
WILL KYRGYZSTAN LEAVE THE EURASIAN ECONOMIC UNION?

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Could Kyrgyzstan one day go down the path of the United Kingdom and choose to depart from the Eurasian Economic Union (EEU)?

On the one hand, macroeconomic troubles, shifting geopolitical sands, and social anxieties point to a very real situation of rapidly diminishing returns and hence the groundwork for an eventual divorce. On the other hand, public opinion data and strategic calculations point to the necessity of a continued inconvenient marriage of convenience.

A Surprising Parallel

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An interesting parallel exists between the worlds premiere island democracy and Central Asias island of democracy. Both countries became members of their respective regional blocs without direct consultation with the electorate: Edward Heaths government took the United Kingdom into the European Economic Community without a vote on January 1, 1973, as did Almazbek Atambayevs government with the EEU Kyrgyzstan on December 23, 2014.

Gallup polls taken in 1973 initially found the British public almost evenly divided on the decision. However, by 1974, there was a two-to-one majority believing the country had been wrong to join, and by 1975, Gallup found that 41 percent of people said they would vote to leave in an immediate referendum and only 33 percent to stay in. Perhaps June 23, 2016 proved a long-overdue reckoning with a government that, in retrospect, shockingly seems to have been intent upon ignoring its electorate.

Yet, in the lead-up to the Brexit referendum, seasoned analysts had expected economic realities to trump symbolic concerns over immigration and foreign competition for jobs. The United Kingdom is far too integrated with the Continent, especially in terms of financial markets, to just walk away. By upending over 40 years of diplomatic history, according to the London School of Economics, over 100 trade agreements must now be renegotiated – a Herculean diplomatic challenge, possibly the largest the world has faced since the collapse of the Soviet Union.

In the wake of the 52-48 percent Leave-Stay result, these same analysts are now realizing that the symbolic discourse over immigration and jobs should not have been downplayed. Although fears of Islamicization have doubtlessly been exaggerated, it nonetheless signals the English working-class's genuine anxiety over the changing religious landscape of British society. There is also a genuine feeling of being left behind by European integration in very real bread-and-butter terms.

By contrast, Kyrgyzstan is a country in which analysts are much more aware of the intricate ways in which the economic and the symbolic are intertwined.

Kyrgyzstan's various conflicts – the border conflict with Tajikistan, the water conflict with Uzbekistan, the situation between Kyrgyz and Uzbeks in Osh, and the rise of nationalistic and Islamic extremism – are all symbolically connected, says Meerim Maturaimova, a lead specialist with the Research Center on the Religious Situation under the State Commission of Religious Affairs.

All of these are not just material disagreements, but are really competitions over whose group, and hence whose culture, can control space, territory and resources.

The Case for Kyrexit

Arguably, EEU membership is exasperating these problems in Kyrgyzstan.

On the economic front, according to the National Statistical Committee, in the period January-May 2016, compared to the same period last year, imports fell by 8.2 percent, exports by 29.3 percent, and the most damning statistic: trade with other EEU member-states amounted to \$770.3 million, a reduction of 21.6 percent. In general, Kyrgyzstan's GDP decreased by 2.3 percent during the first half of 2016.

It thus comes as no surprise that in the International Republican Institute (IRI)'s most recent public opinion poll, published on May 9, 49 percent of respondents said that job creation and

unemployment are the most important issues facing the country.

Although Kyrgyzstan was never an employment utopia, EEU membership is certainly a major factor in the country's latest economic woes. Membership imposes a high tariff system upon Kyrgyzstan's trade with non-EEU countries, which complicates trade with China, which for 14 years fueled much of this tiny mountainous republic's economy.

The EEU has thus diminished economic activity in Kyrgyzstan's important system of bazaars and increased its dependency upon Russia and Kazakhstan. Meanwhile, both of these countries have been in an economic tailspin since 2014.

Meanwhile, China has experienced a meteoric rise as potentially the most important long-term economic power in Central Asia. This divergence between reality and policy has not been lost to the leadership of Kyrgyzstan, who are already considering a pivot back toward China, according to a well-placed anonymous source within the Ministry of Foreign Affairs.

On the symbolic front, there are creeping concerns about how EEU membership may also be negatively impacting Kyrgyzstan's societal composition, especially its religious landscape.

The India-based Tablighi Jamaat is a controversial Islamic movement that Central Asian security agencies worry serves as a gateway into radicalism. According to an anonymous source close to the Kyrgyzstani government, when the movement was banned in Kazakhstan in 2013, it exploited Kyrgyzstan's lax border policies to move its activists into the country, and it may now be exploiting the slightly-more relaxed travel regulations of the EEU to entrench its position here. Indeed, according to Maturaimova, the Research Center recently learned of a large number of complaints of door-to-door Islamic proselytization connected to Tablighi Jamaat, either by its official missionaries or former members.

In addition, it was not lost upon the general public that a crucial element of a purported terrorist cell killed in a shoot-out with police on July 16, 2015, were Kazakhstani citizens. Nor has it been lost upon them that Kazakhstan has experienced an uptick in purported terrorist attacks, including one recently in Almaty, on July 18.

The Case for Staying

All that being said, according to Alisher Khamidov, an analytical consultant with the World Bank,

Kyrgyzstans fate may be inexorably tied to the EEU for demographic and strategic reasons.

On the demographic front, anywhere between half and one million Kyrgyzstani citizens – or between 8-16 percent of Kyrgyzstans population of approximately six million – are currently working in other EEU member-states, especially Russia, which constitutes 85 percent of the countrys entire remittance inflow and approximately one-third of its GDP, according to calculations by various international observers.

I see Kyrgyzstan as the most stable of the Central Asian republics, ironically in part precisely because of its dependency upon Russia, explains Khamidov. There are a lot of young men up there working hard, feeling productive, and not being here in Kyrgyzstan, not working and getting angry.

No matter how difficult it may get in Russia, Kyrgyzstans migrant laborers do not really have any viable alternative destination. Western countries have stricter immigration rules, Turkey is increasingly unstable, and China is the example par excellence of labor surplus.

Moreover, even if the value of the money Kyrgyzstans labor migrants are able to send back decreases as the Russian economy continues to decline, it is nonetheless a lifeline for those they who have stayed behind, Khamidov adds.

The EEU is thus a kind of safety valve for Kyrgyzstan, a country which has experienced two political revolutions and an inter-ethnic conflict: it releases the steam of unemployment and discontent.

Bishkek knows this, and it is depending upon this as a key to Kyrgyzstans medium-term stability, says Khamidov. It is obviously not the greatest solution, but it can work for a long enough time for the country to peacefully develop – and it can develop in part because of those remittances.

Indeed, the IRI found that as of this past March, despite Kyrgyzstans struggles with political corruption and its battered economy, 65 percent of respondents to its public opinion poll believe the country is headed in the right direction.

Moreover, 36 percent and 42 percent strongly and somewhat support the EEU, respectively, which is more or less the same as the responses nine months, before in July 2015 (38 percent and 44 percent).

Perhaps in Kyrgystan, to paraphrase the English proverb, necessity is the mother of optimism.

Kaynak/Source: