЕЗЕҒИНАН КЕЙИҒИ» САЯСИ ДАМУЫ ЖӘНЕ ХАЛЫҚАРАЛЫҚ ПОЗИЦИЯСЫ (БАТЫСТЫҚ САРАПШЫЛАРДЫҒ ПІКІРІ)

Мұрат Лаумулин

Андатпа. 2018 жылы Өзбекстан Республикасында «Кәсіпкерлік, инновациялық идеялар және технологиялар жылы» деп жарияланды. Өз кезегінде, орталықазия саяси ғылымы биылғы жылды батыстық зерттеушілердің назарын өзіне аударған Өзбекстан жылы деп жариялауына толық негізі бар. Нәтижесінде елдің жаңа көшбасшысы Шавкат Мирзиёев бастаған реформаларға арналған бірқатар жұмыстардың тұтастай сериясы («өзбектік» деп атайық) жарыққа шықты.

Шын мәнінде, бұл фактор Ташкентке шетелдік, көбінесе Батыс саясаттануының үлкен қызығушылығын тудырған басты себеп болды. Сарапшылардың қатарында бірінші болып Марлен Ларюэль редактор ретінде 2017 жылдың желтоқсанында Өзбекстанның екінші президенті жүргізген реформалардың алғашқы нәтижелерін және негізгі бағыттарын көрсетуге тырысатын жинақ дайындады. Зерттеудің басым бөлігі Дж.Хопкинс университетінің Орталық Азия мен Кавказ институтының профессоры Ф. Старр басшылығымен жарыққа шықты. Бұл зерттеулерді Ф. Старр бір монографияға біріктірді. Зерттеулерде өзбек қоғамы мен мемлекеттік саясат реформаларының сыртқы саясат, ішкі саяси, экономкалық, құқықтық және діни бағыттары қамтылды.

Түйін сөздер: Орталық Азия, Өзбекстан, реформалар, ішкі және сыртқы саясат, саясаттану, зерттеу.

СОВРЕМЕННОЕ ПОЛИТИЧЕСКОЕ РАЗВИТИЕ И МЕЖДУНАРОДНАЯ ПОЗИЦИЯ «ПОСТ-КАРИМОВСКОГО» УЗБЕКИСТАНА (ВЗГЛЯД ЗАПАДНЫХ ЭКСПЕРТОВ)

Мурат Лаумулин

Аннотация. 2018 год был провозглашен в Республике Узбекистан (РУ) «Годом предпринимательства, инновационных идей и технологий». В свою очередь, центральноазиатская политология могла бы с полным основанием провозгласить этот год годом Узбекистана, который привлек к себе пристальное внимание со стороны западных исследователей. Результатом стала целая серия (назовем ее «узбекской») работ, посвященных реформам, инициированных новым лидером страны Шавкатом Мирзиёевым.

Собственно говоря, этот фактор и стал основной причиной повышенного внимания к Ташкенту со стороны зарубежной, преимущественно – западной политологии. Первой в ряду экспертов стала Марлен Ларюэль, которая еще в декабре 2017 года подготовила в качестве редактора издание, в котором попыталась отразить первые результаты и основные направления проводимых вторым президентом РУ реформ. Но основной массив исследований вышел из недр Института Центральной Азии и Кавказа университета Дж.Хопкинса под руководством проф. Ф.Старра. Они представляют собой ряд отдельных работ, результаты которых затем Ф.Старр объединил в цельную монографию. Данные работы отразили практически все направления – внешнеполитическое, внутривполитическое, экономическое, правовое и религиозное – реформ узбекского общества и политики государства.

Ключевые слова: Центральная Азия, Узбекистан, реформы, внутренняя и внешняя политика, политология, исследования.

In 2018, Uzbekistan became the Central Asian State mostly focused by Western political scientists. It was resulted the events following the changing of power from President Islam Karimov to his successor Shavkat Mirziyoyev, who has initiated the massive inner reforms and new course for external policy.

As Dr. Marlene Laruelle noted, Uzbekistan has attracted the attention of the academic and policy communities because of its geostrategic importance, its critical role in shaping or unshaping Central Asia as a region, its economic and trade potential, and its demographic weight: every other Central Asian being Uzbek, Uzbekistan's political, social, and cultural evolutions largely exemplify the transformations of the region as a whole. And yet, more than 25 years after the collapse of the Soviet Union, evaluating Uzbekistan's post-Soviet transformation remains complicated. Practitioners and scholars have seen access to sources, data, and fieldwork progressively restricted since the early 2000s. The death of President Islam Karimov, in power for a quarter of century, in late 2016, reopened the future of the country, offering it more room for evolution [1].

It is difficult to underestimate the strategic importance of Uzbekistan. Located in the heart of Central Asia, bordering all other post-Soviet states of the region and Afghanistan, Uzbekistan is Central Asia's most populous state (thirty-one million), the largest market, and fields the largest army (with some fifty thousand troops). Despite a large Uzbek ethnic majority (over 85 percent) it is also home to various ethnic minority groups. Almost three million ethnic Uzbeks are clustered in the border regions of the other post-Soviet Central Asian republics, and another three million live in Afghanistan, making Uzbeks the largest ethnic community in the region. Despite the many challenges the country faced in 1991, including a total lack of experience in conducting foreign affairs, Uzbekistan has been an important strategic player in the region throughout the entire post-Soviet period. Moreover, President Islam Karimov's Uzbekistan was a predictable international actor. Its international partners knew what to expect from him.

The death of Karimov in September 2016, after twenty-seven years in office, raises questions about the domestic political order and the evolution of state–society relations.

Uzbekistan has been a predictable, if difficult actor in early twenty-first century global and regional politics. Three main debates concerning Uzbekistan's foreign policy have emerged in the scholarly and policy literature. The first debate concerns the key drivers of Uzbekistan's foreign policy.

Although some observers have noted the importance of the regional strategic environment, itself in flux, and more systemic-level factors, most acknowledge the overwhelming importance of domestic factors, such as regime security and survival, centralization of decision-making, the role of the security services, and prestige.

The second debate, which attracted considerable attention given the significant geopolitical implication of such moves, revolved around the country's sudden and abrupt turnarounds in its international alignments. Strategic partnerships have alternated with sudden reversals. After seeking to delink from Russia in the first decade after independence-while retaining membership in the Commonwealth of Independent States (CIS) and the Collective Security Treaty Organization (CSTO)-Uzbekistan leveraged its position on Afghanistan's doorstep to take an active role in the U.S.-led war on terror.

Not only did Tashkent allow Washington to use its base at Qarshi-Khanabad in 2001, it also engaged in active intelligence collection and sharing. Only a few years later, in 2005, growing Western pressure on issues of human rights abuses and the lack of political and economic reform convinced the leadership in Tashkent that vulnerability to Western pressure risked jeopardizing regime security. That fall, a few weeks after Tashkent evicted U.S. troops from its base, Uzbekistan and Russia signed a new strategic partnership agreement.

The third debate, central to the analysis below and quite possibly to the future course of Uzbekistan's international conduct, examines the link between identity and foreign policy. In the first decade after independence, scholars focused more

on the possibility that contested borders, territorial oddities like the enclaves in the Fergana Valley, and cross-border minority groups might trigger the intervention of their respective patron states, leading to domino effects of territorial claims and possible separatist and irredentist claims.

The death of President Karimov raises a number of questions about Uzbekistan's foreign policy and, more broadly, Central Asian security. Two issues merit close monitoring. Uzbekistan's response to the Osh events was a clear demonstration of Tashkent's worldview and how the country would, and should, behave in international affairs.

The first concerns nonalignment, specifically the reluctance to tie itself too closely to any external player or even to participate actively to any regional organization. Tashkent's refusal to intervene militarily or even to support the role of any regional organization (SCO or CSTO) or that of a specific country (Russia) to stop the violence and mediate between the parties in 2010 was clearly restated in the 2012 Foreign Policy Concept. Karimov's position was adamant, and his opposition to the Russia-led Eurasian Economic Union and even the alleged-from Tashkent's perspective-transformation of the CSTO into a military bloc was equally indisputable. Uzbekistan's international partners, including Russia (which will hope for a reversal of this position), China (a close commercial partner), and the United States will follow the moves of the new leadership closely. The second key area to watch again relates to the Osh response. Ethnicity has played a negligible role in shaping Uzbekistan's foreign policy to date. This might be Karimov's single largest contribution to Central Asian security.

From 1989 to 2016, Islam Karimov presided over Uzbekistan and its destiny. His death, announced on September 2, 2016, reopened the future of the country and multiple possible paths of development. One year after the death of the "father of the nation," there have been modest yet enlightening changes, more significant than those that occurred in Turkmenistan after the sudden death of President Saparmurat Niyazov in 2006.

The new Uzbek president, Shavkat Mirziyoyev, is a member of the country's political elite. He became prime minister in 2003 and

held that post until he assumed the presidency in 2016. He is emphasizing continuity and has issued a decree to immortalize Islam Karimov's memory. Uzbekistan's political system has been stable for more than two decades thanks to its close control over economic development. The country's wealth essentially derives from a few major industries and resources-cotton, gold, uranium, and hydrocarbons-with a limited private sector, which contributes to consolidating elites around few rent-seeking opportunities. This migration flow heads mostly toward Russia. With about three million jobseekers, Uzbekistan is the leading migrant-sending country in post-Soviet space, even if the authorities refuse to recognize this massive trend.

Migrants themselves must decide whether their exodus is permanent (should they stay for a long time and integrate somewhat into Russian society?) or temporary (accumulate some capital and then go back home). Labor migration also plays a critical role in changing an individual's relationship to Islam and Islamic practices. The Uzbek state's tight control over religious matters has prompted varied responses from different segments of society. Some support the state vision of being a secular fortress against Islamic destabilization. Others prefer to confine to their religious practices to the home [2].

Uzbekistan's New Foreign Policy

During the year following Shavkat Mirziyoyev's election as president of the Republic of Uzbekistan he has introduced dramatic changes in that country. Some of these changes have come in the form of legislative acts of the Oliy Majlis or Supreme Assembly, Uzbekistan's parliament. Others have taken the form of administrative orders issued by the President or his principal Ministers. At no other time since Uzbekistan's establishment as an independent state have more innovations been introduced, or with greater speed.

Since these changes are bound to affect Uzbekistan's internal economic, social, and political life, and since they directly affect Uzbekistan's ties with its regional neighbors and its relations with all the world's major powers.

As part of this effort, we are pleased to present this study by Richard Weitz [3], who offers a comprehensive and meticulously documented overview of new initiatives affecting Uzbekistan's foreign policy, both towards its neighbors and major external powers.

Since Uzbekistan gained independence in 1991, its government has sought to maximize its national security and sovereignty by limiting dependence on foreign actors. This priority has continued under former President Islam Karimov and current leader Shavkat Mirziyoyev. Mirziyoyev's foreign policy builds upon that of Karimov. Even as Tashkent has recently sought to improve ties with Central Asian neighbors and deepen relations with some international institutions, the Uzbek government still strives for balanced relations with external great powers like Russia, China, and the United States. Uzbekistan's foreign policy still adheres to core principles such as abstention from military alliances or the Moscow-led Eurasian Economic Union; refusal to deploy Uzbek troops beyond its national territory or to host foreign military bases; and non-intervention in the internal affairs of foreign countries. These continuities are unsurprising since many of the security challenges that faced the Karimov administration persist today, including transnational terrorism, underdeveloped regional transportation infrastructure, and contested Eurasian borders and water usage rights.

Notwithstanding these continuities in strategy, Uzbekistan foreign policy tactics have clearly changed over the past year following Mirziyoyev's ascent to the presidency. A flurry of significant new policy initiatives that have differentiated his foreign policy from that of his predecessor. Furthermore, Uzbek officials have emphasized more the imperative of cooperating with other Central Asian countries, while Uzbek leaders have adopted a more amicable tone with all their regional counterparts. For example, they have called for a joint effort to build regional power stations and share electricity, reducing a source of regional conflict. Mirziyoyev has personally travelled to many neighboring countries, signing important socioeconomic and security agreements during these visits.

Many business leaders have accompanied these presidential delegations. Meanwhile, Tashkent has welcomed representatives of leading international institutions, as well as major foreign governments. Mirziyoyev has also traveled to Moscow, Beijing, and the United States in pursuit of business deals, diplomatic support, and security partnerships. His administration's domestic reforms partly aim to make the country a more attractive partner to the West, even as Uzbekistan continues to deepen economic ties with Russia and China.

Uzbekistan's expanded engagement with foreign partners and international institutions contributes to improved relations with its Central Asian neighbors. Recent Uzbek initiatives have led to the construction of new transportation infrastructure, economic deregulation to simplify business entrepreneurship, liberalizing of national currency controls, and other market-oriented reforms in pursuit of Uzbekistan's goal of becoming a regional transportation and investment hub. These new tactics should help Uzbekistan better leverage its natural advantages, such as its pivotal geographic location. In particular, Uzbekistan is strategically positioned to benefit from China's infrastructure investment across Eurasia. Besides developing additional economic connections, the Uzbek government's new foreign policy approach could also generate social and economic opportunities for its citizens, strengthen the regional capacity to manage transnational threats, raise Uzbekistan's foreign economic profile beyond Central Asia, and help maintain geographic pluralism in the heart of Eurasia.

For the first time in decades, Uzbekistan's foreign policy is in great flux. In his first year as the country's new president, Shavkat Mirziyoyev was a man in motion, visiting more than a dozen countries and overseeing significant new policy initiatives. These included strengthening foreign economic cooperation, ending public quarrels with neighbors, easing travel restrictions, and making Central Asian solidarity a core foreign policy goal. During the August 2017 Conference on "Central Asia – A Major Priority of Uzbekistan's Foreign Policy," Uzbekistan's Foreign Minister Abdulaziz Kamilov emphasized the gov-

ernment's determination to transform Eurasia into an area of "stability, sustainable development and good-neighborliness." At the same time, Uzbekistan has remained committed to the principles of non-intervention in the internal affairs of foreign countries; non-membership in foreign military alliances or the Eurasian Economic Union; non-deployment of Uzbek troops in foreign countries; and nonacceptance of foreign military bases on Uzbekistan's territory.

Following the Soviet Union's collapse in 1991, Uzbek leaders attempted to preserve essential security, economic, and other multilateral connections while opposing Russian initiatives that could undermine national independence. Relations with other Central Asian states suffered from competing territorial claims, water access disputes, and Uzbekistan's prioritization of border and internal security over foreign engagement and regional integration. The government assertively leveraged Uzbekistan's strategic geography-located in the heart of Eurasia, adjoining all the other Central Asian countries and Afghanistan, but not bordering China or Russia – to extract concessions from neighboring states and to maximize strategic autonomy from Moscow and Beijing.

The foreign policy challenges facing Uzbekistan have not substantially changed under the Mirziyoyev administration. Uzbekistan still confronts such major challenges as transnational terrorism, narcotics trafficking, contested water access, limited energy export revenue, reduced remittances from Uzbeks working in foreign countries, and the need to balance external powers. Like Uzbekistan's 2012 Foreign Policy Concept, the newly adopted "Development Strategy for 2017-2021" emphasizes national independence and sovereignty, as well as the maintenance of balanced relations with other countries. However, the Mirziyoyev government has adjusted some tactics in the pursuit of these enduring objectives. For example, the "Development Strategy" establishes such goals as:

- Joining the ranks of developed democratic states;
- The creation of a security, stability and good neighborliness belt around Uzbekistan;
- Strengthening the international reputation of the Republic of Uzbekistan, making available to

the international community of the objective information on the ongoing reforms in the country;

- Improving the legal framework of the foreign policy and foreign economic activities of the Republic of Uzbekistan, as well as the legal basis for international cooperation;
- Resolving issues of delimitation and demarcation of the state boundary of the Republic of Uzbekistan.

At home, the new government has focused on economic reforms, which aim to curtail central planning, promote private business, encourage foreign investment, pursue diversification, liberalize currency regulations, spur technological innovation, and eliminate corruption and the informal economy. Abroad, the Mirziyoyev administration has promoted two-way trade, investment, and deepened engagement with international economic institutions; pursued balanced security measures with other countries, and sought opportunities within the framework of China's "One Belt One Road" (OBOR) Initiative by leveraging Uzbekistan's potential as a transportation corridor and source of regional labor [4].

The Regional Politics

President Mirziyoyev's administration is clearly seeking to improve Uzbekistan's regional standing and influence. In his end-of-year parliamentary speech, Mirziyoyev reaffirmed that, "Central Asia is the main priority in the foreign policy of Uzbekistan."¹ Uzbek leaders have highlighted Central Asians' common civilizational heritage; the interconnectedness of regional economic and security networks; the importance of collectively addressing water, energy and other transnational issues; and the need to complete the delineation of national borders that were arbitrarily drawn and redrawn by the Soviet authorities. Most of Mirziyoyev's foreign trips in 2017 were to other Central Asian countries, beginning with visits to Turkmenistan and Kazakhstan in March. New initiatives included convening regular meetings of Eurasian actors and overcoming past divisions between Uzbekistan and its neighbors.

The new government has stressed the need for greater multilateral cooperation among Central

Asian states to address transnational challenges such as water access, environmental degradation, and international terrorism. The Mirziyoyev administration has notably softened official language regarding regional watersharing issues and proposed joint development of Eurasian hydroelectric resources. Regional threats have transformed due to the rise of new terrorist groups and the potential for Eurasian nationals fighting in the Middle East to return to Central Asia. Uzbek authorities have sought to decrease the attraction of militant Islam as well as fortify national and regional defenses against terrorism through multilateral collaboration. The Uzbek government has pledged to reduce human and narcotics trafficking through its territory as well as end coerced child labor and improve human rights. It has launched various domestic and regional initiatives towards these goals. Furthermore, Uzbek-Afghan ties have strengthened in both the economic and security field due to several bilateral projects and greater participation in supporting multilateral frameworks such as those sponsored by the SCO and the EU. Uzbekistan has often promoted collective Central Asian solidarity and cooperation within these bodies.

The Development Strategy for 2017-2021 aspires to improve Uzbekistan's economic competitiveness, business environment, macroeconomic stability, investment climate, and "international cooperation, including with leading international and foreign financial institutions." The new government has accordingly deepened Uzbekistan's foreign economic ties in Eurasia and beyond.

Recent government reforms aim to boost Uzbekistan's international economic competitiveness, promote entrepreneurship, attract more foreign direct investment, and renew ties with international financial institutions. National priorities include developing tourism, supporting high-tech projects, expanding the use of renewable energy, and diversifying exports beyond natural resources.

These initiatives, such as relaxing foreign-currency regulations and participating in regional trade fairs, have contributed to Uzbekistan's growing commerce with its Central Asian neighbors. Uzbekistan's foreign economic ties encompass the South Caucasus, the United States, Europe,

as well as South and East Asia. The most visible change in Uzbekistan's foreign policy over the past year has been the government's strengthened bilateral ties with other Central Asian countries.

Mirziyoyev and other Uzbek national leaders have regularly visited their neighbors as well as hosted official visits from their representatives in enhanced inter-ministerial engagement. Provincial and private sector ties have also deepened. The last year has seen a number of bilateral economic, security, and humanitarian agreements. Closer cooperation between Central Asian states, both directly and by supporting regional initiatives, could improve regional security, trade, water usage, and energy development, while enhancing Central Asia's collective leverage with external actors.

Kazakhstan is Uzbekistan's major trading partner in Central Asia, with bilateral commerce totaling some two billion dollars in 2016. Although excessive customs duties and border controls remain constraints, Kazakh leaders see the establishment of good ties with neighboring Uzbekistan as an important measure to advancing their regional integration agenda. During his March 2017 visit to Astana, Mirziyoyev highlighted the increase in bilateral trade and praised Kazakhstan's contribution to regional security through its SCO chairmanship. The two governments signed new economic and strategic agreements that included setting up joint trading houses, promoting each other's industrial goods, and improving regional transport corridors.

Uzbekistan's ties with Kyrgyzstan substantially improved during President Mirziyoyev's first year. Previously, their contested 1,300 kilometer border witnessed several armed conflicts between border guards. Disagreements over water access were common due to Kyrgyz construction of hydropower plants that Uzbeks feared could disrupt the flow of water for the irrigation that is critical for their agriculture. On August 22, 2016, only a week before Karimov's death, long-standing Uzbek-Kyrgyz tensions over the Kasan-sai reservoir flared anew when Uzbek and Kyrgyz forces seized disputed land and each other's citizens. Under Mirziyoyev, border demarcation talks have made considerable progress.

By the time Mirziyoyev visited Kyrgyzstan in September, 2017, the two governments announced an agreement to delineate 85 percent of the border. Until recently, Uzbek-Tajik relations were tense due to border disputes, resource competition, terrorist threats, and transportation issues. To alleviate a massive energy shortage, Tajikistan has been building dams for hydroelectric power that could disrupt Uzbekistan's irrigation of its agriculture. In 2000, Uzbekistan introduced a visa regime for Tajik citizens to prevent terrorist infiltration coming through Tajikistan from Afghanistan. Uzbek authorities also periodically blocked supplies of electricity, natural gas, and other materials to Tajikistan. Under Mirziyoyev, Uzbekistan has softened opposition to Tajikistan's dam projects, reestablished direct commercial air flights between Dushanbe and Tashkent, reopened border crossings, and eased visa requirements for short-term tourist visits by Tajik citizens (sufficient to allow them to take international flights out of Uzbekistan).

Following a decade of strained relations, Uzbekistan-Turkmenistan ties improved substantially following Gurbanguly Berdimuhamedov's ascent to the presidency and Karimov's two-day official visit to Turkmenistan in 2007. In addition to shared concerns regarding regional terrorism and Russia, a major factor contributing their reconciliation was their mutual interest as Central Asia's largest natural gas producers in developing new east-west pipelines to meet China's rising energy imports.

Mirziyoyev has strived to increase this cooperation. He made his first foreign trip as president to Turkmenistan. In March 2017, Mirziyoyev and Turkmen President Gurbanguly Berdimuhamedov signed a strategic cooperation agreement and discussed joint energy, security, and transportation initiatives, such as the Turkmenistan-Uzbekistan-Tajikistan-Afghanistan-Pakistan (TUTAP) project to deliver electricity from Central Asia to South Asia.

The softer tone and stance of Uzbek leaders on bilateral issues, combined with their elevated engagement with neighboring leaders, has improved Uzbekistan's relations with the other Central Asian countries. The comprehensive range of recent ini-

tiatives have included measures to resolve border disputes, reduce cross-border travel restrictions, promote energy exchanges, expand transportation routes, and fortify regional security. Kazakhstan remains Uzbekistan's major regional trading partner and their two governments have signed additional strategic and economic agreements. More unexpectedly, Uzbekistan has ended its armed border conflicts with Kyrgyzstan, delineated most of their joint boundary, strengthened political dialogue, facilitated crossboundary trade and tourism, and developed sub-national, private sector, and NGO ties. The same surprising improvement in Uzbekistan's foreign ties has occurred with Tajikistan. Under Mirziyoyev, Uzbekistan has relaxed opposition to Tajikistan's hydroelectric projects, reestablished direct commercial air flights, reopened border crossings, eased visa requirements, and promoted commercial exchanges. Mirziyoyev has also strived to increase cooperation with Turkmenistan, building on earlier Karimov initiatives and the two countries' natural energy partnership. Taken together, the regional implications of this shift are substantial.

Relations with Great Powers

Since independence, Uzbekistan has strived to balance Russian regional ambitions and military power, China's rising socioeconomic presence, and uncertainties regarding the U.S. government sustaining a high-profile presence in Central Asia. Uzbekistan's relations with Russia and China are growing economically but bounded in the security domain. Uzbekistan has refrained from joining Moscow-led institutions, while enthusiastically pursuing opportunities within the framework of Beijing's Silk Road initiatives. Tashkent's ties with Washington have never been as extensive as Uzbekistan has hoped, but Uzbek leaders anticipate that their new reforms, commitment to counterterrorism, and balanced ties with Beijing and Moscow will prove attractive to Washington.

Uzbekistan's relations with the Russian Federation were on the uptick even before Mirziyoyev became president. Karimov's visit to Moscow in late April, 2016, saw lengthy official meetings and exceptionally friendly public statements.

Mirziyoyev has continued this rapprochement and downplayed Karimov's public suspicions of Moscow's ambitions in Eurasia. During his April 2017 state visit to Moscow, Mirziyoyev supported Uzbek-Russian cooperation against transnational threats such as those emanating from Afghanistan, transnational terrorism, and narcotics trafficking.

Following the collapse of the Soviet Union, Uzbekistan and the People's Republic of China (PRC) developed substantial diplomatic and economic ties. Uzbekistan mainly exports minerals, metals, energy, and food products to China and imports machinery, equipment, and consumer goods. Although Kazakhstan is the PRC's largest energy partner in Central Asia, China has also been developing energy ties with Uzbekistan, one of the largest natural gas producers in the world. Chinese investment increased under Karimov and has intensified under Mirziyoyev, who attended the inaugural Belt and Road Forum in Beijing in May 2017.

The more than 100 Sino-Uzbek agreements announced during the trip exceeded \$20 billion, with diverse projects encompassing agriculture, education, industry, medicine, energy, chemistry, transportation, and communications. Chinese-funded infrastructure projects could help develop Uzbekistan's interior transportation services as well as make Uzbekistan a strategic transport corridor between China, Eurasia, and Europe. Moreover, OBOR can impart more modern technology and business practices to Uzbekistan, helping move the country away from state central planning, low productivity, and continued dependence on agricultural commodities. Indeed, a major reason for Uzbekistan's "rapprochement" strategy towards neighbors has been to take greater advantage of China's OBOR initiative and maximize Uzbekistan's potential as a transportation corridor and economic partner.

Both the Karimov and Mirziyoyev administrations have pursued comprehensive ties with the United States. Specific Uzbek objectives have included expanding trade, investment, and technology transfer (including business best practices such as for agriculture exports); security assistance encompassing defense training, military equipment, and counterterrorism support; diplo-

matic approval and recognition of Uzbekistan's domestic achievements and international interests; and sustaining a substantial U.S. presence to balance other external powers.

The stated objectives of the U.S. in Uzbekistan have included fighting terrorism, countering WMD proliferation, supporting the war in Afghanistan, ensuring Uzbekistan's sovereignty and autonomy, developing bilateral economic ties, and improving human rights. Under new presidents in both Tashkent and Washington, Uzbekistan and the United States have continued to cooperate on important security, economic, and other issues. The U.S. government sustains ties with Uzbekistan's armed forces because, as an official statement put it, "Security cooperation is one way in which the United States shows its continued support of Uzbekistan's sovereignty, independence, and territorial integrity. In his September 2017 UN General Assembly address, Mirziyoyev announced that Uzbekistan would support Trump's call for Afghanistan's neighbors to promote a peaceful resolution of the country's civil strife. The Uzbek government emphasized that Trump had welcomed Uzbekistan's developing productive relations with neighboring countries and had backed the "democratic changes and economic reforms taking place in our country, aiming at strengthening of the civil society, rule of law, and liberalization of economy.

Uzbek-Russian ties have continued to expand in the past year. Mirziyoyev's April 2017 state visit to Moscow yielded new trade and investment deals. There has also been expanded collaboration regarding arms sales, military exercises, and regional diplomacy. Nevertheless, the Uzbek government has continued Karimov's non-membership policy regarding the EEU and CSTO. The good economic ties that developed between Uzbekistan and China under Karimov have expanded under Mirziyoyev, who is eager for Uzbekistan to assume a prominent role in Beijing's OBOR. Uzbek officials want to expand economic and security ties with the United States as well as secure U.S. support for their domestic reforms, whose success would make Uzbekistan a more attractive partner for U.S. business and diplomacy.

Uzbekistan's regional importance also remains unchanged. Not only does it have the largest population in Central Asia (excluding Afghanistan), but many ethnic Uzbeks live in neighboring countries, amplifying the interrelationship between events in Uzbekistan and the rest of the region. The country lies at the heart of Eurasia, situated among many possible east-west and north-south transportation corridors, making Tashkent's support critical for major regional projects and vital for Eurasia's stability and prosperity.

Political Reforms

Anthony Bowyer (Senior Program Manager for the Caucasus and Central Asia at the International Foundation for Electoral Systems) studied in his paper "Political Reform in Mirziyoyev's Uzbekistan: Elections, Political Parties and Civil Society", published by the Central Asia-Caucasus Institute and Silk Road Studies Program, and noted that since taking over from long-time President Islam Karimov in 2016, President Shavkat Mirziyoyev has pursued an aggressive policy to transform Uzbekistan's decision-making processes, invigorate civil society, encourage political competition, address human rights and develop a civic culture consistent with the country's status as a modernizing, forward-looking regional power in Eurasia with a steadily increasing majority of citizens under the age of 30. To declare significant these changes, which seem to take place daily, is to perhaps understate their potential in light of the last 30 years of history [5].

The various programs proposed by the new president and presently under implementation hold the promise of reshaping the domestic political landscape, changing the fundamental relationship between the citizen and state, and rebalancing the geopolitical order in a region long relegated as the domain of outside great powers.

Ahead of the December 2016 Presidential elections, Mirziyoyev campaigned on the principle of a government with a greater degree of openness and transparency serving the people – a novelty in the experience of independent Uzbekistan and most other post-Soviet countries.

To advance this agenda, President Mirziyoyev issued three key documents: A Program to Reform the Judicial and Legal System; an Action Strategy on Five Priority Areas of the Country's Development for 2017-2021; and a "Concept" of Administrative Reform. The Program and Action Strategy, which focus on ensuring the rule of law, reforming the judicial system, promoting economic liberalization, and the development of the social sphere, contains numerous sub-objectives which, if fully implemented, will fundamentally transform the relationship between Uzbekistan's government and its people, and elevate independent civic advocacy organizations and informal institutions, such as Mahallas, to the status of partners of the government.

The Concept for Administrative Reform aims to result in an effective and transparent system of public administration capable of protecting the rights of citizens and bolstering Uzbekistan's economic competitiveness globally. It defined six priority areas, among which are; "the improvement of the institutional, organizational, and legal framework of the executive authorities' activities" and "the formation of an effective system of professional civil service, [and] the introduction of effective mechanisms to combat corruption in the system of executive authorities."

The Concept was developed with the participation of academics, practitioners, representatives of both international organizations and civic advocacy organizations based in Uzbekistan. In developing both the Action Strategy and the Concept, the government worked to solicit participation from the general public in order to present the Concept and receive critical feedback on its further development and implementation.

Mirziyoyev's reforms have also had important implications for civil society. Rather than an adversary, the government now seeks to view civil society as an ally in its reform agenda. This was manifested in numerous legislative amendments and initiatives to ease the ability of NGOs to operate in the country. Since Mirziyoyev took office as Interim President in September 2016, 685 local civic advocacy organizations have successfully registered with the Ministry of Justice, more than an 8 percent increase. There remains much work

to be done until impediments to the work of NGOs are completely removed, but the progress is clear.

An overarching goal of the President's reform program and Action Strategy is to root out corruption and inefficiency at the local and national levels of government. The translation of written objectives into demonstrable action has proceeded apace, as local administrators from a multitude of governmental departments have been called to answer for their actions in a very public way, resulting in presidential chastisements and numerous officials being sacked for a variety of offenses. Almost half of Uzbekistan's population is under 25 years of age, and as such, the outlook of the young generation will determine the country's future. The Action Strategy prioritizes education as the cornerstone of the government's approach to the rising generation, calling for greater standardization of basic education and for gender equality.

President Mirziyoyev has demonstrated a commitment to revisiting Uzbekistan's human rights record on an international scale. One key step in this regard was the invitation extended to the United Nations High Commissioner for Human Rights. The Uzbek government announced it would allow a permanent representative of the Office of the High Commissioner for Human Rights to be based in Tashkent, and invited Human Rights Watch to resume activities in the country. However, even if all key figures continue to firmly support the new president, implementing the governance reforms proposed by Mirziyoyev will pose a formidable challenge. Besides structural changes, they call for fundamental shifts in the political culture and even the mentality of ordinary Uzbeks. Public passivity and inertia can delay or derail reforms at many levels, as can the exercise of too much or too little force from above. This will be all the more complex when it is done in the context of the new president's stated goal of broadening the political spectrum and promoting greater diversity of opinion.

The roots of the present transformation led by President Mirziyoyev are to be found in the years of his prime-ministership (2003-2016). The period saw some easing of regulations on non-governmental organizations and the resumption of banned party congresses (Erk party), along with

diversification of political parties, all of which remained pro-presidential, and the addition of the Ecological Movement to the list of legal political parties in 2008. The rapidly evolving situation at present provides hope for a true blossoming of representative governance through various state programs, including direct local elections, announced by Mirziyoyev. As with any set of decrees or state programs, however, the litmus test will be in the actual implementation of each program and in its impact on society.

Mirziyoyev campaigned on the principle of government serving the people, a novelty in the experience of independent Uzbekistan or most other post-Soviet countries, with a greater degree of openness and transparency. He indicated that this would involve direct communication between government officials and citizens through electronic channels, social media, and fora such as town halls and public meetings. He moved quickly to make local government more accountable through the expansion of direct elections and encouraged citizen groups to monitor the work of local and national administration.

The programs set in place were the first step to creating a mandate as well as a legal basis for such changes. In October 2016, the then-interim president issued a decree guaranteeing the rights and freedoms of citizens. Known formally as the "Decree on Measures to Further Reform the Judicial and Legal System," it included an action plan known as "The Program" which proposes amendments to the Uzbek constitution, criminal code, civil code, and other legislation in order to protect the rights of citizens. On February 7, 2017, Mirziyoyev approved a major program, the "Action Strategy on Five Priority Areas of the Country's Development for 2017-2021" (hereafter known as the "Action Strategy"). The adoption of the Action Strategy was preceded by extensive public consultations.

The Action Strategy includes the promise that "the timely and effective implementation of the Action Strategy shall be the top priority of all government bodies and their officials."¹⁵ The five priority areas of the Action Strategy are:

- Improving the system of state and public construction;

- Ensuring the rule of law and further reforming the judicial system;
- Economic development and liberalization;
- Development of the social sphere;
- Promoting security, inter-ethnic harmony, and religious tolerance, and the implementation of a balanced, mutually beneficial and constructive foreign policy.

Each priority area contains numerous sub-objectives which, if fully implemented, will fundamentally transform the relationship between Uzbekistan's government and its people, and elevate independent civic advocacy organizations and informal institutions, such as Mahallas, to the status of partners of the government.

On September 8, 2017, President Mirziyoyev signed a Decree "On the approval of the concept of administrative reform in the Republic of Uzbekistan" (hereafter "The Concept"). Its intent is to produce an effective and transparent system of public administration capable of protecting the rights of citizens and bolstering Uzbekistan's economic competitiveness globally.

The past year-plus has been an exceptionally eventful one for Uzbekistan and its new president, Shavkat Mirziyoyev. One year into his presidency he has launched numerous initiatives to change fundamentally how the government interacts with citizens. The "Strategy", "Action Plan" and separate decrees are already transforming the country's political makeup in the direction of responsive and accountable public institutions and an expanded world of voluntary organizations. The proposal to hold direct elections for local leaders is a positive step, as are newly instituted measures for holding elected leaders accountable to voters. The reforms also extend to expanding the political spectrum. But this will be a longer-term process, the success of which will turn on whether true opposition candidates and parties are able to register and compete for office at all levels.

Among the tasks still to be faced are those which implement reforms of local government, promote accountability and transparency, implement direct elections for regional and local Khokims, encourage Mahallas to cooperate with local government, and follow through on the democratization program, as set forth in the Ac-

tion Plan. None of these tasks will be simple or short-term. Both active and passive resistance can be predicted. Note that the National Security Service and the Finance Ministry both initially resisted a number of key reforms, and may have sought to check the President's efforts. Such incidents may be signs of possible future concerns.

Judicial and Governance Reform

Mjuša Sever (Co-founder and Director of Regional Dialogue) wrote that since President Mirziyoyev assumed power as interim president in September 2016, a major agenda of reforms has been introduced in Uzbekistan. In this broader agenda, judicial and governance reform has been identified as key to the entire reform process. After being elected president in January 2017, Mirziyoyev announced a comprehensive "Five Point Development Strategy Plan" outlining policy priorities for a five-year period. This Plan focused on improving the system of state and social construction; strengthening the rule of law and the judicial system; developing and liberalizing the economy; developing the social sphere; and improving security and implementing a balanced foreign policy [6].

The main legislative role in coordinating reforms was assigned to the Ministry of Justice, now staffed by an entirely new set of young officials. It was tasked with implementing administrative reforms, assuring that other ministries meet deadlines, reviewing draft legislation and internal regulations to bring them into line with the Constitution; and assuring that new laws comply with international standards and conventions.

A crucial element of the overall reform process is the strong political support accorded to the younger generation. Many talented young officials have been promoted to responsible posts, including as ministers and deputy ministers. In addition, a position of State Adviser on Youth has been added to the President's Cabinet. The inclusion of the younger generation led the administration to begin to pulse with new ideas. Rigidly bureaucratic modes of official interaction were abandoned as communication began to catch up with worldwide practice.

Further still in January 2017, a package of judicial reforms was introduced. These reforms aimed at ensuring that the judiciary is truly independent; increasing the authority of the courts; and at democratizing and improving the judicial system on the basis of the best national and international practices. Also highlighted, were the objectives of guaranteeing the protection of citizens' rights and freedoms; improving administrative, criminal, civil and commercial law; fighting crime and advancing crime prevention, including anticorruption measures; and strengthening the rule of law and building public trust in the legal system through communication with the public and media.

A key step in this direction was Mirziyoyev's handling of the previously all-powerful General Prosecutor's Office. At a January 2017 meeting with prosecutors, President Mirziyoyev stated that the country needed to establish efficient public control over this body, lest it again be perceived as a repressive and retaliatory institution. Sweeping changes were imposed on the internal structures and personnel of the Procuracy, designed to fundamentally transform what, along with the Ministry of the Interior and the Security Service, had long been the country's most powerful institution. The newly appointed senior staff at the General Prosecutor's Office appears clearly devoted to these reforms. The Ministry of Interior underwent similar reforms, including the screening and restructuring of its staff, while the Police Academy is undergoing an internal review as well.

A key area of reform has been the restructuring of legal education. A Presidential decree of April 2017 focused on the Tashkent State University of Law. As a result, the curriculum was updated, teaching methods modernized, and a credit system introduced. The old lecture-based approach was abandoned in favor of experiential learning. The University proceeded to hire many young professionals, some with foreign degrees. Now the University's ambition is to become the regional hub for legal studies in Central Asia. Along with these reforms, the Supreme Court is preparing to establish an Academy to train judges, candidates for judgeships, and other court personnel.

While the reforms of the past eighteen months have taken exceptional steps forward, much still remains to be done. One example is to devise a stronger role for defense counsels and to develop of a road map on how to strengthen the independence and professional capabilities of lawyers. Prior tight state controls over the licensing of defense counsels long ensured that these officers of the court would remain weak. While ongoing reforms correctly envision the role of defense counsels, little has been done to date to implement the changes that are urgently necessary.

By December 2017, President Mirziyoyev sought to further accelerate the pace of reforms. In a widely distributed speech to a joint session of parliament, he spoke of many areas in need of further reforms. This included the need to reform civil service law, and to delineate the scopes and functions of executive bodies. Another area of focus was to reduce administrative influence on economic life and transition to an economy dominated by market mechanisms. This will include transferring functions from the state to the private sector. Mirziyoyev also emphasized the anti-corruption struggle, and the need to strengthen the role of parliament. He addressed the need to improve mobility and reduce the prevalence of domestic checkpoints. Perhaps most importantly, he directly targeted the National Security Service, decrying its pervasive influence on all sectors of the state and society. Following this, the President retired the highly influential Head of the Security Service (who had been in place for almost two decades) and launched an effort to modernize the Security Services.

While these reforms are a work in progress and many remain at the declarative level, they have already had important implications. For example, the enlivened new leadership transformed Uzbekistan's previously dull media environment almost overnight. News in Uzbekistan nowadays is meaningful, timely and critical. It is true that media still mask criticism behind quotes from political leaders, but they no longer speak with only one voice. The media has become more timely and trustworthy, with more reporting on international affairs as well. The government claims that it wants the media to be stronger.

However, there is still a lack of analytical articles and editorials that critically review the ongoing reform processes around the country. Moreover, the country's media is yet to incorporate and engage in investigative journalism.

Going forward, the main challenge for President Mirziyoyev's administration will be to deal with the country's pervasive culture of corruption, a legacy of the past that for decades has been consuming the country's resources like a dangerous cancer. New legislation is now in place that provides a solid basis for action. But the real test of the country's leadership will be to confront the bureaucratic legacy that makes corruption possible.

The leadership's moves to face down the law enforcement and security apparatuses of the past is positive and courageous. Only in this way can it erase the fear which for so long intimidated the population at large and government officials themselves. The new freedoms that have begun to emerge bring along a strong responsibility to act according to the rule of law as outlined in the Constitution. To get all three branches of the government to act in accordance with newly reformed laws is one of Uzbekistan's most urgent priorities. But for these reforms to truly take root, it is also important to provide political openings for civil society and the media to engage directly with the process of governing.

The main challenge for President Mirziyoyev's administration will be to deal with the country's pervasive culture of corruption, a legacy of the past that for decades has been consuming the country's resources like a dangerous cancer. New legislation is now in place that provides a solid basis for action. But the real test of the country's leadership will be to confront the bureaucratic legacy that makes corruption possible. Uzbekistan has criminal networks of its own and is surrounded by international criminal networks that collude with domestic partners. Consequently, any hesitation in implementing the proposed reforms could open space for such groups to continue operating, which would jeopardize the reform process and the country's entire future.

To get all three branches of the government to act in accordance with newly reformed laws is

one of Uzbekistan's most urgent priorities. But it is also extremely important to provide political openings for civil society and the media to engage directly with the process of governing, for without this no political reforms can survive long. It would therefore, be wise for Uzbekistan to open itself up to international networking in both media and civil society so that the emerging triangular partnership between the government, civil society and the population at large can mature faster and play a stronger role in shaping the country's future.

The Economic Modernization

Mamuka Tsereteli (Senior Research Fellow with the Central Asia-Caucasus Institute) in his paper concludes, when Shavkat Mirziyoyev succeeded Islam Karimov as President of Uzbekistan, many observers expected his tenure to represent continuity rather than change. And while continuity is present in terms of the focus on independence and sovereignty of Uzbekistan, Mirziyoyev also showed a pro-active desire to improve foreign relations and initiate major economic reforms, designed to strengthen the strategic position of Uzbekistan [7].

Mirziyoyev inherited an economic structure left behind by his predecessor, who consistently emphasized that his approach to economic change had been based on gradualism. The Uzbek government was cautious; but it was not opposed to change. Small-scale privatization was quickly implemented after independence, based on an appeal to a tradition of family homes and small businesses.

Governance inefficiency became one of the major societal challenges for growth and development in Uzbekistan, contributing to many illnesses of the Uzbek economy, including unemployment. As a result, several million migrants were forced to move abroad, primarily to Russia, in search of work. By the 2010s, Uzbekistan's social policies – once a source of pride – were perceived to be deteriorating.

Despite many shortfalls, Uzbekistan by the end of 2016, remained an economically stable country, but with the need to transform in order to

meet the challenges it was facing. It was from this position of stability, but also a sense of urgency, that the newly elected president Mirziyoyev started implementing reforms. President Mirziyoyev had a very good idea where to start, since some of these reforms were designed during his tenure as Prime Minister, and they only required political will to be implemented. On October 5, 2016, Mirziyoyev signed the decree "On Additional Measures to Ensure the Accelerated Development of Entrepreneurship, the Full Protection of Private Property, and the Qualitative Improvement of the Business Environment." This initiative sent a clear signal as to his priorities: an understanding that the private sector will be the key driver for economic growth and job creation in Uzbekistan going forward.

In February 2017, Uzbekistan adopted a 2017-2021 National Development Strategy, which identified five priority areas: 1) Reform of public administration; 2) Reform of the judiciary, strengthening the rule of law and parliamentary reform; 3) Reforms in economic development and liberalization, focusing on modernization of Uzbek agriculture and industry and oriented towards greater competitiveness of the products and services; 4) Social reforms, based on higher incomes and better jobs, oriented on higher quality health care, education, housing etc. 5) Reforms in the security area, focusing on improvements to ensure domestic stability and balanced and constructive foreign policy with the ultimate goal of strengthening the independence and sovereignty of state.

Following this strategy, President Mirziyoyev signaled new directions in both foreign economic relations and domestic economic policy. The areas were well-chosen: the adoption of foreign exchange controls and the high costs of conducting international trade were the two outstanding flaws in the economy.

A most significant reform came in September 2017, when the Central Bank of Uzbekistan reunified Uzbekistan's exchange rates, and President Mirziyoyev promised freely floating market-determined rates for the future. Simultaneously, restrictions were lifted for legal entities and individuals to convert currency. The currency re-

form was followed by increased activity in foreign financial markets. This included substantial deals totaling over \$1 billion with, among other, Deutsche Bank, Commerzbank, and the EBRD.

Mirziyoyev's first year in power saw a flurry of reciprocal foreign visits that enabled the new President to establish relations with leaders of neighboring states and great economic powers. Mirziyoyev's outreach to Uzbekistan's neighbors signaled a shift in policies and priorities, and the meetings with Turkmen, Kazakh and Tajik leaders in particular highlighted connectivity, and hence Uzbekistan's reintegration into a regional economic circle. This has begun to deliver results, including new direct air connections linking Tashkent to Dushanbe and Kabul, greatly facilitating travel, as well as growing trade figures.

Uzbekistan is making progress in reforming governance and public services, taking steps that are having an impact on the lives of ordinary citizens and makes it easier for businesses to operate. As a result of those reforms, the country has moved up to 74th place in the World Bank's "Doing Business" ranking, from 87th in 2015.

Reform has also reached the cotton sector. The ban on child labor in cotton picking was broadened to include education and health workers, and in September 2017, the government ordered all forced labor to be sent home. Henceforth, wage increases may make cotton-picking more attractive to voluntary labor, while mechanization is also being considered. These reform policies were positively assessed by many international institutions, including the IMF and other International Financial Institutions.

The experience of 2017 is encouraging, but Uzbekistan's reforms are at an initial stage, and the key issue is how successful the Mirziyoyev administration will be in implementing these systemic reforms. The initial steps have yet to create free pricing and competition in fuel, because the centralized management and pricing system remains in place. This example highlights the multifaceted needs (e.g. enterprise reform and institutional change as well as price liberalization) if market mechanisms are to function well. In general, economic reform rarely yields immediate benefits, and requires some degree of patience.

The timing of Tashkent's reforms is also auspicious because of the revival of continental trade linking Europe and Asia through Central Asia. Centrally located in the heart of Asia, Uzbekistan could serve as a transit hub for cargos coming from China, India, Pakistan, Afghanistan, and even Southeast Asian countries. China's Belt and Road Initiative is providing a major impetus to develop infrastructure in the region. Other regional initiatives also work in Uzbekistan's favor, including the launching of the Baku-Tbilisi-Kars railway, Turkmenistan's interest in this project, and the Lapis Lazuli corridor linking Central Asia with Afghanistan. With Uzbekistan an engaged participant in these processes, the prospects for the development of continental trade are greatly improved.

In sum, in about 18 months, President Mirziyoyev outlined a very ambitious reform agenda and started to implement it. He undertook a full travel and meeting schedule to restore the country's international links and, in particular, to repair Uzbekistan's fractured relations with its Central Asian neighbors. He removed a millstone around Uzbekistan's economy by unifying the exchange rate and liberalizing access to foreign exchange. Even though it is too early to draw definitive conclusions, these steps appear to have been harbingers of a shift from economic control to greater confidence in market mechanisms. An important signal that Uzbekistan is more open for business would be to complete negotiations for accession to the World Trade Organization (WTO). On March 13, 2018, the Government of Uzbekistan hosted representatives of the World Bank, Asian Development Bank, USAID and other donor organizations and discussed a detailed 34-point accession plan "Road Map" for Uzbekistan's entry into WTO, thus demonstrating a clear determination to join the rules-based international trade system.

At the beginning of 2018, the economic signals from Uzbekistan were positive. Especially noteworthy have been the government's positive approach to regional economic cooperation, international engagement, the currency reform, and the initiation of internal regulatory reforms. The government even appeared to be cutting back

regulated pricing, most notably that of gasoline. However, the initial steps in this sensitive area have not created free pricing and competition in fuel because the centralized system of pricing and management remains in place. This simple example highlights the multifaceted issues that must be addressed simultaneously if market mechanisms are to function well. Patience is called for, for such fundamental economic reforms as Uzbekistan has launched rarely yield immediate benefits.

Foreign investments in Uzbekistan more than doubled during 2017. The obstacles that remain along the path to economic transformation are formidable, but this review of Mr. Mirziyoyev's first year as President of Uzbekistan gives reason for optimism. Many litmus tests can be devised and applied during the coming period. But above all, further progress along the economic path that Uzbekistan has chosen will depend on strong and honest leadership, the commitment to reform of thousands of officials and private businessmen, and the completeness and accuracy of information available to ordinary citizens about the progress of transformation in their country.

While many questions remain about the future direction of Uzbekistan's economic reforms, it cannot be denied that significant and even dramatic shifts have already occurred, and that these have in turn energized both the internal process of change and also stimulated the emergence of a new regionalism that has the potential to transform all Central Asia [8].

Religion in Uzbekistan

Svante E. Cornell (Director of the Central Asia-Caucasus Institute, co-founder of the Institute for Security and Development Policy Senior Fellow at the American Foreign Policy Council) and Jacob Zenn (adjunct professor on Violent Non-State Actors in World Politics at the Georgetown University Security Studies Program) in accordance with the common paper follow the thesis that the interaction between state and religion has been part and parcel of the reform process initiated since Shavkat Mirziyoyev became the country's President in fall 2016 [9].

Beyond steps to encourage public expressions of religion, Mirziyoyev has announced the creation of several new institutions. This includes an Islamic Academy of Uzbekistan, as well as an Islamic Culture Center. In addition, he announced the creation of the Imam Bukhari International Scientific Research Center, headquartered at the Imam Al-Bukhari Academy in Samarkand. Remarkably, this latter initiative will focus equally on religious and secular knowledge.

Among other measures, the government has now removed 95 percent of individuals registered as “religious radicals” from a government list, encouraged the return of religious dissidents to the country, and engaged with international bodies promoting the freedom of religion. In sum, for a quarter century, Uzbekistan adopted a defensive approach in the religious realm, which focused on thwarting radicalization and safeguarding its secular governance. Today, the country’s leadership is confidently presenting an Uzbek model of Islam to the world: a secular state in which the moderate Hanafi tradition of the region is able to flourish.

The longer-term question goes beyond the confines of Uzbekistan or even Central Asia: will this model be relevant to countries in the Islamic heartland? The negative experience of mixing religion and politics across the Muslim world may yet lead to a quest for a better solution to the age-old problem of negotiating the state’s relationship to religion. If Uzbekistan, and its neighbors, succeed in safeguarding secularism while promoting tolerant and traditional religious institutions, other Muslim countries may well take notice. That would carry global significance, and suggests Western states and organizations take an active and constructive role in supporting the ongoing reform process.

State policies toward religion have been among the most sensitive issues in Uzbekistan since independence, and among those that attracted most controversy abroad. This sphere has not been neglected in the wide range of reforms launched since the transition of power of late 2016. Uzbekistan has relaxed some of its restrictions in the religious field, while taking new initiatives on the international scene to promote

what it considers to be the tolerant, traditional Central Asian understanding of Islam.

Reforms in the field of religion should not be construed as simply a response to foreign criticism, or as a rejection of the policies of the past. As in the political and economic fields, changes in Uzbekistan have a more evolutionary character. Moreover, the country’s leadership is taking this new approach from a position of strength: no extremist violence has been recorded in the country for over a decade, in contrast to the growing problems of religious extremism in several other Central Asian states.

Following independence, Uzbekistan developed two key institutions to manage religious affairs. One was the Directorate of Muslims of Uzbekistan (O’zbekiston Musulmonlari Idorasi), which is the national successor to the Soviet-era SADUM that covered all of Central Asia. Nominally an independent agency, it is nevertheless closely aligned with the state. A more direct state body tasked with religious affairs is the Committee for Religious Affairs under the Cabinet of Ministers.

During the first decade of independence, Uzbekistan built secular state institutions while simultaneously promoting traditional religious practices and seeking to discourage or prohibit novel and alien ones. Most of all, the government sought to maintain state control over religious processes in the country. This policy affected all religious communities, with the state cooperating with established, traditional Islamic, Christian and Jewish congregations while opposing new imports from abroad.

Uzbekistan’s policies described above did not arise in a vacuum. Quite the contrary, they were the product of the particular challenges and vulnerabilities of the transition to independence – when the fledgling independent state confronted assertive home-grown Salafi groups that had grown up under the late Soviet state and the rapid rise of foreign extremist proselytizing. In the Ferghana valley, this lawless atmosphere contributed to the rise of Salafi-inspired radical groups, who variously referred to themselves as mujaddidiylar (reformers) or vohhobiylar (Wahhabis). These groups were the product of alien influences

and the Soviet policies described above: they rejected the local folk Islamic practices and sought to impose a literalist practice of Islam, and developed paramilitary formations that challenged – or competed with – racketeering practices with which local authorities were in collusion.

The Ferghana valley had also become a haven for foreign Islamic missionaries from the Gulf, Afghanistan, and Pakistan. The government of Uzbekistan was hardly equipped to handle a challenge of this magnitude. With Soviet power collapsing, the republican administration needed to consolidate its control over the functions of government.

When Shavkat Mirziyoyev succeeded President Karimov, the general sense was that Uzbekistan had largely succeeded in managing the spread of extremism. While Uzbekistan's policies had come under censure in the West and among human rights organizations, no terrorist attacks or religiously motivated violence have taken place in Uzbekistan in over a decade. In fact, building on policies that restricted the operations of religious groups considered non-traditional, Uzbekistan's government subsequently complemented this essentially defensive policy with an effort to restore the traditionally dominant Hanafi form of Islam in the country. President Mirziyoyev, whose Prime Ministership coincided with the implementation of this approach, would now put greater emphasis on this aspect of governmental policy, while easing restrictions on religious life overall.

President Mirziyoyev has maintained the emphasis on secularism in the field of education, while he has advocated explicitly for “traditional” Islam. Soon after Mirziyoyev took office in 2016, the Cabinet of Ministers passed three decrees related to secular education, while also emphasizing the importance of religious tolerance in a secular society. On July 10, 2017, Mirziyoyev issued a decree on “Establishing the Imam Bukhari International Scientific Research Center.” The decree stated that the mission of the center would be to “study the rich cultural and spiritual heritage, secular and religious knowledge, and to use them in bringing up young generations, and to educate the public about them.

In practice, Mirziyoyev has continued the long-standing policy of focusing on education. Thus, the Islamic Academy of Uzbekistan will serve to provide the country's religious educational institutions (universities and madrasahs) with highly trained teachers and mentors.

Another program that Mirziyoyev has inaugurated in order to “fight religious ignorance and promote Islam's true values” is the establishment of a new organization called the Islamic Culture Center in Tashkent, which Mirziyoyev suggested could be renamed as the “Islamic Civilization Center.” Mirziyoyev said this center would take over the running of Islamic educational establishments in Uzbekistan from the country's highest Muslim authority, the Directorate of Muslims of Uzbekistan. The center would include two higher Islamic educational institutions – Tashkent Islamic University and the Mir Arab higher education madrasah in Bukhara – and eight Islamic secondary educational institutions in Uzbekistan. In addition, Mirziyoyev said a new museum would be built under the Islamic Culture Center. Mirziyoyev also stated in a speech to Islamic clerics and religious officials in Tashkent on September 1, 2017, that 16,000 of the 17,000 individuals that had been registered as “religious radicals” would be removed from the list. In addition, under Mirziyoyev's leadership religious dissidents have returned to the country.

Uzbekistan still faces a number of challenges in the realm of religion. The continued existence of Uzbek jihadist groups in Syria and Afghanistan, for example, remains a real challenge. Uzbek jihadists are active not only in foreign wars, but in the online space. In some cases, the jihadists communicate online principally with each other and not with the Uzbek population. It should be noted that Uzbekistan's policies do not have a direct effect on the hundreds of thousands of labor migrants in Russia. Indeed, current research suggests that the overwhelming majority of Uzbeks recruited to extremist organizations are migrant laborers in Russia without a social safety net there, and not Uzbeks from Uzbekistan itself.

While the threat from the Islamic State, al-Qaeda and various other jihadist groups remain

the most obvious, if not imminent, threats to secularism in Uzbekistan, there may be other threats under the surface. For a quarter century, Uzbekistan adopted a defensive approach in the religious realm, which focused on thwarting radicalization and safeguarding its secular governance. Today, the country's leadership is adopting a new approach. It is confidently presenting an Uzbek model of Islam to the world: a secular state in which the moderate Hanafi tradition of the region is able to flourish.

* * *

After two years of power changing in Tashkent, Uzbekistan took the first place among others Cent-

ral Asian states for the Western authors which are carefully watching the reforms started in this republic. However, the results of these reforms are not predictable. The 25 years experience of Islam Karimov's ruling confirms this unpredictable factor. Nevertheless, the West already announced its direct and indirect interests connecting with a further development of Uzbekistan, particularly with the relationship toward the great Eurasian powers – Russia and China, as well as Central Asian neighbours. In any case, Uzbekistan enters into a new and interesting phase in its current history. The external observers include their important volume onto describing and discovering of these political processes.

REFERENCES:

1. Laruelle M. (ed.) *Constructing the Uzbek State. Narratives of Post-Soviet Years.* - New York, London: Lexington Books, 2017. – XVI+384 pp.
2. See also: Starr S. Frederick, Cornell Svante E. (eds.), *Uzbekistan's New Face.* – Lanham (MD), Boulder (CO): Rowman & Littlefield, 2018. – 247 p.
3. Weitz Richard. *Uzbekistan's New Foreign Policy: Change and Continuity under New Leadership.* - Central Asia-Caucasus Institute & Silk Road Studies Program. – Washington, D.C.: Johns Hopkins University, 2018. – 53 p.
4. The Foreign Policy of Uzbekistan is described also in following recent publications: Spaiser O.L. *The European Union's Influence in Central Asia. Geopolitical Challenges and Responses.* – New York: Lexington Books, 2018. – XXI+245 pp., and Starr S. Frederick, Cornell Svante E. (eds.) *The Long Game on the Silk Road: US and EU Strategy for Central Asia and the Caucasus.* – Lanham (MD), Boulder (CO): Rowman & Littlefield, 2018. – 160 p.
5. Bowyer Anthony C. *Political Reform in Mirziyoyev's Uzbekistan: Elections, Political Parties and Civil Society.* - Central Asia-Caucasus Institute & Silk Road Studies Program. – Washington, D.C.: Johns Hopkins University, 2018. – 69 p.
6. Sever Mjuša. *Judicial and Governance Reform in Uzbekistan.* - Central Asia-Caucasus Institute & Silk Road Studies Program. – Washington, D.C.: Johns Hopkins University, 2018. – 65 p.
7. Tsereteli M. *The Economic Modernization of Uzbekistan.* - Central Asia-Caucasus Institute & Silk Road Studies Program. – Washington, D.C.: Johns Hopkins University, 2018. – 54 p.
8. See also: Burghart D.L., Sabonis-Helf T. (eds.) *Central Asia in the Era of Sovereignty. The Return of Tamerlane?* – New York: Lexington Books, 2018. – XXI+515 pp.
9. Cornell Svante E., Zenn Jacob. *Religion and the Secular State in Uzbekistan.* - Central Asia-Caucasus Institute & Silk Road Studies Program. – Washington, D.C.: Johns Hopkins University, 2018. – 43 p.

МРПТИ
11.25.19

EURASIAN SECURITY: CURRENT ISSUES AND WAYS OF ENSURING SECURITY IN THE REGION

Georgy Dubovtsev

Chief Research Fellow of Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, Candidate of Military Sciences, Associate professor

Abstract. The article analyzes current security issues on the Eurasian continent; the performance of the UN and other international organizations as factors in regional stability; and the role and influence of the latter in the area of conflict resolution. Taking into account Kazakhstan's initiatives, recommendations have been made for improving security mechanisms on the continent.

Keywords: *Eurasian continent, Eurasian security, military-political situation, geopolitical potential, Sources of instability, crisis of international law, international organizations, interstate confrontation, threats to international security.*

ЕУРАЗИЯЛЫҚ ҚАУІПСІЗДІК: ӨЗЕКТІ МӘСЕЛЕЛЕРІ МЕН ҚАМТАМАСЫЗ ЕТУДІҢ МЕХАНИЗМДЕРІ

Георгий Дубовцев

Аңдатпа. Мақалада Еуразия құрлығындағы қауіпсіздік проблемалары, БҰҰ мен басқа да халықаралық ұйымдар жұмысы тетіктерінің тиімділігі аймақтық тұрақтылық факторлары ретінде, олардың рөлі мен шиеленістерді жоюға ықпалы қарастырылады. Қазақстанның бастамаларын ескере отырып, құрлықтағы қауіпсіздік тетіктерін жетілдіру бойынша ұсыныстар жасалды.

Түйін сөздер: *Еуразия құрлығы, еуразиялық қауіпсіздік, әскери-саяси жағдай, геосаяси әлеует, тұрақсыздық көздері, халықаралық құқық дағдарысы, халықаралық ұйымдар, мемлекетаралық қақтығыстар, халықаралық қауіпсіздікке қатер.*

ЕВРАЗИЙСКАЯ БЕЗОПАСНОСТЬ: АКТУАЛЬНЫЕ ПРОБЛЕМЫ И МЕХАНИЗМЫ ЕЕ ОБЕСПЕЧЕНИЯ

Георгий Дубовцев

Аннотация. В статье проведен анализ актуальных проблем в сфере безопасности на Евразийском континенте, эффективности функционирования механизмов ООН и других международных организаций как факторов региональной стабильности, их роли и влияния на урегулирование конфликтов. С учетом казахстанских инициатив предложены рекомендации по совершенствованию механизмов обеспечения безопасности на континенте.

Ключевые слова: *Евразийский континент, евразийская безопасность, военно-политическая обстановка, геополитический потенциал, Источники нестабильности, кризис международного права, международные организации, межгосударственная конфронтация, угрозы международной безопасности.*

Introduction

In the context of globalization, which has radically changed the world economy and politics in recent decades, security on the Eurasian continent is undermined not only by the military, but also by other economic, social, humanitarian and environmental sources of instability. Intensification of international terrorism, illegal migration, drug trafficking and the proliferation of weapons of mass destruction present serious threats to Eurasian security. The emergence of new focal points of instability in various regions of both Europe and Asia is promoted by aggressive nationalism and ethnic and religious intolerance. At the same time, the most serious challenges for pan-Eurasian security arise from the rivalry of major powers and regional conflicts.

In the context of the escalation of the military-political situation in a number of regions of the Eurasian continent, the urgent task is to find ways to reduce interstate confrontation, as well as to improve mechanisms for strengthening stability in the Eurasian space.

Research methods

During the research the following various research methods were applied: system analysis; logical methods (analysis, synthesis, induction, deduction, analogies, generalization); methods of

establishing the cause-and-effect relation of the processes studied; formalization methods; and the methods of modern political science, military science and a number of other related sciences.

1. Current issues of Eurasian security

The events of the last decade show that most of the problems of global security arose due to the clash of strategic interests of the leading world powers in various regions of the Eurasian continent. In fact, the system of international security in the Eurasian space was created in the interests of a separate group of countries, which is disputed by other states, since their legitimate interests are most often ignored and impaired. And in this regard, the intensifying confrontation between different centers of power, groups of countries and individual states due to different perceptions and interpretations of the same events [1] has become the dominant trend both in Europe and in Asia.

During this period, about 80% of all international conflicts and local wars arose in Eurasia. At the same time, most of them were provoked or introduced from the outside in order to redraw the continental geopolitical map. To this end, measures are being taken to neutralize the geopolitical potential of the leading

regional powers. Trade, economic, financial and information wars are being actively pursued against countries considered undesirable.

The strategic situation on the continent has therefore changed significantly. The rigid bipolarity and unipolarity of the cold war has been replaced by multipolarity, with the involvement of several independent centers of power and great powers. Consequently, most of the problems of Eurasian and global security have arisen due to the clash of their strategic interests in the various regions of the continent.

The escalation of the current international situation is associated with a number of trends that favor the emergence of or raise the likelihood of new and existing threats.

First, unilateral action on the part of individual countries and their coalitions in different regions, as well as their desire to use force in international relations have had a negative impact on the stability and predictability of the international situation on the Eurasian continent. Strengthening this trend contributes to reducing the credibility of existing international organizations; and their real ability to influence the development of the geopolitical situation.

Second, in conditions of the insufficient regulatory influence of the United Nations and the reduction of the effectiveness of mechanisms of other international organizations, individual countries make attempts to secure a dominant role in the system of international relations and create the conditions for promoting their own national interests at the expense of the interests of other states, artificially destabilizing and making unpredictable the situation for these purposes in a number of countries and regions in Europe and Asia.

Third, along with the traditional complex of challenges and threats to national security, the role of non-military means of achieving political and strategic goals is increasing, which in some cases greatly outperform military means in their effectiveness. Targeted support for terrorist organizations; encouraging illegal migration; inciting ethnic and religious conflicts; drug trafficking; and transnational organized crime are

all widely used to undermine the national security of states and destabilize the situation in various regions of the continent.

Fourth, in the context of the intensification of the struggle for resources and sales markets, the practice of imposing economic sanctions to bypass the UN Security Council and provoking financial and economic crises has become widespread, which in aggregate damage is comparable to the large-scale use of military force.

Fifth, the information and psychological struggle has widened its scope in order to weaken those countries that are or may become competitors in terms of achieving the stated strategic, political and economic goals. The tools used in such a struggle can change the main geopolitical potential of the state - the national mentality, culture, moral and psychological state of the population. For this, the most modern technologies, forms of illegal activity in cyberspace and high technology are being improved. In order to manipulate the public mind and revitalize protest sentiment, the practice of publishing materials in the controlled media with extremely tendentious coverage of the activities of the authorities of objectionable states is widely used.

Sixth, in recent decades, qualitatively new threats to international security have appeared on the Eurasian continent. At the same time, previously existing threats, resulting from direct rivalry between the most powerful military states and their unions, have moved into the background.

Today, such threats are international terrorism, the illicit proliferation of weapons of mass destruction and their means of delivery, the drug business and illegal migration, as well as internal armed conflicts.

These threats have existed before, but not on such a scale. A significant increase in their importance in recent years is explained by the development of internal potential and the danger of each of these threats and their combination.

Thus, in recent years, the creation of a new quality of terrorism has been observed. From a local phenomenon, known previously in individual countries, it has turned into the refusal to recognise state borders and global transnational movement,

both in the list of participants and in the geography of the terrorist acts. As an ideological base, it uses radical religious teachings. The new quality of international terrorism is complemented by the coalescence of its national manifestations with the systems of the global movement. The organizational structure of this movement is also developing, based on the network principle of the interaction of autonomous and initiative cells. Having received an initial impetus from Al-Qaida, the international terrorism movement has acquired the dynamics of self-development and adaptation to local conditions in different parts of the world.

Another threat at the forefront of this situation and acquiring a new quality is the proliferation of weapons of mass destruction. The sharply increased relevance of this threat is largely related to the potential possibility of linking it with the threat of international terrorism.

Seventh, a serious destabilizing effect on international security is exerted by conflicts in the Middle East, in a number of countries in South Asia, and also in Ukraine.

Individual states are taking action aimed at supporting nationalist sentiments, xenophobia, separatism and violent extremism in these areas. At the same time, external intervention in domestic conflicts most often becomes the main destabilizing factor. It has a negative impact on the course of internal political processes and the socio-economic development of states, destroys established cultural traditions, and undermines the legitimacy of not only the authorities, but also the opposition. As a result, chronic instability occurs, which often turns into an acute conflict situation.

As a result of large-scale anti-government speeches, state coups were carried out in a number of countries in order to bring pro-western forces to power. The civil wars which were unleashed became the cause of economic collapse in the states that had previously had a fairly high level of socio-economic development. Ethnic-confessional discrimination, radicalization and terrorism led to widespread violence in these countries.

Inter-ethnic and inter-religious conflicts which were unleashed became a kind of catalyst for the

emergence of international terrorist and extremist groups, which not only destabilized the situation in individual countries, but also became a real threat to the security of neighboring regions and the entire continent.

Thus, the civil war in Syria plunged a whole region into crisis and called into question the existing state borders in the Middle East. It entailed the aggravation of terrorist activity not only in the countries of the region, but also far beyond its borders. It became the main cause of the most large-scale exodus of refugees and the onset of the migration crisis in Europe since the Second World War [2]. Thus, as a result of this, one saw the growth of the popularity of right-wing and nationalist ideology in a number of European countries, the exit of Great Britain from the EU, the restoration of borders and the appearance of fences on them, as a result of which considerable problems were created for the continued existence of the Schengen zone.

Eighth, in recent decades, the escalating crisis of international law has been becoming increasingly obvious, which has had a significant impact on the behavior of various states and their coalitions in the field of international security.

The erosion of international law against the background of the weakening of the role of the UN, OSCE and other international organizations in preventing and resolving crisis situations in various regions of Europe and Asia is becoming a dangerous challenge to global security.

The adoption of decisions on armed interventions in Yugoslavia in 1999 and Iraq in 2003 bypassing the UN Security Council significantly reduced the effectiveness of this Organization and the principles governing the sphere of international security.

The Syrian and then the Ukrainian crises significantly undermined global security and revealed differences in perceptions of its fundamental foundations. Against the background of existing contradictions between countries that support various parties in these conflicts, the basic norms and principles of international law, established in the UN Charter, are interpreted differently.

Another major cause of the crisis of the modern system of international law and the UN is the desire of a number of countries to act outside the legal field, including on issues of international security. This is evidenced by cases of deliberate circumvention of the UN Security Council during a number of major international armed intervention actions; and refusal to accede to such important instruments of international law as the Comprehensive Nuclear-Test-Ban Treaty [3] and the International Criminal Court, etc.

Thus, at the end of the second decade of the 21st century, radical qualitative changes are taking place in the security sphere on the Eurasian continent. The potential for conflict in Europe and in Asia continues and has increased due to the confrontation of leading powers and world centers of power. Trust between the various parties has been completely destroyed: they are not ready for coordinated actions to neutralize contemporary challenges and threats. This creates a security vacuum and is the basis for instability in the Eurasian space, since there is no certainty and predictability in a number of areas of international relations.

2. On improving security mechanisms on the continent

The modern situation on the continent with new challenges and threats, as well as their increasing complexity, makes real the issue of the formation of a unified Eurasian security system. Only a system of this kind is able to keep the rest of the world from the danger of unleashing large-scale military conflicts.

Ensuring stability both in Europe and in Asia is possible only if existing security mechanisms are improved, as well as applying established methods of problem solving in terms of international relations.

1. The task of improving the UN legal mechanism in the interests of modernizing the global security system is of particular relevance.

Guidelines and the principles of security are set within UN by forming modern international law and standards of foreign policy behavior of states. On the basis of international conventions

and treaties adopted within the framework of the UN, regional agreements and arrangements are being developed, as well as mechanisms for implementing international conventions, treaties and resolutions of the Security Council. The UN legal mechanism is therefore the most effective and promising mechanism for maintaining international peace and security.

In this regard, the construction and effective operation of the Eurasian security system is possible only on the basis of the rule of international law.

2. Solutions to the most pressing problems of international security should not be under the jurisdiction of individual states, their coalitions or military alliances. Collective security issues should only be solved using UN mechanisms.

In particular, the use of military force against sovereign states should be carried out only by the UN forces, with the widest possible participation of various states. Forced actions without the sanction of the Security Council contradict the very essence of the collective security system based on the UN Charter. Only this document is a generally accepted legal basis for the use of force.

The provisions of the UN Charter on measures to resolve conflicts and combat aggression are therefore of particular importance. Today, the UN is the only organization that, in the person of the Security Council, has the authority to use coercive measures using military force in the event of a violation of international peace and security.

3. In the face of growing confrontation between world powers, the UN's role in ensuring global security is significantly increasing. At the same time, in order to increase the efficiency of the UN, a serious reform of the organization itself, especially its main body, the Security Council, is necessary. It is necessary to expand its composition, so that it more truly reflects the balance of power in the world and the representation of states in solving world problems. This will enhance the role and authority of the UN in the eyes of the entire international community.

4. In the interest of modernizing the global security system, along with the UN reform, it is necessary to strengthen the role of regional

organizations, transferring to them some of the UN powers.

At the same time, within the framework of regional bodies (organizations), mutual security or mutual-assistance agreements based on Article 51 of the UN Charter should not turn the relevant regional organizations into military-political alliances or blocks, which is fundamentally contrary to the global collective security system.

In accordance with Article 53 of the UN Charter, no coercive action is permitted by regional organizations without the authority of the Security Council [4].

5. Current trends in the development of the Eurasian continent convincingly demonstrate that a comprehensive approach to security and cooperation requires the practical and gradual application of confidence-building measures. The solution of the accumulated problems in the field of security in Europe and in Asia is closely connected with the adoption and implementation of the concept of a comprehensive system of international security.

In this regard, the promotion of the Kazakhstan initiative, proposed by N.A. Nazarbayev at the 70th session of the UN General Assembly, on building a conflict-free world based on the concept of “New Future”, as well as the “Plan of the Global Strategic Initiative-2045”, has great significance [5].

Kazakhstan’s proposals are aimed at solving an urgent task - the creation of a comprehensive international security system. On the one hand, they are based on the UN Charter and the basic principles of international law, and on the other hand, they are designed to contribute to the creation of a better mechanism for ensuring peace and maintaining the international legal order than is provided for in this document.

The concept of “New Future” covers a variety of aspects of relations between states which can ensure international security: military, political, economic, humanitarian and environmental, etc.

This will require the creation of new international legal norms, as well as the adaptation of already existing norms to new conditions. In this regard, it seems appropriate to develop

within the UN a long-term plan of action for the development of all branches of international law.

Within the UN Secretariat, the Kazakhstani side could initiate the compilation of a list of areas and problems for which new international legal norms should be created. In the future, this list should be sent for approval to all UN member states and then finalized according to their comments and suggestions.

It is necessary to intensify work within the framework of various UN structures and institutions in order to engage them in the discussion of Kazakhstan proposals. This will make it possible to develop common approaches, assessments and criteria for joint efforts to achieve stability and security at the global level.

6. In modern conditions, the implementation of Kazakhstan’s initiative to create a security community and transform the OSCE region into a place where the relations of the member states among themselves are governed by agreed rules becomes extremely relevant. The specific challenges set forth in the Astana Declaration have currently been gaining particular relevance [6]. The need for greater efforts to contain, prevent, resolve conflicts and implement post-conflict settlement is more urgent than ever.

As OSCE member states try to cope with the consequences of the Ukrainian crisis, the continuing instability in Afghanistan and the migration crisis in Europe, Kazakhstan’s position has become even more relevant, based on the belief that security in the OSCE region is inextricably linked to the security of neighboring regions.

In the light of existing challenges, the important task of Kazakhstan’s diplomacy is painstaking work with OSCE member states aimed at finding a way out of crisis situations, adhering to the common values and principles underlying the Helsinki Final Act, the Astana Declaration and other landmark documents. Despite the existing differences in the positions and views of the member states, the OSCE has a large set of tools that can contribute to progress on all three security changes in its area of responsibility.

7. The dynamically developing geopolitical and geo-economic processes in Asia pose new

challenges for the countries of the region. Their solution is possible only with a joint approach. Finding the right solutions that ensure the stability and sustainable development of all states is hardly possible in modern conditions without active interaction, together with frank and open dialogue.

N.A. Nazarbayev's idea of multilateral promotion of the concept of collective security in the region, implemented as a CICA process, is thus of great international importance.

In his speech at the CICA Summit in Shanghai in May 2014, the President of Kazakhstan, N.A. Nazarbayev, proposed, by analogy with the OSCE, the idea of creating an Organization for Security and Cooperation in Asia [7].

The implementation of this Kazakhstan's initiative has the capacity to contribute to the synchronization of security processes in Asia and Europe as the first stage, and subsequently to the creation of a unified Eurasian security system.

Thus, the current situation in Afghanistan, in the Middle East, in a number of other regions requires forming a unified Eurasian security area to prevent the danger of large-scale military conflicts.

Conclusion.

1. Currently, the world community has entered a qualitatively new period of development. The hopes of the peoples of the world that the conflicts caused by global antagonism between the West and the East will cease after the end of the Cold War have not come to fruition. Tensions and instabilities on the Eurasian continent not only persist but are in fact steadily escalating. At the same time, new threats have emerged, primarily related to domestic armed conflicts, international terrorism, cross-border crime, arms and drug trafficking, and illegal migration.

New threats and challenges are transboundary in nature, demonstrating that security in the modern world is not only a national but an international problem. The nature of the new threats to international peace and security is such that they can only be successfully fought together; and only on the basis of respect for each other's interests and wider international cooperation.

2. Existing threats to international peace and security in both Europe and Asia can only be resolved through international cooperation and the maintenance of international law and order.

The path to ensuring the national security of each individual state of the continent lies through the all-round strengthening of the global and common Eurasian security system. In modern conditions, the task of improving the UN legal mechanism in the interests of modernizing the global security system is of particular relevance.

At the same time, it is necessary to take into account the legitimate interests of all states, without exception, since it is impossible to ensure their national security at the expense of the security of other countries: security should be equal for all.

Thus, addressing security concerns requires a comprehensive and integrated approach. Now the urgent task is to form, under the auspices of the UN and with the participation of other international and regional organizations, a global system for responding to the threats and challenges of the 21st century.

3. The ongoing crises in various regions of Europe and Asia show that conflicts of all types and at all levels not only threaten the security of millions of people, but also undermine the global economy with far-reaching consequences. Therefore, the response and approaches to the solution of key security issues should be systematic and complex.

In this regard, the promotion of the Kazakhstan initiative proposed by N.A. Nazarbayev at the 70th session of the UN General Assembly, on building a conflict-free world based on the concept of "New Future", as well as the "Plan of the Global Strategic Initiative-2045", has great significance.

It is necessary to synchronize Kazakhstan's efforts within the framework of various structures and institutions of the UN, OSCE, CICA and SCO in order to engage them in the discussion of these proposals. This will make it possible to develop common approaches, assessments and criteria for joint efforts to achieve stability and security at the regional and global level.

Kazakhstan, being an active and initiative

member of the OSCE, the CICA and the SCO, can become a link in creating a common Eurasian security system. The mediation efforts undertaken by our country in resolving the Ukrainian crisis, creating a platform for dialogue around the Iranian nuclear issue and organizing negotiations on the Syrian crisis demonstrate the potential of Kazakhstan as an important link in Eurasian security.

4. Currently, the countries of the Eurasian continent face the task of creating a common security space in the interests of successful implementation of a number of projects and programs aimed at strengthening their socio-economic potential. In this regard, the initiative to create an international organization for security and cooperation in Asia on the basis of the CICA, first proposed by the President of Kazakhstan N.A. Nazarbayev during the Shanghai CICA Summit in 2014, is very relevant.

Such an integration, acting almost throughout Asia and possessing enormous political,

economic, scientific, technical and cultural potential, will have all the necessary tools to prevent and resolve crises.

Kazakhstan as the initiating country should intensify the discussion of this issue among the CICA participants. This task should be one of the priorities of Kazakhstan's foreign policy.

5. High dynamics and instability of the geopolitical situation require Kazakhstan to work on various levels with its partners in the UN, other international organizations and regional associations, in the interests of creating a common Asian security system. Active and purposeful work on the implementation of initiatives of Kazakhstan aimed at improving the efficiency and improvement of the activities of the UN, OSCE and other regional organizations; and the development and introduction into international practice of various security regimes will help overcome problems in international relations which have accumulated over time.

REFERENCES:

1. Central Asia - 2020: four strategic concepts // Analytical report. In E.T. Karin (Ed.). - KISI, 2015 - Astana.- 51 p.
2. The war in Syria // The Internet Magazine "Krugozor" - http://www.krugozormagazine.com/rubrics/voyna_v_sirii.10.html
3. Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO) - <https://kazakhstan.at/ru/international-organizations-8/ctbto.html>
4. The UN Charter // United Nations official website - <http://www.un.org/ru/sections/un-charter/chapter-vii/index.html>
5. Speech of the President of the Republic of Kazakhstan N. Nazarbayev at the General Debate of the 70th session of the UN General Assembly // *Kazakhstanskaya Pravda*, September 29, 2015.
6. The Astana Commemorative Declaration - Towards a Security Community // Second day of the Summit in Astana, December 3, 2010 - <https://www.osce.org/ru/cio/74990?download=true>
7. Idrisov Y. CICA is a vivid example of the foreign policy success of the leadership of Kazakhstan // *Kazakhstanskaya Pravda*, October 4, 2014.

МРҒТИ
11.25.25

EVOLUTION OF THE NUCLEAR STRATEGY AFTER END OF COLD WAR. MAIN VECTORS OF STRATEGIC DEVELOPMENT

Alibek Yermekov

Research fellow of Department of the International Studies of the KazISS under the President of the Republic of Kazakhstan, Master of International Relations

Abstract. The Nuclear strategy as an indispensable part of the system of international security has undergone some significant transformations after the end of cold war. The new security conditions of the emerging multipolar world have essential impact on the transformation of the conceptual structure of modern nuclear strategy. Important role under the shaping and development of modern nuclear strategy were made by technologies which provide to the increasing of the role of tactical or non-strategic nuclear weapons which in turns changes traditional understanding of the nuclear strategy.

Key words: nuclear strategy, ICBM, Nuclear Posture Review, Russia, USA, ABM Treaty

«ҚЫРҒИ-ҚАБАҚ СОҒЫСТАН» КЕЙІНГІ ЯДРОЛЫҚ СТРАТЕГИЯНЫҢ ЭВОЛЮЦИЯСЫ. СТРАТЕГИЯЛЫҚ ДАМУДЫҢ НЕГІЗГІ ВЕКТОРЛАРЫ

Әлібек Ермеков

Аңдатпа. Ядролық стратегия халықаралық қауіпсіздік жүйесінің ажырамас бөлігі ретінде «қырғи-қабақ соғыс» аяқталғаннан бері елеулі өзгерістерге ұшырады. Жаңадан қалыптасып келе жатқан көпполярлы әлемнің қауіпсіздік шарты қазіргі ядролық стратегияның тұжырымдамалық құрылымын өзгертуге айтарлықтай әсер етеді. Қазіргі ядролық стратегияның қалыптасуы мен дамуына тактикалық ядролық қарудың рөлін арттыруға мүмкіндік беретін технологиялық факторлар үлкен ықпал етті, бұл өз кезегінде ядролық стратегияның дәстүрлі түсінігін өзгертеді.

Түйін сөздер: ядролық стратегия, МДВ, ядролық жағдайды зерттеу, Ресей, АҚШ

ЭВОЛЮЦИЯ ЯДЕРНОЙ СТРАТЕГИИ ПОСЛЕ ОКОНЧАНИЯ ХОЛОДНОЙ ВОЙНЫ. ОСНОВНЫЕ ВЕКТОРЫ СТРАТЕГИЧЕСКОГО РАЗВИТИЯ

Алибек Ермеков

Аннотация. Ядерная стратегия как неотъемлемая часть системы международной безопасности пережила ряд существенных трансформаций после окончания холодной войны. Новые условия безопасности формирующегося многополярного мира оказывают существенное воздействие на трансформацию концептуальной структуры современной ядерной стратегии. Немаловажную роль при формировании и развитии современной ядерной стратегии оказали и технологические факторы, которые способствуют возрастанию роли тактического ядерного оружия, что в свою очередь меняет традиционное понимание ядерной стратегии.

Ключевые слова: ядерная стратегия, МБР, Обзор Ядерной Ситуации, Россия, США

The Nuclear strategy after the end of Cold war undergone significant transformation in its conceptual sense, in spite of announced changes, transformation process took some time in order to calibrate and clearly define apparent and ultimate goals of modern strategy. Bipolar confrontation between two superpowers did not more put agenda of military-political and military-strategic situation in the world. US nuclear strategy faced with multiple actors of the international security system which is characterized by diffusion or multipolarity of forces. Conceptual sense of the nuclear force is no more constructed in the framework of its hypothetical utility in the context of US-Soviet nuclear conflict. US nuclear strategy is determined by the many technical, political and situational factors of the influence.

Strategic role and place of nuclear weapon is about its level of destructiveness which in military utility levels the classic understanding of victory, that's why presence and hypothetical use of the nuclear weapon became a determinative factor in defining of deterrence. Logic of deterrence is based on mutual strike, in the course of which both belligerent would take huge damages. As a result, total destructions after the use of nuclear weapons demonstrated that nuclear weapons possess more strategic sense than direct military, taking into account its hypothetical use.

Generally, evolution of the nuclear strategy in the Cold war can be defined in three major stages:

- First, second half of 1940s and 1950s;
- Second, 1960s;
- Third, 1970-1980s.

The first stage in the history of nuclear strategy is characterized by the introduction of nuclear weapons and the possibility of their military use during a hypothetical conflict. The first theoretical methods of warfare are being developed through long-range strategic bombers. The second stage in the evolution of the nuclear strategy is characterized by the first nuclear «experience» of the two superpowers during the Caribbean crisis / the Cuban missile crisis, where there was the possibility of direct use of nuclear weapons and achieving a level of strategic parity between the superpowers [1]. The expression of strategic parity was the doctrine of the Mutual Assured Destruction (MAD), which according to the calculations of strategists on both sides should lead to the destruction of 70% of industry and 30% of the population, although for the period of the late 1960s. The United States significantly surpassed the Soviet Union in terms of the number of nuclear arsenals [2], and in this context the Soviet diplomacy made significant success in nuclear settlement that were in favor of the Soviet side. This event subsequently affected the elections in the United States, where

Reagan viewed the Soviet nuclear policy as an offensive [3].

The third stage, the period of the 1970s, 1980s, is characterized by the development of mechanisms of nuclear interaction between the superpowers. During this period, nuclear weapons ceased to be exclusively the prerogative of nation states, specifically, superpowers, and was incorporated into an arms control mechanism. A feature of the third period in the evolution of nuclear strategy during the Cold War period is an active dialogue on arms control and signing the Anti-Ballistic Missile Treaty (ABM Treaty, 1972), Strategic Arms Limitation Talks I (SALT I, 1972), and Strategic Arms Limitation Talks II (SALT II, 1979) [4].

The post-Cold War nuclear strategy is a set of strategic visions of the role and place of nuclear weapons in the military sphere of official and unofficial nuclear powers. In academic relations, in this case, the ideas and concepts of the United States and its Western NATO allies dominate, as other countries seek to preserve the secrecy of tactics and strategies for the use of nuclear weapons.

The initial transformations of the nuclear strategy began after the collapse of the Soviet Union and the revision of the strategic vision of the administration of the President of the United States and other related structures on nuclear policy. According to a government document Presidential Review Directive/National Security Council - 31 (PRD/NSC-31) - US Policy on Missile Defense and the Future of the ABM Treaty (U.S. Policy on Ballistic Missile Defenses) the main postulates and general outlines of the nuclear strategy in the post-Cold War period were defined. «In January 1991, the US missile defense policy was reoriented in light of the reduction of the Soviet threat to the protection of the United States, US forces stationed abroad, friends and allies against an accidental / unauthorized and/ or limited missile strike - a global defense system against limited strikes» [5].

• Another defining document of the post-Cold War nuclear strategy is the Missile Defense Act (MDA). The MDA, as amended, sets forth the

following United States missile defense objectives: «(1) comply with the missile defense treaty, including any protocol or amendment thereto... when deploying a missile defense system that is capable of ensuring high effectiveness of the United States defense States against limited missile attack; (2) maintaining strategic stability; and (3) the provision of a highly efficient rocket defense theater to US forces, friends, and allies [5]. It also requires efforts on separate negotiations of amendments/changes to the ABM Treaty to enhance the effectiveness of defense». Document PRD/NSC-31 deduces three main directions of nuclear policy:

- policy priorities in relation to missile defense;
- assessment of changes under the ABM Treaty in the light of these transformations;
- alignment of the missile defense strategy with Russia and other allies.

The document also addresses the following aspects of nuclear policy: threats, a missile defense system, and an ABM treaty. Threats include the following factors: random and / or unauthorized launching of Inter-Continental Ballistic Missiles (ICBMs), taking into account the hypothetical level of threats from the Chinese ICBMs and the prospects for the evolution of the People's Republic of China (PRC) missile forces over the next 10-15 years; the threat to the allies of the United States and the US armed forces located abroad from short- and medium-range missiles and the prospects for the evolution of this threat over the next 10-15 years. In the field of anti-missile defense systems, the following objectives and tasks for the development of anti-missile defense systems are set within the document:

- new conditions and requirements for US national security in the framework of the formed theater missile defense;
- determining the maximum level of defense within the theater of operations that can be provided by a single missile defense system, which will not contradict the agreements under the ABM Treaty and which will be able to withstand accidental or unauthorized launch from several ICBMs or Submarine Launch Ballistic Missiles (SLBMs) of the Commonwealth of Independent States (CIS) or proliferators;

- the capabilities of the Theater Air Defense (TAD) and other anti-tactical ballistic missiles, both air and sea.

- the capabilities of cosmic deterrent forces.

The document also considers the following aspects regarding the ABM Treaty: effect on the ABM Treaty provisions of the replacement of the ground installations, Ground-based Surveillance and Tracking System (GSTS) or the diamond eye, what kind of effects would be on ABM Treaty in the course of changes; the technical threshold between anti-tactical missiles and missile defense interceptors; result of an increase in the effectiveness of theater missiles and what changes will there be under the ABM Treaty; position of other states in the event of these changes in the framework of the ABM Treaty, Russia and other allies [5].

US Goals and Missile Defense Program

The next document regulating the policy in the field of nuclear strategy was the document entitled «Presidential Decision Directive / NSC-17» dated December 11, 1993. This document governs the ballistic missile defense policy and the future of the ABM Treaty. According to this paper, the United States will pursue a policy that will ensure the implementation of the following important points:

- ensuring enhanced missile defense capabilities at the end of this decade;
- supporting national missile defense as a technology research and development program;
- development of the next generation of technology and conducting research programs to improve missile technology.

The document considers such aspects of missile defense as missile theater development, the ABM Treaty and cooperation in the field of missile defense [6].

The development of Rocket Theater

The goal of the development of a Theater Missile Defense (TMD) missile program is to minimize two threats to the security of the United

States: regional threats to the United States and the proliferation of Weapons of Mass Destruction (WMD). According to the document, the theater will perform the following roles:

- «to promote high-performance protection against limited attacks of tactical missiles for the further deployment and concentration of scattered expeditionary elements of the US armed forces and for the facilities and forces of friends and allies of the United States»;

- organization of effective protection of US settlements and allies. This form of protection can be carried out by a missile theater complex with «minimal intersection with enemy rocket forces» [6].

The ABM Treaty

As of 1993, the Administration remains committed to the traditional understanding of the ABM Treaty, that includes the preservation of missile defense systems around the capitals.

The United States will not seek to amend the ABM Treaty to allow the fulfillment / implementation of the following items: (1) expanding the number of ABM objects and ground-based interceptors beyond the currently allowed limits (1 and 100 respectively); (2) development, testing and implementation of space sensors for direct military control (i.e., satellites capable of replacing radar) or (3) «the development, testing or deployment of space interceptors. The document notes that the United States may revise these goals if a decision is made to modernize the ICBM program» [6].

Forecasting the development of rocket TMD/ABM is a top priority in the US defense planning, thus new technological changes within the framework of missile defense technology will have an effect on the ABM Treaty (1972), which is one of the key points of the modernization process. The document sets forth the definition of the technical properties of a theater missile defense: «A theater missile defense will not be considered capable of withstanding a strategic ballistic missile (ICBM) if it has not been tested against an ICBM. The ICBM, in turn, will be determined with a maximum speed exceeding 5.0 km /s» [6].

Cooperation in the field of missile defense covers the following aspects of interaction:

- share information / alerts with allies about an early missile attack;
- plan and use anti-tactical ballistic missile forces (ATBM forces);
- Implement technology cooperation to help develop a positive security relationship between the United States and Russia and to serve as the main strategy for responding to the proliferation of ballistic missiles and weapons of mass destruction. The United States will adopt a regional bilateral approach to cooperation in the field of missile defense in each of the three points listed.

In particular, the report focuses on cooperation with Russia in the field of missile defense. It was noted that cooperation in the field of missile technology depends on the success and pace of political and economic reforms, adherence to arms control agreements and the Missile Technology Control Regime (MTCR). In this document, the standards and priorities for the control of missile technology are noted for the first time:

The importance of non-proliferation, namely the non-proliferation of rocket technologies, is important, as the document emphasized that, on the one hand, cooperation in the field of the MTCR should contribute to «reducing escalator tendencies that impede the development of offensive military capabilities; can create and contribute to US efforts to counter proliferation». Also highlighted are the nuances of cooperation on missile defense and non-proliferation and missile control: «Tensions between our missile defense efforts and our non-proliferation goals can arise if and when we need to cooperate with non-missile control countries in development or sales of missile interceptors. Entry into this kind of cooperation could easily put the United States in a position related to behavior that we will object to and may have to impose sanctions if they are implemented by other countries. Thus, the US will strictly limit the number of non-MTCR states with which such cooperation will take place» [5].

With the coming to power of the Republican administration of J. Bush Jr. The US nuclear,

strategic policy has undergone a number of transformations, taking into account the neoconservative ideology and its offensive nature, these political guidelines, respectively, reflected on the adopted nuclear strategy. As some analysts say, its content is dominated by a greater degree of offensive components [7]. The NDP creates new roles for nuclear weapons and calls for the creation of new weapons and increased opportunities for the production of new weapons (the introduction of new types of weapons). The NDP makes it a priority to preserve a significant nuclear arsenal, a healthy/necessary nuclear infrastructure. A separate group of analysts spoke about the 2002 Bush Administration's nuclear strategy, pointing out that the nuclear strategy is offensive in nature and does not meet the real security priorities of the United States in the new security environment. For example, according to the 2002 Nuclear Concept, the United States can launch a nuclear strike in the event of a nuclear, chemical, biological or conventional attack, while the parallel report «Towards True Nuclear Strategy» means only nuclear aspects of security.

Strategy and doctrine

Offensive nuclear weapons will play a role in deterrence strategies, but they will also be complemented by missile defense and conventional strike forces. According to the Republican administration, missile defense will strengthen deterrence by repelling an enemy attack on the United States. In accordance with the 2002 strategy, nuclear weapons will be complemented by conventional strike forces, in the capabilities of the United States to attack broad enemy targets without focusing on nuclear weapons [8].

For the strategic objectives of the 2002 Nuclear Concept, three main priorities of the nuclear and conventional forces are highlighted:

1. Ensuring guarantees to allies and friends of US responsibilities for ensuring their national security;
2. To argue against rivals from a nuclear call or other applicable threats of an «asymmetric nature»;

3. Destruction of opponents in case of failure of the doctrine of deterrence.

The structure of forces

According to the 2002 Nuclear Concept, the new triad consists of the following elements: offensive strike forces, missile defense, and the response infrastructure to support the forces. Strategic core forces are combined with the capabilities of the conventional shock forces. Separate attention in the framework of the 2002 Nuclear Concept is taken by the position on the reciprocal infrastructure, according to which in the nuclear planning the Bush administration pays no small attention to the preservation and possible subsequent deployment of previously reserved core forces. This situation is well described by Amy Wolfe in her report to the Congress «Overview of the Nuclear Situation: Vision and Emerging Issues»: «in conjunction with the remaining force structure (14 Trident class submarines, 500 Main marine ICBMs, 76 B-52 bombers, and 21 B-2 bombers; these warheads form a «retaliatory force» that can be restored to deployment over several months or years. «The problem of «response force» is to regulate the actual number of nuclear warheads, since the documents concluded between the USA and the USSR / Russia do not define the exact number of warheads, but indicate the specific number of means of warhead deliveries» [9].

Infrastructure

The Nuclear Concept defines a «response infrastructure» as a key element of a nuclear strategy. The goal of preserving the «response infrastructure» is to «reduce risks» while the number of quickly deployed missiles is decreasing. «With a small number of warheads, the urgency of maintaining the confidence of the remaining nuclear weapons is increasing». The state and development of the «response infrastructure» must also be considered within the framework of START-2 cuts, where an international mechanism influences the formation and adaptation of the «response infrastructure». In an active reserve,

at least 3,500 nuclear warheads may remain, possibly up to 4,000 warheads [9].

The offensive features of the US nuclear concepts are a direct consequence of the offensive policies of the Republican administration. Despite the end of the Cold War and the absence of any specific nuclear threat, the formation of a nuclear strategy took place in the spirit of the ideas of neoconservatism. Therefore, the nuclear strategy, despite the reduction of the apparent threat from the former Soviet/Russian nuclear forces.

The last, determining and regulating nuclear policy is the Nuclear Posture Review (NPR 2018). This document was adopted under the Trump presidency and introduces the main lines of US nuclear policy for the medium term.

The role and place of nuclear weapons in the NPR 2018, according to the new document, contribute to "detering nuclear and non-nuclear aggression." It is also emphasized that non-nuclear forces, in historical perspective, play an important role in deterrence, but they were not able to stop the war between the powers until a nuclear advantage was achieved. U S nuclear capabilities and long-term national goals:

- Deterrence of nuclear and non-nuclear attacks;
- Warranty to allies and friends;
- Achieve US goals, if deterrence fails
- Ability to counter future uncertainties [10].

The United States will take an individual and flexible approach to effectively deter a wide range of adversaries, threats, and contexts. For these purposes, the United States will maintain and modernize its capabilities N3 (nuclear command, control and communications), the integration of nuclear and non-nuclear forces. As part of these changes, the combat command and control system will carry out training, and the integration of nuclear and non-nuclear forces in order to counter nuclear threats [10].

Key points regarding the organization of the Triad

«The triad synergy and matching attributes help to ensure the robust survivability of our

deterrent against attack and our ability to put at risk a number of enemy targets in a crisis or conflict». As part of the ongoing initiative to develop and implement a new nuclear triad, the Trump administration's nuclear policy will continue to implement the following strategic initiatives: use of 14 Ohio-class submarines until they are replaced by at least 12 submarines of the Columbia class;

- ICBMs consist of 400 single carrying warheads housed in silos. 3 Minuteman will be replaced as part of the Ground-Based Strategic Deterrent program by 2029. The Terrestrial Strategic Containment Program will carry out the modernization of 450 launches of ICBMs;

- The air force of the nuclear triad consists of 46 B-52 bombers capable of carrying nuclear charges and 20 Stealth B-2A nuclear bombers. Work is underway to create and implement a new generation of strategic bomber, namely the B-21 «Raider». This bomber will complement and eventually replace elements of conventional and nuclear-capable bomber force from the mid-2020s. It speaks of the integration of nuclear and conventional forces.

- The B83-1 and B61-11 bombs will be kept in stock until the B61-12 bomb is introduced in 2020.

- Attention is paid to upgrading B-52N strategic bombers equipped with ALCMs [10].

Strengthening deterrence with non-nuclear strategic forces

Strengthening the containment of nuclear forces requires the introduction of non-strategic nuclear forces, which by their characteristics will be more mobile and flexible. Non-strategic nuclear forces must be flexible to respond to different conflicts and crises, within possible, regional conflicts. The use of non-strategic nuclear forces will increase the nuclear threshold, which in turn will lead to a reconsideration of the possibility of the use of nuclear weapons by a potential adversary. In this regard, the F-35 fighter and SLBM are considered the most appropriate [10].

Conclusion

Nuclear strategy after the end of the Cold War, has undergone a significant transformation in its conceptual meaning. The Nuclear strategy in its military-political and military-strategic implications is an integral part of the international security system. In general, the nuclear strategy is manifested in the following aspects of the system of international relations:

- Development of non-strategic nuclear forces, mainly tactical nuclear weapons. This vector of military-technical development is mainly due to the localization of conflicts within the framework of the modern system of international security.

During the Cold War, the nuclear powers were represented by the United States and the USSR, and the concentration of military confrontation was in Europe, while nuclear weapons are now spreading across regions of the world;

- Nuclear weapons have largely become ornamental, in particular the possession of large stocks of nuclear weapons and delivery systems. There is a convergence of strategic and conventional forces;

- Nuclear strategy is more characterized by multipolarity, as a response to modern challenges and threats. Nuclear strategy in its moral meaning, has become the spokesman for the desires and aspirations of mankind to put nuclear weapons under final control. Nuclear strategy, as part of the continuation of politics, is in a dynamic phase and may change within the framework of a changing political context.

In general, the nuclear strategy within the framework of an integrated system of international relations is incorporated into the system of general and global international law, where non-proliferation of nuclear weapons and the achievement of the ideal of a nuclear-free world play a significant role. The nuclear strategy in this regard has become characterized by the achievement of nuclear stability, which implies the absence of any global situation of a military-political nature conducive to the direct military, albeit hypothetical use of nuclear weapons. Accordingly, the nuclear strategy

began to define international legal norms and safety standards. In a post-Cold War nuclear strategy, tactical nuclear weapons replace strategic nuclear forces, whose functionality increases to a large extent in potential collisions of a multipolar world. The desire to preserve

the nuclear arsenal as a military symbol of the major powers and the "conventionalization" of nuclear forces, which was also mentioned by the Soviet Marshal Ogarkov, continues to preserve the relative instability of the emerging multi-polar world.

REFERENCES:

1. Безопасность Европы / Под ред. В.В.Журкина – М.:Издательство Б 40 «Весь мир», 2011.- С.129.
2. Тридцатилетнее противостояние// http://nvo.ng.ru/history/1999-12-17/5_30years.html
3. Cold war – Star Wars // <https://www.youtube.com/watch?v=BgSEwz28YR4>
4. Фененко А.В. Современная международная безопасность: Ядерный фактор /А.В. Фененко; отв.ред. В.А. Веселов. – М.:ЗАО Издательство «Аспект Пресс», 2013.- С. 230-231.
5. Presidential Decision Directive/NSC-31 // <https://fas.org/irp/offdocs/prd/prd-31.pdf>
6. Presidential Decision Directive /NSC-17 // <https://fas.org/irp/offdocs/pdd/pdd-17.pdf>
7. A Review of 2002 US Nuclear Review. Union of Concerned Scientists Working Paper. By Stephen Young and Lisbeth Gronlund // https://www.ucsusa.org/sites/default/files/legacy/assets/documents/nwgs/npr_review.pdf
8. Nuclear posture review [experts] 2002 // <https://fas.org/wp-content/uploads/media/Excerpts-of-Classified-Nuclear-Posture-Review.pdf>
9. The Nuclear Posture Review: Overview and Emerging Issues. Amy F. Woolf // <https://fas.org/wp-content/uploads/media/The-Nuclear-Posture-Review-Overview-and-Emerging-Issues.pdf>
10. Nuclear Posture Review 2018 // <https://media.defense.gov/2018/Feb/02/2001872886/-1/-1/1/2018-NUCLEAR-POSTURE-REVIEW-FINAL-REPORT.PDF>

MPHTI
06.51.51

CONSEQUENCES OF RUSSIA'S SELL-OFF OF THE U.S. TREASURY BONDS - EVALUATION OF STABILITY OF AMERICAN STATE FINANCE AFFECTING

Vyacheslav Dodonov

Chief Research Fellow of Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan,
Doctor of Economic Sciences

Abstract. The article examines the size of the government bonds. The interrelation between this process and the dynamics of treasuries yield is revealed and its implications for the US budget process are considered.

Key words: *Treasury bonds, budgeting process, US government debt.*

АҚШ-ТЫҢ ҚАЗЫНАШЫЛЫҚ МІНДЕТТЕМЕЛЕРІН РЕСЕЙ ТАРАПЫНАН САТЫЛУЫНЫҢ САЛДАРЛАРЫ – АМЕРИКАНДЫҚ МЕМЛЕКЕТТІК ҚАРЖЫ ТҮРАҚТЫЛЫҒЫНА БЫҚПАЛЫН БАҒАМДАУ

Вячеслав Додонов

Аңдатпа. Мақалада АҚШ мемлекеттік облигацияларына Ресей салымдарының күрт төмендеуінің ауқымы мен салдары талқыланады. Бұл үдерістің және қазынашылық облигациялардың нарықтық кірістілігінің динамикасының арасындағы байланыс анықталды және оның АҚШ бюджетінің процесіне тигізетін әсері қарастырылды.

Түйін сөздер: *қазынашылық міндеткерліктер, бюджет үдерісі, АҚШ мемлекеттік қарызы*

ПОСЛЕДСТВИЯ ПРОДАЖИ РОССИЕЙ КАЗНАЧЕЙСКИХ ОБЯЗАТЕЛЬСТВ США – ОЦЕНКА ВЛИЯНИЯ НА СТАБИЛЬНОСТЬ АМЕРИКАНСКИХ ГОСУДАРСТВЕННЫХ ФИНАНСОВ

Вячеслав Додонов

Аннотация. В статье рассматриваются масштабы и последствия резкого сокращения вложений России в государственные облигации США. Выявляется взаимосвязь между этим процессом и динамикой рыночной доходности казначейских обязательств и рассматриваются его последствия для бюджетного процесса США.

Ключевые слова: казначейские обязательства, бюджетный процесс, государственный долг США

The US government debt currently serves as the basis of the world reserve system - according to the IMF, 62.5% of the world's total reserves are stored in various types of US government obligations produced by the Federal Treasury [1]. On the other hand, foreign investors are also very important for the American public-finance system, since they own (as of July 2018) government obligations totalling \$ 6,251 billion [2]. This represents almost 30% of total US federal debt (\$ 21.2 trillion in the second quarter of 2018); and 41% of that amounts to \$ 15.5 trillion [3], which accounts for investors (also a certain part of the US government debt belongs to government departments). Thus, the US national debt performs a very important function for the global financial system, acting as a core element of its reserve assets; but, at the same time, results in government finances depending highly on foreign holders of treasuries.

Under normal conditions, the balance of the mutual economic interests of both the issuer of debt obligations and their holders ensures the stability of the market, in spite of the enormous size of the US debt, and the stability of the federal budget process - both things that are largely dependent on debt financing. The federal budget for the 2018 fiscal year assumes a deficit

of \$ 832 billion, with a total expenditure of \$ 4,173 billion [4] - that is, almost 20% of its expenses are covered by borrowing, which is largely provided by foreign investors. However, in the current conditions of a sharp increase in geo-economic tensions caused by the aggressive actions of President Trump's administration, the fragile balance in the US debt market may falter and lead to far-reaching consequences not only for this market, but also for the American and even the global financial system.

The imbalance and hypothetical collapse of the debt pyramid over the course of a number of years has been considered one of the likely scenarios for ending the build-up of hypertrophied government debt in the United States and many other developed countries. Moreover, such assessments have recently shifted from the sphere of populist discussions to academic discourse and are being voiced by experts in the financial market, including in the United States. This problem is associated not so much with the build-up of the federal government debt itself, but with a significant increase in federal budget expenditure (i.e. to do with the management of this area) which has accelerated significantly over the past three years not just in absolute terms but also relative to total budget expenditure (Fig. 1).

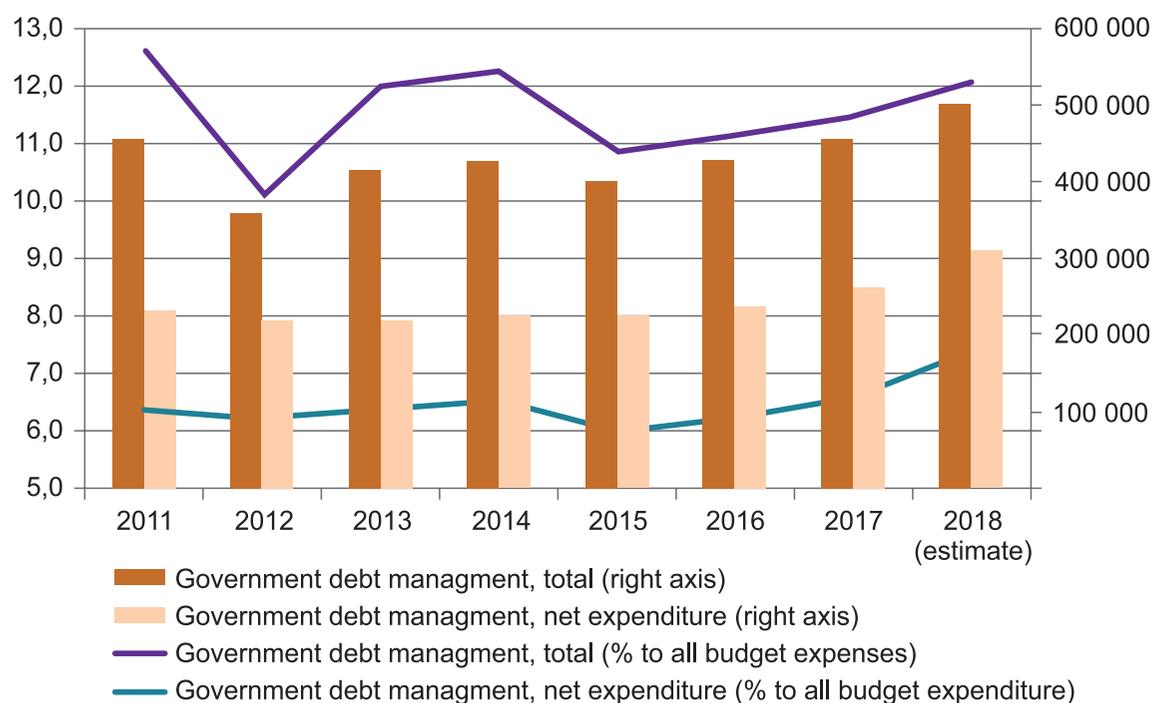


Figure 1. The dynamics of the US federal budget expenditure for government debt management, in millions of dollars unless otherwise indicated [5].

The size of budget expenditure on debt management directly depends on the current interest rates on treasury bills, which have been increasing from the end of the quantitative easing program of the FRS and the beginning of the rate-increase cycle. This growth largely determined the increase in budgetary expenditure for government debt management in the federal budget, the net volume of which increased sharply in the 2018 fiscal year, both in absolute and relative terms.

In the context of growth in rates on treasuries, budget expenditure on interest payments, as well as the very federal debt of the United States, the stability of the market for the US government bonds is becoming of particular relevance. Meanwhile, this stability is undermined by the measures taken by Trump's administration both in terms of the trade wars he has launched with the USA's main trading partners (first of all, the PRC); and in terms of the expansion of politically motivated sanctions, primarily against Russia, as well as Iran and other countries. Both trade wars and sanctions may lead to actions on the part of the affected countries with respect to the US debt which could unbalance its market. A massive

dumping of bonds by any large holder (in response to trade protectionism or in response to sanctions) can, at the bare minimum, cause their prices to sink and the yield to grow, leading to an increase in budget expenditure on the government debt management; and, at the maximum, provoke a market collapse and a very severe global financial crisis.

In this regard, it is of interest to assess the potential of such actions by the example of Russia's withdrawal from treasuries dated April-May of the current year. During this period, the volume of these securities among Russian investors decreased, according to US Treasury data [6], which keeps the relevant statistics, from \$ 96 to 14.9 billion, that is, by \$ 81.1 billion. Apparently, this reduction occurred primarily at the expense of state assets on the eve of the next set of sanctions, which, in the most radical format, could be extended to Russian state funds placed in the USA. The volume of securities sold by Russian holders can be estimated as quite large, considering that in March, at the beginning of this reduction, the total amount of treasuries held by state foreign holders was \$ 4,049 billion - that is, the reduction of Russian

investments amounted to 2% of their total. During the period of Russia’s withdrawal from American securities, their other foreign holders as a whole retained and even increased their investments (Tab. 1). It can therefore be concluded that the Russian sell-off of treasuries caused a decrease in

the total volume of these instruments from foreign investors, which amounted in March-April to \$ 59 billion or 1.5%. Thus, it was Russia’s withdrawal from US government debt during this period that caused a decrease in its volume among foreign holders as a whole.

Table 1. Comparative dynamics of the volume of the US treasuries held by Russia and all foreign holders in 2018 [2].

	Russia	Total foreign holders	Total foreign state holders
January	96.898	6,186.6	3,997.2
February	93.757	6,216.4	4,029.6
March	96.05	6,216.6	4,049.1
April	48.724	6,173.3	4,003.3
May	14.905	6,213.7	3,990.8
June	14.91	6,211.7	3,988.4
July	14.907	6,251.6	4,007.8

This reduction coincided with a fall in prices of these instruments and growth in their profitability (Fig. 2). It was in April-May 2018 that the yield on 10-year Treasury bonds exceeded 3% per annum - for the first time since 2014. Considering the above data and taking into account the fact that Russia was the only major seller on the market during this period that was sharply reducing its investments

in American financial instruments, it is legitimate to conclude that these events are directly related. It was Russia’s sell-off of US treasuries totaling \$81 billion and the reduction in the total volume of these securities held abroad (especially noticeable in April), caused by it, that led to a sharp drop in recent years to record levels in both the price of these instruments and their yield.

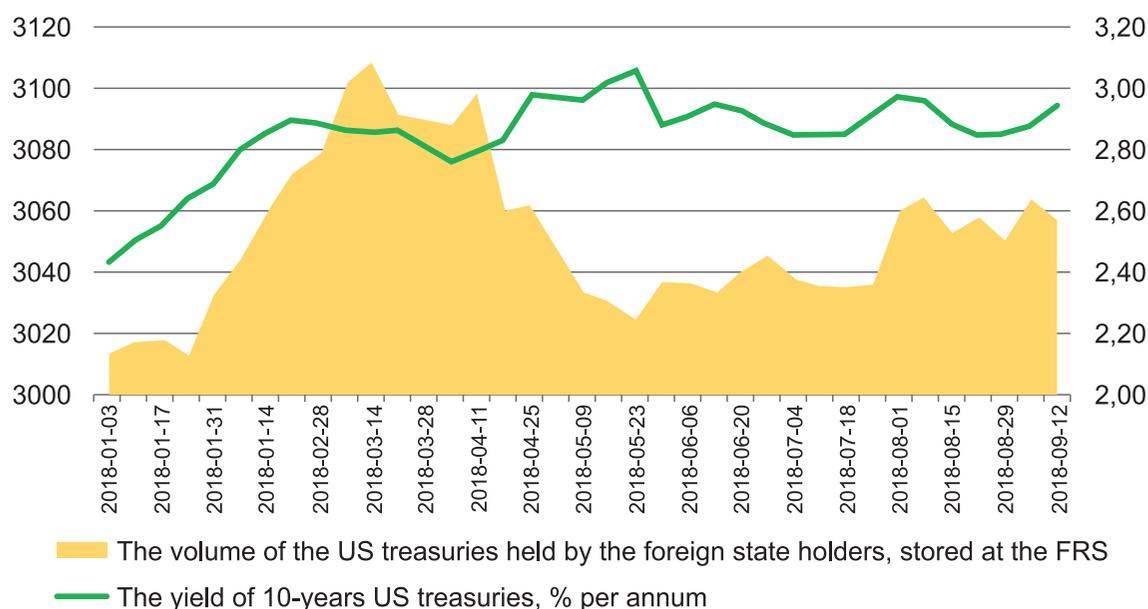


Figure 2. Dynamics of the yield of 10-year US treasuries and the volume of treasuries held by foreign state holders, in billions of dollars unless otherwise indicated [7].

The growth of market profitability determines the growth of profitability of new bond issues, at the expense of which the former debts are refinanced, which causes an increase in budget expenditure on interest payments on them and adversely affects the US budget process. As we know, the federal budget for the 2018 fiscal year provides for a deficit of \$ 832 billion. However, over 11 months of this year (from October 2017

to August 2018), the size of the deficit exceeded \$ 898 billion; and, to a certain extent, the deficit's getting beyond the boundaries was associated with increased costs starting in May (Fig. 3), when the Treasury had to issue debt obligations at higher interest rates, which should have corresponded to the current market situation and prices that were under pressure, including Russian sales of similar securities.

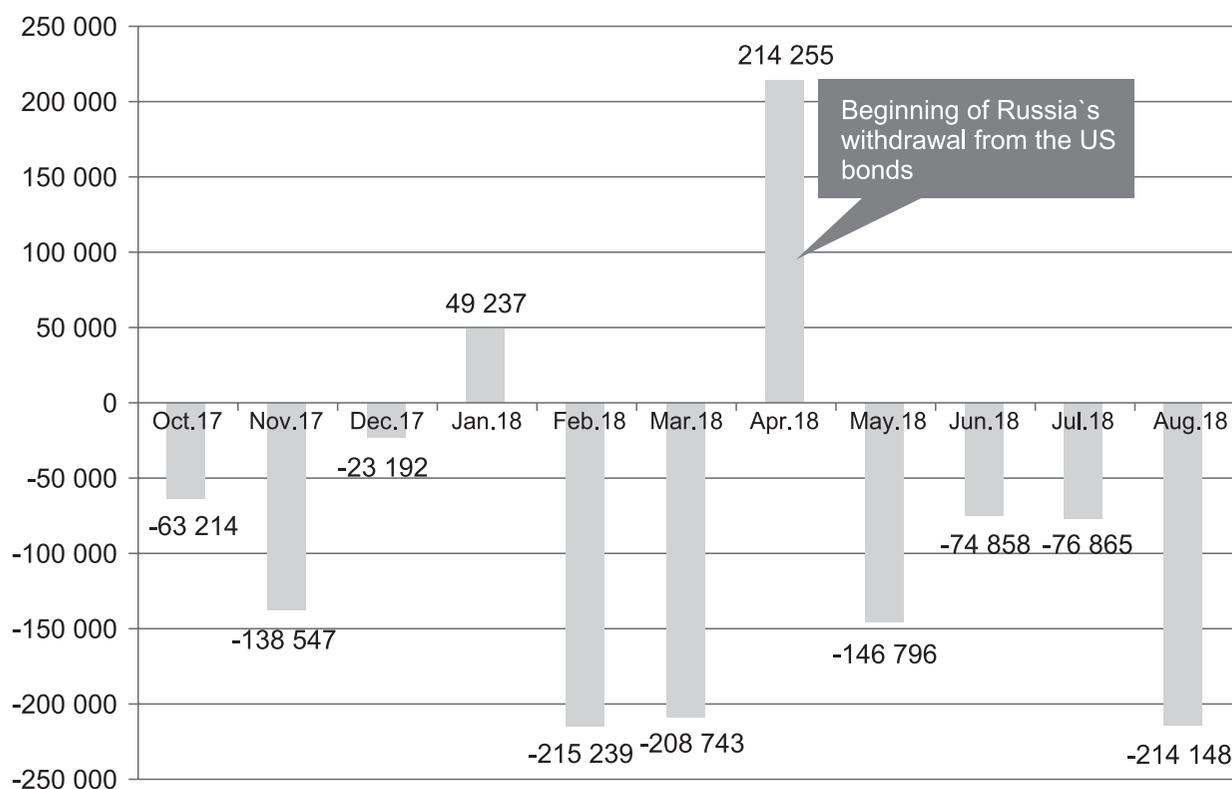


Figure 3. The deficit (surplus) of the US federal budget in the 2018 fiscal year, in millions of dollars [9].

Thus, the example of Russia's actions in relation to the US government debt market demonstrates the possibility of significant influence on this market even by relatively small volumes of operations. The sale of securities in the amount of 1.5% of their total volume held by foreign holders, or 0.5% of the total volume of investors, increased the current market yield from 2.82% to 3.06% per annum, or 8%. This led to a deterioration in the conditions of new borrowings and to a certain extent caused the US budget parameters to go beyond the planned

boundaries due to the growth in the government debt management expenditure. This example demonstrates the possibility and potential for negative influence on the US government debt market for similar actions by other countries, which can choose it as a means of response in the unfolding trade wars, which are now moving into the stage of general economic confrontation. Attention is thus drawn to the fact that a new growth of yield above 3% per annum on 10-year Treasuries occurred on September 19, after the United States announced a new package of

duties, which will be imposed on imports from China and totalling \$ 200 billion. This sharp rise in yield, in our opinion, is a sign of China's response to the withdrawal from American securities and pressure on the United States in part of their public finances. China's pressure on the US bond market is much higher than Russia's — China owns (as of July this year) \$ 1,171 billion-worth of these tools [2]; and if the opposition between the United States and the People's Republic of China enters a more acute

phase, China may bring down the US government debt market, as is indicated by the example of the Russian actions discussed above. The escalating trade wars thus carry very significant negative potential for the global financial system, going far beyond the foreign trade of the two largest economies in the world; and the situation in the US and global debt markets should be carefully monitored as the potential focal point of a new global crisis.

REFERENCES:

1. Currency composition of Official Foreign Exchange Reserves. IMF Data. International Monetary Fund website. URL: <http://data.imf.org/?sk=E6A5F467-C14B-4AA8-9F6D-5A09EC4E62A4>.
2. MAJOR FOREIGN HOLDERS OF TREASURY SECURITIES. Securities (B): Portfolio Holdings of U.S. and Foreign Securities. U.S. DEPARTMENT OF THE TREASURY website. URL: <https://www.treasury.gov/resource-center/data-chart-center/tic/Pages/ticsec2.aspx>.
3. Federal Debt Held by the Public. FRED Economic Data. Federal Reserve Bank of St. Louis website. URL: <https://fred.stlouisfed.org/series/FYGFDPUN#0>.
4. US Spending. Usgovernmentspending.com. URL: https://www.usgovernmentdebt.us/download_multi_year_2013_2023USb_19s2li101mcn_G0fF0f.
5. Office of Management and Budget. Historical Tables. URL: <https://www.whitehouse.gov/omb/historical-tables>.
6. U.S. Treasury Securities Held by Foreign Residents. U.S. DEPARTMENT OF THE TREASURY. website. URL: <https://www.treasury.gov/resource-center/data-chart-center/tic/Pages/ticsec2.aspx>.
7. Memorandum Item: Securities Held in Custody for Foreign Official and International Accounts: Marketable U.S. Treasury Securities. FRED Economic Data. Federal Reserve Bank of St. Louis website. URL: [https://fred.stlouisfed.org/series/WMTSECL1\\$](https://fred.stlouisfed.org/series/WMTSECL1$).
8. 10-Year Treasury Constant Maturity Rate. FRED Economic Data. Federal Reserve Bank of St. Louis website. URL: <https://fred.stlouisfed.org/series/DGS10>.
9. Federal Surplus or Deficit. FRED Economic Data. Federal Reserve Bank of St. Louis website. URL: <https://fred.stlouisfed.org/series/MTSDS133FMS>.

MPHTI
06.51.77

ENHANCING THE ROLE OF KAZAKHSTAN'S AGRICULTURAL EXPORTS IN THE AGRARIAN MARKET OF THE EURASIAN ECONOMIC UNION

Ademi Yerasylova

Head of the Strategic Analysis and Forecasting Department of
Kazakh National Agrarian University, Candidate of Economic
Sciences, (Almaty, Kazakhstan)

Abstract. The purpose of the article is to study the role of Kazakhstan's agro-industrial industry within the common agrarian market of the EEU, including the growth of the flow of exports in agricultural goods. The method of analysis includes the comparative analysis of statistical data on export flows and import volumes. As a result of the application of this method, factors are identified for the development of exports of individual Kazakh agricultural products in the EEU, the reasons for the Eurasian countries' dependence on imports, and ways to increase the role of Kazakhstan's agribusiness in the common market. Recommendations are given for the development of domestic exports of agricultural products in the context of regional integration processes.

Key words: *export of agricultural goods, agrarian market of the Eurasian Economic Union, agro-industrial complex of the EEU member states, volume of import flows, export potential.*

ЕУРАЗИЯЛЫҚ ЭКОНОМИКАЛЫҚ ОДАҚТЫҢ АГРАРЛЫҚ НАРЫҒЫНДА ҚАЗАҚСТАННЫҢ АУЫЛ ШАРУАШЫЛЫҒЫ ТАУАРЛАРЫ ЭКСПОРТЫНЫҢ РӨЛІН АРТТЫРУ

Әдемі Ерасылова

Аңдатпа. Мақаланың мақсаты – Қазақстанның агроөнеркәсіптік кешенінің ЕАЭО-ның ортақ аграрлық нарығындағы рөлін, оның ішінде ауыл шаруашылығы өнімдерінің экспорттық әлеуетінің өсуін зерттеу. Зерттеу барысында экспорттық ағындар мен импорт

көлемі туралы статистикалық деректерге салыстырмалы талдау әдісі қолданды. Осы әдісті қолдану нәтижесінде ЕАЭО мемлекеттері нарығындағы қазақстандық жекелеген ауыл шаруашылығы өнімдерін экспорттаудың өсуі факторлары анықталды, Еуразия елдерінің импорттық тәуелділіктерінің себептері анықталды және ортақ нарықтағы Қазақстанның агроөнеркәсіп кешенінің рөлін арттыру жолдары нақтыланды. Аймақтық интеграциялық процестер шеңберінде ауыл шаруашылығы өнімдерінің отандық экспортын дамыту бойынша ұсыныстар жасалды.

Түйін сөздер: ауыл шаруашылығы тауарларын экспорттау, Еуразиялық экономикалық одақтың аграрлық нарығы, ЕАЭО қатысушы елдердің агроөнеркәсіптік кешені, импорттық ағындардың көлемі, экспорттық әлеует.

ПОВЫШЕНИЕ РОЛИ ЭКСПОРТА СЕЛЬСКОХОЗЯЙСТВЕННЫХ ТОВАРОВ КАЗАХСТАНА НА АГРАРНОМ РЫНКЕ ЕВРАЗИЙСКОГО ЭКОНОМИЧЕСКОГО СОЮЗА

Адеми Ерасылова

Аннотация. Цель статьи заключается в исследовании роли агропромышленного комплекса Казахстана на общем аграрном рынке ЕАЭС, в том числе роста экспортных потоков сельскохозяйственных товаров. При анализе использовались метод сравнительного анализа статистических данных по экспортным потокам и объемам импорта. В результате применения этого метода были выявлены факторы развития экспорта отдельных казахстанских сельскохозяйственных товаров на рынке государств ЕАЭС, определены причины импортозависимости стран евразийского пространства и выявлены пути повышения роли АПК Казахстана на общем рынке. Даны рекомендации по развитию отечественного экспорта сельскохозяйственной продукции в рамках региональных интеграционных процессов.

Ключевые слова: экспорт сельскохозяйственных товаров, аграрный рынок Евразийского экономического союза, агропромышленный комплекс стран-участниц ЕАЭС, объемы импортных потоков, экспортный потенциал.

The most important priority of the economic policy of Kazakhstan at the moment is the further deepening of trade with the EEU member states, including trade in agri-food products.

There is great potential for Kazakhstan to increase the export of agricultural goods to the EEU market.

At the same time, all the expectations and benefits for the republic from mutual trade in Eurasian space have not yet manifested them-

selves. The main obstacles have been the current practice of protectionism in the national markets of the Union and the use of barriers and restrictions in mutual trade. In addition, there is a low complementarity of trade between integrating states.

In 2017, the agricultural commodity turnover of Kazakhstan with EEU member states amounted to 2.1 billion US dollars, which is 16% more than in 2010 (Figure 1).

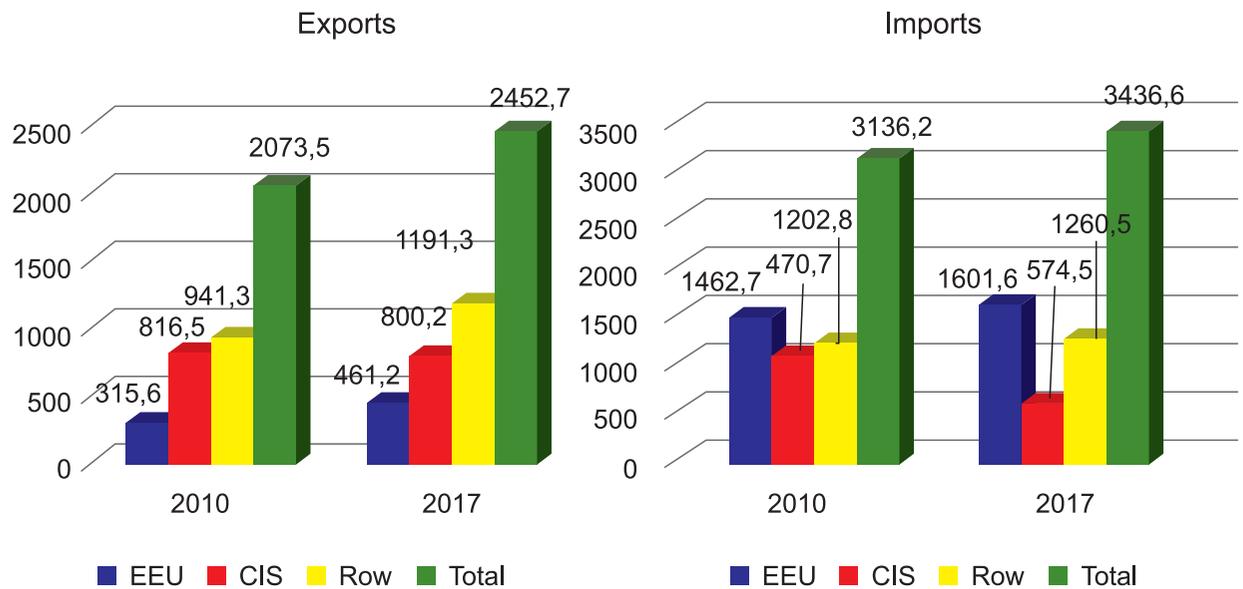


Figure 1 - Dynamics of exports and imports of agro-industrial products of Kazakhstan by category of countries (EEU volumes in 2010 include indicators for the new member states), mln. US dollars

There is a tendency towards growth in the value of exports and imports. At the same time, the balance of mutual trade at all periods of integration development remained negative with all countries of the Union, except Kyrgyzstan.

At present, the main trading partners are Russia and Kyrgyzstan. The main exported agricultural products of the republic fall on these states (Figure 2). The main reason is the existence of a common border, unlike Belarus and Armenia.

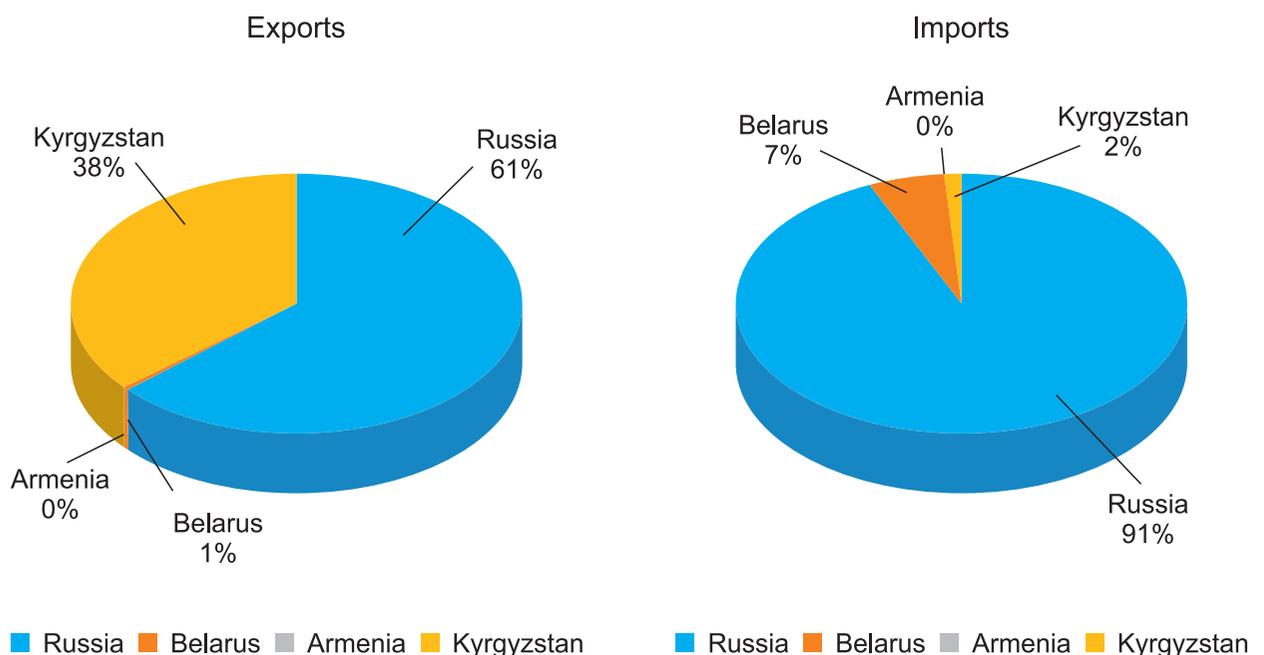


Figure 2 - Structure of exports and imports of agro-industrial products of Kazakhstan with EEU members' states, 2017, %

In the EEU market, Kazakhstani wheat flour, pork and vegetable oil have competitive advantages. Most Kazakhstani wheat is exported to Kyrgyzstan and Russia. Wheat flour and rice exported to these countries, as well as the export of melons and gourds to Kyrgyzstan, occupy a significant share of total exports. The main share in EEU member states' imports is occupied by Kazakhstani rice and pasta (with especially high demand from Kyrgyzstan).

In general, the range of agricultural products exported to the countries of the Eurasian Economic Union is narrow, although these states need imports of vegetables, melons, gourds, and meat. It is these types of products in which the republic can specialize; and, under certain conditions of development and growth in the competitiveness of Kazakhstani products, there is

the opportunity to expand their presence in the markets of the Union.

In addition, exports within the EEU are unstable (Table 1); and the markets of these states are not sufficiently developed for the agrarian sector of the republic (Table 2). This suggests that, despite the achieved level of mutual trade between Kazakhstan and the EEU member states, the potential for interaction in this area has not yet been fully implemented and, as an exporter, the republic remains the country with the least integration into intra-union economic ties.

The development of production and export of the above-mentioned goods is influenced by a number of negative factors that hinder the strengthening of the presence of Kazakhstani goods in the common market of the Union (Table 3).

Table 1 - Assessment of changes in export flows of agricultural products of Kazakhstan to the markets of the EEU member states, 2010-2016.

Product	Change indices		Share in agricultural export, %	
	export volume	export value	2010	2016
Products with an ever-increasing export volume				
Wheat	1.557	1.444	26.6	22.9
Barley	30.609	16.666	0.2	1.5
Cereals	15.000	6.341	0.0	0.1
Pasta	2.281	1.413	1.2	1.0
Poultry meat	5.714	11.903	0.3	2.4
Canned meat	2.333	2.190	0.3	0.4
Milk and cream not condensed	107.000	42.7584	0.0	1.1
Cheese and curd	2.167	2.298	0.6	0.8
Grapes	376.667	95.255	0.0	0.6
Stone fruits	162.222	11.576	0.0	0.1
Canned vegetables	1.750	2.576	0.2	0.2
Products with an ever-decreasing export volume				
Vegetables	0.156	0.437	7.2	0.5
White sugar	0.006	0.004	3.8	0.0
Vegetable oil	0.274	0.217	6.3	0.8
Products with an unstable export volume				
Corn	0.010	0.000	0.0	0.0
Rice	1.200	0.487	3.7	1.1
Gourds	2.667	3.943	0.2	0.4

Product	Change indices		Share in agricultural export, %	
	export volume	export value	2010	2016
Pome fruits	3.333	1.456	0.0	0.0
Soy beans	25.550	6.889	0.1	0.5
Sunflower seeds	0.459	4.822	0.3	0.9
Lamb meat	1.000	0.289	0.3	2.4
Wheat flour	2.341	1.590	2.6	2.5
Margarine	1.500	1.179	2.3	1.6
Butter and fat	30.000	16.563	0.0	0.2
Canned fruits	70.000	43.522	0.0	0.2
Wool	0.867	0.600	0.4	0.1
Cotton fiber	0.488	0.508	13.9	4.2

Note: statistics of the Committee on Statistics of the MNE RoK / <http://stat.gov.kz/>

Currently, almost all the EEU member states (especially the agro-industrial exports of Belarus and Kyrgyzstan) are largely focused on the large Russian market. For Kazakhstan, export to the Russian market is constrained by the similar

structures of agrarian production and the export of goods. In this regard, the republic remains the country with the least integration into intra-union economic relations as an exporter of products.

Table 2 - The volume of imports of agricultural products in the EEU member states, 2015

Products	Import, thousand tons				The share of Kazakhstan products in imports of the EEU members states, %			
	Armenia	Belarus	Kyrgyzstan	Russia	Armenia	Belarus	Kyrgyzstan	Russia
Wheat	332.3	26.7	461.1	331.4	-	-	100.0	98.9
Rice	10.6	29.6	25.5	305.5	-	-	38.4	7.0
Wheat flour	3.0	33.0	57.1	43.1	11.6	-	30.6	37.3
Pasta	5.3	38.0	2.3	15.5	0.3	0.05	100.0	32.9
Vegetables:	11.6	213.5	11.0	1750.9	-	-	1.1	0.4
tomatoes	0.2	103.2	-	893.4	-	-	-	0.01
onion turnip	8.7	19.1	31.9	508.7	-	-	7.2	1.7
root plants	0.2	13.9	45.6	118.4	-	-	-	0.9
Gourds	0.4	20.7	0.3	1468.9	-	-	20.0	3.4
Total meat	44.2	100.4	62.4	1468.9	-	-	0.8	0.8
beef	5.4	6.9	0.2	633.2	-	-	-	0.3
pork	7.1	33.0	3.5	372.7	-	-	-	0.5
lamb	-	1.8	...	10.0	-	-	-	0.1
poultry	31.2	31.6	58.7	454.5	-	-	0.9	1.5

Note: statistics of the Eurasian Economic Commission / <http://www.eurasiancommission.org>

Table 3 - Problems of development of the export potential of agricultural products of Kazakhstan

Problems				
wheat	rice	flour	vegetables	meat
<p>The mechanism for regulating relations between market participants has not been sufficiently developed. Low level of services, lack of targeted reproduction policy in the field of seed production. Periodic grain failure caused by the influence of weather conditions. Weak organization of transport logistics for the transportation of grain (lack of grain-carrying cars, etc.), high railway tariffs for the supply of grain. Strong regional (continental) competition from Russia. Critical deterioration of the infrastructure for the transportation of products to target markets and the associated increase in the cost of delivery. Low level of marketing of external demand and supply conditions</p>	<p>High share of deteriorated irrigation systems, soil salinity. Kazakhstan's high dependence on water sources with unresolved legal issues of settling transboundary water sources. Narrow varietal assortment and quality of Kazakhstani rice offered for export (78% exported as chaff). Imbalance between the acreage of rice and perennial grasses, which are its main predecessors. Changes in the level of world prices and increased competition from the countries of Southeast Asia. In addition, Russia is the main competitor in the common market of the Union, and has sufficient raw materials for rice production.</p>	<p>High proportion of old equipment, which determines the high costs and prices. Competition in potential sales markets with local businesses using cheap imported grain as an improver. Tariff restrictions on imports of Kazakhstan flour (protective import duties, increasing excise taxes on flour from importing countries). Changes in consumer preferences in favor of the finished product (pasta); Increased competition from exporting countries offering lower prices and attractive terms of delivery and payment for products. Increase in the number of intermediary structures in the market leads to higher prices</p>	<p>Small-scale production of vegetables, which does not allow the volume of the commodity necessary for export. Weak development of domestic-seed production of vegetable crops. High seasonality of vegetable production and lack of storage facilities in production locations. Undeveloped logistic and transport infrastructure, high transport costs for the transportation of vegetables. High competition in foreign markets and insufficient price competitiveness of domestic vegetable producers in comparison with the countries of Central Asia, China. Insufficient commercial processing of vegetables and non-compliance with technical regulations of the EEU</p>	<p>Predominant placement of beef livestock in small farms of the population. Insufficient level of technical and technological equipment of the industry in the phase of reproduction of livestock and fattening young stock. Poor condition and use of fodder lands, weak forage base. Low productivity potential of livestock, low economic motivation of agricultural producers in fattening livestock. Unregulated economic relations in the chain of movement of products to the consumer. Low state support of beef farming in small business forms.</p>

The physical distance between individual EEU states (for example, Armenia and Kyrgyzstan) does not allow for full implementation of effective foreign-trade cooperation, which makes them focus on the development of technological cooperation that does not require physical interaction, for example, through the international outsourcing mechanism [1].

The current demand of the member states of the Eurasian Economic Union for imported agricultural products and foodstuffs for individual products is quite high.

For example, Armenia is insufficiently provided with pork, poultry, butter, vegetable oil, sausages, and sugar. It should be noted that these products are imported from third-party countries, with the only exception being vegetable oil, imported to a greater extent from the EEU member states.

In Belarus, high import demand is noted for grapes, pomegranates, melons and vegetable oil, which excluding melons and vegetable oil is mainly satisfied by imports from third-party countries.

Kyrgyzstan needs a significant external supply of poultry meat, vegetable oil and sugar, while, in addition to vegetable oil, the main share of imports is provided by third-party countries.

For Russia, the market of beef, butter, cheese, grapes and pomegranates is import-dependent, and is completely provided by from third-party countries, with the exception of dairy products, much of which goes to the Russian market from Belarus.

At the same time, many EEU member states import from Kazakhstan rice, both hulled and chopped rice, pasta, sunflower and other types of vegetable oils, margarine, tomatoes and canned meat and other goods.

Considering the demand for imported products of the EEU, the high volumes of supplies of products from third-party countries should be noted. These products include: beef, poultry, butter, cheese, grapes, pomegranates, etc. At the same time, the share of imports from third countries in Russia is about 89% of the total imports of agricultural products and foodstuffs, Armenia - about 76%, Belarus - 74%, Kyrgyzstan - 38%.

Kazakhstan's dependence on imports of agricultural products and food from third-party countries is 57% [2].

In this regard, for the agrarian sector of Kazakhstan, the replacement of products imported from third countries and the expansion of mutual trade in agricultural goods within the Union are of current importance. The increased presence in the common EEU market is of primary importance, subject to increased competitiveness of the products supplied from specialized production areas, since Kazakhstan has favorable climatic conditions for increasing the production of grain, meat (beef, pork and lamb), vegetables and melons and vegetable oil.

Moreover, in the long term, the projected reduction in potato production in Armenia, Belarus and Russia, vegetables in Armenia, Belarus and Kyrgyzstan, and vegetable oil in the Russian Federation, with an increase in production in Kazakhstan, will in the future enhance the role of Kazakhstani agricultural products in the common agricultural market of the EEU.

World experience shows that the basis of the complex of measures for the formation of the export potential of the industry is a high degree of specialization and concentration of production, the establishment of sustainable production and economic ties with industry and trade. The main measures to enhance the export of agricultural and food products should be aimed at ensuring sustainable and innovative growth, based on taking into account the economic interests of the country and rational use of the productive potential of the agro-industrial complex, increasing its efficiency.

At the same time, from the trade complementarity point of view (that is, the export correspondence of one country to another in terms of the complementarity index ranging from 1 to 100, where 100 is full correspondence and 1 is full non-correspondence) Kazakhstan and Russia have relatively high index when interacting with Belarus, i.e. its export basket is 50%, identical to what Russia and Kazakhstan would like to see in their imports.

In the case of Kazakhstan and Russia, the situation is different - complementarity is extremely low. This is due to the fact that the export set of

countries does not correspond at all to what the partner country can offer as an export. This is quite a serious problem, because if we talk about successful regional integration blocks, complementarity within the EEU member states is 81, in NAFTA 73 and in ASEAN 87 [3].

The roots of this problem include reasons that prevent the effective implementation of legislative and other regulations and acts adopted within the framework of the EEU, as a result of which countries chose to ignore some decisions in some cases instead of coordinating.

In these conditions, the expansion of exports of products should be carried out by rationalizing the structure of exports in traditional markets (bringing new products to the market), as well as improving the competitiveness of domestic products. The main objectives of export promotion include:

- development of existing and formation of new commodity zones;
- reconstruction and modernization of production capacities of export-oriented agricultural organizations and processing enterprises;
- improving the quality of goods, improving the forms and methods of product quality management based on international standards;
- development and strengthening of mutually beneficial trade and economic relations with the EEU member states, consolidation of Kazakhstan exporters in the main segments of their markets;
- introduction of highly payable and resource-saving technologies and business methods, allowing the development of competitive products.
- Kazakhstan has a number of opportunities to expand the presence of individual industries in the markets of other countries.

The basis for the further development of the export potential of Kazakhstan should be the formation of specialized export zones using intensive technologies that ensure the growth of product competitiveness.

Due to the fact that the main export product is wheat grain, effective measures are first of all needed to stimulate the export of these products. It should be borne in mind that the demand for wheat on the part of the EEU member states is not high enough and constant. Sustainable sup-

ply volumes, as the analysis shows, will reach a maximum of 0.8-1.0 million tons. Kyrgyzstan and Russia will remain the main consumers of Kazakhstani wheat. In the markets of Armenia, it is necessary to withstand competition with Russia, and in Belarus - with Ukrainian and Lithuanian grains. And given the need for transit through other countries, and, consequently, the rise in prices for the Kazakhstani product, it is possible to withstand competition only by supplying high-quality products.

Nevertheless, grain production will retain a leading position in the republic, and specialized areas of grain production have practically taken shape. So, a specialized area of wheat commodity production was created on the basis of three Northern regions, characterized by the cultivation of grain with high baking properties. About 80% of produced wheat belongs to the highest classes with a gluten content in excess of 23%. The existing lower costs for the production of wheat in the commodity area suggest that there is enough potential to maintain the price competitiveness of Kazakhstani grain in the Union and the world markets.

For the formation of consignments corresponding to the standard, it is necessary to create an effective system of quality assessment at all stages of the production cycle from harvesting, delivery to elevators and grain receiving points, storage, chipping-away - up to initial processing into finished products.

Under these conditions, an important direction for the expansion of wheat exports to the EEU member states is the production of high-protein, strong and solid grains.

At the same time, it is important to have alternative ways of supplying grain outside the EEU, that will expand the possibilities of exporting grain. An analysis of trends in major grain markets showed that global grain exports will grow, as do grain prices. The diversification of routes and the development of transport infrastructure will strengthen the negotiating position of Kazakhstan in concluding export contracts and setting tariffs for the transit of grain.

For the full sale of the export volumes of wheat, it is necessary to use the demand of other

countries. The main areas of export of Kazakhstan wheat can be:

- Western European countries (Italy, Poland, Norway) importing high-quality durum wheat from Kazakhstan;
- Central Asian countries (Turkmenistan, Tajikistan, Uzbekistan), and possibly Afghanistan, where wheat and flour from Kazakhstan dominate in imports of wheat and flour;
- countries with access to the Mediterranean and Black Seas (Turkey, Egypt, Tunisia), where Kazakh wheat shares the market mainly with the Russian, Ukrainian, Canadian and other countries wheat;
- Azerbaijan, where Kazakh wheat shares the market with the Russian wheat;
- China and Iran, where Kazakh wheat competes with products from various producing countries.

In addition, it should be noted that in various areas, Kazakhstani wheat competes with the Russian one. This shows the need for the creation of a single export system, for example, “Grain of Eurasia”. At the same time, the organization of the Integrated Transport System of the EEU will increase traffic volumes and the quality of infrastructure, which will improve the conditions for trade and, first of all, increase trade.

It will also allow the creation of a land-transport bridge between Europe and Asia, giving a positive synergistic effect to the EEU member states.

Under certain conditions, vegetables can occupy a niche in the Kyrgyz market and expand into the Russian market, especially since natural and economic conditions favor the development of their production in the country.

It is advisable to create in the republic a specialized vegetable production zone in three Southern regions that have high competitive advantages. Here it is necessary to form large and medium-sized specialized farms (through cooperation), focused on the supply of export batches of homogeneous competitive products.

The commodity zone of vegetable growing is characterized by a wide range of vegetable crops and is distinguished by high price competitive advantages, which makes it possible to develop export potential (Table 9).

According to calculations, the republic as a whole has an excess of commodity resources of vegetables that can be sent for industrial processing in the domestic market, as well as for export.

Currently, commodity resources in the specialized zone amount to 1,135 thousand tons of vegetables (minus losses, production and domestic consumption in the farms of the zone). The capacity of the city market as a whole is 910 thousand tons. Consequently, agricultural units of the specialized zone can export about 200-225 thousand tons of products for export yet today. Taking into account the production in households, this volume can grow to 400 thousand tons.

The experience of countries with developed vegetable growing shows that it is advisable to create an Association of Producers and Exporters of Vegetables, performing the functions of purchasing seeds, fertilizers, plant protection products, organizing seminars together with representatives of scientific research institutes, as well as studying the sales markets, determining the price corridor, and providing assistance in sales of commodity products.

Having adjusted the process of obtaining phytosanitary certificates, Kazakhstan’s producers will be able to supply the Union with 300 thousand tons of vegetables (Kyrgyzstan and Russia) and export at least 100 thousand tons of vegetables to third countries. It should be noted that the demand is more focused on other vegetables (eggplants, peppers, etc.), that is, production restructuring is necessary.

For the development of export potential and access to the integrated market of the EEU, in addition to the formation of a specialized commodity zone in the Southern region, the following measures are necessary:

- to develop and adopt an export program for the production and processing of vegetables products;
- to develop and introduce the production technology of frozen vegetables, fruits and berries;
- to create an effective two-stage system for storing fruit and vegetable products in the places of production and consumption;
- to form a system of wholesale markets and sales cooperatives to promote products in the domestic and foreign markets;

- to modernize enterprises processing vegetables with export orientation.

Vegetable oil can be another export product, given the ongoing diversification and a significant expansion of oilseed production.

In the republic, it is possible to form two commodity zones for the production of vegetable oil - the northern and eastern ones, which specialize in its various forms. So, the northern zone will focus on the production of rapeseed and flaxseed oil, and the eastern on sunflower oil. Here the production is 75% oilseeds, which has a high efficiency (Table 10).

Beef farming in Kazakhstan has great potential for development. But it is focused only on providing meat for the consumer demand of the domestic market. The ability to export livestock products is still underused.

The republic is fully provided with all kinds of meat, except poultry, despite the fact that its production growth rates are among the highest (9% per year at an average rate of 3%). Therefore, the main problem of increasing exports is the lack of meat resources. As a result, with the planned indicator of meat exports of 60 thousand tons annually in 2016, Kazakhstan managed to export only 16 thousand tons of meat.

In addition to the lack of resources, barriers to the development of mutual trade in meat can be noted. In order to identify them, a survey of meat enterprises of Kazakhstan, which export products to the EEU member states, was conducted. The following factors were highlighted as the main ones:

- the spread of diseases, pollutants, toxins carried by animals, plants or products from them (the veterinary state of the industry);
- the lack of a common database containing information about the organization and subjects of mutual trade (information support);
- limited access to the results of market research of the EEU member states and other states (marketing);
- poor development of transport and logistics infrastructure (movement of goods);
- the lack of stable bilateral relations between suppliers and consumers (relationships).

In addition, Kazakhstani exporters pointed to differences in the amount of state support for ag-

ricultural production in the EEU member states and lending rates, which clearly affects the competitiveness of the exported goods and has a high degree of restrictive impact. A number of intermediary organizations exporting meat products to the EEU member states noted a difference in the transport tariff on the territory of Kazakhstan and Russia as a restrictive impact on the export of goods, which affects the costs of circulation.

At the same time, the difficulty of introducing the product into the retail networks of a number of large Russian markets is apparent. Excessively high conditions for entering the market are offered; and, as a result, the value of the export product increases several times (1.5-2).

Nevertheless, in modern conditions, considering the development of a specialized industry of beef farming and determining the main directions of its functioning for the future, one should proceed from the priority of placing beef farming in regions with the most favorable conditions.

Thus, for the purpose of intensive formation of export potential, Kazakhstan's livestock industry needs to maximize the existing advantages of the industry's development - favorable climatic and economic conditions of the regions, which allow to raise lower-cost livestock, which at optimal placement will contribute to sustainable growth of production of competitive products.

The main problem hindering the efficient use of the existing favorable climatic potential and competitive advantages of the regions is small-scale production in the absence of a solid fodder base.

At the same time, the development and creation of conditions that make it possible to optimize trade and economic cooperation with integrator countries is of current importance for Kazakhstan [7]:

- creation of a centralized mechanism for the organized multilateral trade in spot agricultural products, raw materials and food (spot market);
- development of balances of agricultural production and trade by the subjects of the wholesale food market;
- creation of a database of fixed-term (forward) contracts for the supply of agricultural raw materials and food between wholesale market participants;

- development of cooperation for the supply of products through the supply chain, use of complementary functions of partners, their specialization, that is, concentration and redistribution of resources to key positions in the general system of production development and product promotion.

As a result, Kazakhstan will be able to increase its presence in the market of the EEU member states for many products, creating conditions for import substitution of goods coming from third-party countries (Table 13).

According to calculations, it is possible to completely replace imports of wheat flour, melons and lamb from third-party countries only at the expense of Kazakhstani production.

However, for the implementation of these calculations it is necessary to formulate a common strategy for the development of mutual trade, containing the following areas [8]:

- creation of an integrated interstate commodity distribution system;
- creation of a joint stabilization fund;
- creation of interstate associations, joint ventures, industry (product) associations or unions of producers;
- coordination of export operations in order to expand the market and increase the economic interest of producers.

Thus, for the purpose of intensive formation of export potential, Kazakhstan's livestock industry needs to maximize the existing advantages of the industry's development - favorable climatic and economic conditions of the regions, which allow to raise lower-cost livestock, which at optimal placement will contribute to sustainable growth of production of competitive products.

In this regard, the following areas of development of Kazakhstan's exports to the EEU member

states are relevant. In order to further develop the export-oriented industries of the agrarian sector, it is advisable to identify the most effective areas of specialization with significant potential for further development.

In addition, export support tools that comply with international rules and practices should be more actively applied:

- subsidizing a business without being linked to "export performance" (that is, not taking into account the volume of export deliveries);
- subsidizing the transportation of goods through the territory of Kazakhstan;
- exchange rate regulation;
- informational support for exporters on promising sales markets, technical support in the form of financing research costs, consulting or assistance to regional development projects.

Increasing the benefits for Kazakhstan implies free choice of trading partners and building mutually beneficial trade and economic relations with them. It is extremely important, not focusing only on the trade within the EEU, to diversify exports, expanding supplies to China, Iran, as well as to other countries of Central Asia and the Caucasus. It is vital to develop economic integration in the framework of regional trade agreements, in particular, to expand mutual trade in the format of a free trade zone with the CIS countries.

Broad prospects for Kazakhstan are opened up with its participation in the Silk Road Economic Belt project, which is aimed at the development of international and regional trade. The new Silk Road connects China through Kazakhstan with Iran and Turkey, thereby opening up international transport routes to domestic exports not only to China, but also to Europe, as well as to the Middle East countries.

REFERENCES:

1. A. Migranyan. Aggregated model for assessing the competitive potential of the EEU member states // Eurasian Economic Integration, 2015. - 4 (29). - P.45-64.
2. Monitoring of food security of the EEU. - M.: ECE, 2015. - P.36.
3. Prospects for the development of interstate integration: Eurasian Union. Electronic resource //kazorta.org/perspektivy-razvitiya-mezhgosudarstvennoj-integratsii

ҚАЗАҚСТАН РЕСПУБЛИКАСЫНЫҢ ПРЕЗИДЕНТІ ЖАНЫНДАҒЫ ҚАЗАҚСТАН СТРАТЕГИЯЛЫҚ ЗЕРТТЕУЛЕР ИНСТИТУТЫ

Қазақстан Республикасының Президенті жанындағы Қазақстан стратегиялық зерттеулер институты (ҚСЗИ) Қазақстан Республикасы Президентінің 1993 жылғы 16 маусымдағы Жарлығымен құрылған. 2014 жылдың сәуір айында Қазақстан Республикасы Президентінің Жарлығымен Институт Астана қаласына көшірілді. 2018 жылы Институт өзінің 25 жылдық мерейтойын атап өтті.

Қазақстан Республикасының Президенті жанындағы Қазақстан стратегиялық зерттеулер институтының құрылған күнінен бастап оның негізгі мақсаты – Қазақстан Республикасының ішкі және сыртқы саясатының стратегиялық аспектілерін аналитикалық қамтамасыз ету.

ҚСЗИ кәсіби ғылыми-талдау орталығы болып табылады. 2017 жылдың қорытындысы бойынша Пенсильвания университетінің «Global Go To Think Tank Index Report» дүниежүзілік зерттеу және талдау орталықтарының негізгі рейтингі бойынша ҚСЗИ 140 орынды иемденіп, аталынған рейтингке кірген жалғыз қазақстандық «ақыл орталығы» (https://repository.upenn.edu/cgi/viewcontent.cgi?article=1012&context=think_tanks).

Қазіргі таңда институтта саясаттану, әлеуметтану, мемлекеттік басқару, тарих және экономика секілді салалардың танымал мамандары – ҚР ҰҒА екі корреспондент-мүшесі, тоғыз ғылым докторы, бес ғылым кандидаты, үш Ph.D. және он екі ғылым магистрлері қызмет атқарады. ҚСЗИ-дың Алматы қаласында Өкілдігі бар және аймақтарда жаңадан өкілдіктер ашты.

ҚСЗИ өзінің 25 жылдық қызметі барысында институт халықаралық қатынастар, жаһандық және аймақтық қауіпсіздік мәселелері бойынша 300-ден астам кітап басып шығарды. Институтта үш журнал басылып шығарылады: «Қоғам және Дәуір» тоқсандық ғылыми-сараптамалық журналы (қазақ тілінде), «Кзахстан-Спектр» тоқсандық ғылыми журналы (орыс тілінде) және «Central Asia's Affairs» тоқсандық сараптамалық журналы (ағылшын тілінде). Үш тілде жүргізіліп отыратын сайты және Facebook, Twitter әлеуметтік желілерінде өз парақшасы бар.

ҚСЗИ жыл сайын халықаралық ғылыми конференциялар, дөңгелек үстелдер, семинарлар, сарапшылар кездесулерін өткізіп тұрады. 2003 жылдан бері Институт Орталық Азия аймағының қауіпсіздігі мен тұрақтылығы мәселелеріне арналған 15 конференция өткізді. 2018 жылдың 15 маусымында Қазақстан Республикасы Президенті жанындағы ҚСЗИ-нің 25 жылдығына арналған «Жаңғыртудың ұлттық стратегиялары: жетістіктері мен келешегі» атты мерейтойлық конференция өтті.

ҚСЗИ-дың ғылыми басқосуларына Қазақстан өңірлерінің және Орталық Азия елдерінің сарапшылары, сонымен қатар, АҚШ, Ауғанстан, Әзербайжан, Германия, Грузия, Жапония, Иран, Корея, Қытай, Моңғолия, Пәкістан, Ресей, Түркия, Үндістан, Ұлыбритания, Франция, Швеция және басқа да мемлекеттердің ғалымдары белсене қатысады.

ҚСЗИ көп жылдардан бері Қазақстанның жетекші жоғарғы оқу орындарының студенттері, магистранттары мен докторанттары ғылыми-зерттеу, кәсіби және дипломалды тәжірибелер мен тағылымдамалардан өтетін алаң болып келеді.

Институтта қызметкерлердің кәсіби және ғылыми өсулері үшін барлық қажетті жағдайлар жасалған. 2017-2018 жылдары Қазақстан Республикасының Білім және ғылым министрілігі ҚСЗИ үшін докторантура мен магистратураға мақсаттық гранттар бөлді. Қазіргі таңда ҚСЗИ Л.Н. Гумилёв атындағы Еуразия ұлттық университеті мен әл-Фараби атындағы Қазақ ұлттық университеті базасында 6 магистрант және 10 Ph.D. докторант дайындап жатыр.

ҚСЗИ туралы толық ақпаратты төмендегі мекен-жайдан алуға болады:

Қазақстан Республикасы, 010000, Астана,

Бейбітшілік көшесі, 4

Тел.: +7 (7172) 75-20-20

Факс: +7 (7172) 75-20-21

E-mail: office@kisi.kz

www.kisi.kz, www.kaziss.kz

THE KAZAKHSTAN INSTITUTE FOR STRATEGIC STUDIES UNDER THE PRESIDENT OF THE REPUBLIC OF KAZAKHSTAN

The Kazakhstan Institute for Strategic Studies under the President of Kazakhstan (KAZISS) was established on June 16, 1993, by the Decree of the President of Kazakhstan. In April 2014, the President of Kazakhstan issued the Executive Order to relocate the KazISS to Astana. In 2018, the Institute celebrated its 25th anniversary.

Since its foundation, the mission of the KazISS has been the provision of forecast and analytical support of strategic perspectives of the domestic and foreign policies of Kazakhstan.

The KazISS is a professional think tank. According to the “2017 Global Go To Think Tank Index”, the KazISS was ranked 140th. The Institute is the only Kazakhstani think tank listed among the 100 by the University of Pennsylvania (https://repository.upenn.edu/cgi/viewcontent.cgi?article=1012&context=think_tanks).

The KazISS employs a highly professional pool of experts; at present it includes two Corresponding Members of the National Academy of Science, one Corresponding Member of the Military Academy of Kazakhstan, nine Doctors of Science, five Candidates of Science, three PhDs and twelve Masters specializing in political science, sociology, public administration, history, and economics. The Institute has a representative office in Almaty and it is currently launching a number of branches in other regions of Kazakhstan. During the twenty-five years experience, the KazISS have published more than 300 books on international relations, global and regional security. The Institute issues three journals: the Kogam zhane Dayir (in Kazakh), the Kazakhstan-Spectrum (in Russian) and the Central Asia’s Affairs in English. The KazISS has a trilingual website (in Kazakh, Russian, and English) and manages the corporate accounts on Facebook and Twitter.

The KazISS holds a great number of international conferences, seminars and round- table discussions on the annual basis. Since 2003, the KazISS has held fifteen Annual Conferences on Security and Stability in Central Asia. On June 15, 2018 passed International Conference «National modernization strategies: Achievements and Prospects», dedicated to the 25th anniversary of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan

The KazISS forums are attended by reputable experts from Kazakhstan and Central Asia as well as from Azerbaijan, Afghanistan, China, France, Georgia, Germany, India, Iran, Japan, Korea, Mongolia, Pakistan, Russia, Sweden, Turkey, the UK, the USA and others.

For the long period the KazISS has been considered as the distinguished place for the research, professional and thesis internships of bachelor, master and Phd students from various universities.

Currently the Institute has created the necessary conditions for professional and scientific growth of employees. In 2017 and 2018 the Ministry of Education and Science of the Republic of Kazakhstan allocated targeted grants to KazISS for master's and PhD programmes. Today KazISS provides for the teaching of 6 master`s and 10 Ph.D. students at the L.N.Gumilyov Eurasian National University and Al-Farabi Kazakh National University.

For any further information, contact us:

4, Beybitshilik St.

Astana, 010000

Republic of Kazakhstan

Tel: +7 (717) 75-20-20

E-mail: office@kisi.kz

www.kisi.kz, www.kaziss.kz