

## THE CENTRAL CAUCASO-ASIAN COUNTRIES AND THE PROSPECTS OF ACCESSION TO THE EURASIAN ECONOMIC UNION

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### ABSTRACT

**T**his article considers the possible enlargement of the Eurasian Economic Union (EAEU) through the accession of post-Soviet countries that form the geopolitical region of Central Caucasio-Asia. Three countries of that region—Armenia, Kazakhstan, and Kyrgyzstan—are already members of the EAEU. The possible accession of the other Central Caucasio-Asian countries—Azerbaijan, Georgia, Tajikistan, Turkmenistan, and Uzbekistan—remains an open question. In search of an answer, the author analyzes the main features of Central Caucasio-Asia as a region and examines the basic economic mechanism of EAEU integration, based on a redistribution of customs revenue from the export of Russia's hydrocarbon resources in favor of the other Union countries. The sanctions against Russia imposed by the United States and other countries, as well as the counter-sanctions imposed by Moscow in response to them, significantly complicate the functioning of the EAEU as a regional economic association, thus considerably reducing its attractiveness to countries that can be regarded as potential members of this Union in the foreseeable future. At the same time, for Central Cauca-

so-Asian countries that have hydrocarbon resources of their own (Azerbaijan, Turkmenistan, and Uzbekistan), the economic mechanism for redistributing customs revenue from Russian hydrocarbon exports at work in the EAEU may prove to be entirely insufficient to induce them to join the Union. The remaining countries of Central Caucasio-Asia (Georgia and Tajikistan) differ markedly in their attitude to possible EAEU membership.

For Georgia, its European orientation is a matter of principle. Today, it is underpinned by the EU-Georgia Association Agreement (signed in 2014 and effective since 2016), which includes, as an integral part, an agreement establishing a Deep and Comprehensive Free Trade Area (DCFTA). For Tajikistan, there are no fundamental obstacles to possible EAEU membership, although Western sanctions against Russia and Russian counter-sanctions, all other things being equal, may be seen by Dushanbe as something of a barrier to EAEU accession. At the same time, of all the Central Caucasio-Asian countries that are not members of the EAEU, Tajikistan is the most likely one to join the Union.

**KEYWORDS:** *Central Caucasio-Asia, Central Caucasus, Central Asia, Eurasian Economic Union, hydrocarbon resources.*

## *Introduction*

The Russia-Kazakhstan regional project known as the Eurasian Economic Union (EAEU) has been functioning since 1 January, 2015. Belarus, Kazakhstan, and Russia are its founding members. Armenia joined the Union on 2 January, 2015, and Kyrgyzstan, on 12 August. Initially, the idea that it would make sense to create such a union was suggested by President Nursultan Nazarbayev of Kazakhstan in 1994.<sup>1</sup>

The development of the EAEU implies more intensive integration,<sup>2</sup> primarily through an improvement of the legal framework.<sup>3</sup>

Three of the five EAEU member countries—Armenia, Kazakhstan, and Kyrgyzstan—are part of the geopolitical region of Central Caspasia-Asia.<sup>4</sup>

The purpose of this article is to explore the principal, primarily geo-economic,<sup>5</sup> opportunities for expanding the EAEU by attracting new members from among the Central Caspasia-Asian countries.

In order to present a more or less realistic picture of the prospects of integration of the Central Caspasia-Asian countries into the EAEU, it is necessary to give a brief geopolitical description of this region (Central Caspasia-Asia) and discuss the main economic mechanism that underlies the Union.

## The Geopolitical Nature of Central Caspasia-Asia

The question about the advisability of identifying Central Caspasia-Asia as a distinct geopolitical region is particularly relevant in the context of Central Eurasia.<sup>6</sup>

Geographic Central Eurasia as the central region of the Eurasian continent almost entirely covers geographic Central Asia,<sup>7</sup> but not Central Europe. Logic suggests that since geographic Eurasia as a continent consists of two parts (Europe and Asia), geographic Central Eurasia should naturally include both Central Europe and Central Asia, as well as the Central Caucasus that connects them.<sup>8</sup> The most widespread definition of Central Eurasia differs fundamentally from this rationale and is

<sup>1</sup> See, for example: Zh. Alpysbaeva, “Nursultan Nazarbayev: ot idei evraziiskogo soiuza k perspektivam evraziiskoi integratsii,” zakon.kz, 30 May, 2014, available at [<https://www.zakon.kz/4628189-nursultan-nazarbaev-ot-idei.html>], 1 March, 2019.

<sup>2</sup> See: L.M. Grigoriev, V.V. Brilliantova, V.A. Pavliushina, “Evraziiskii ekonomicheskii soiuz: uspekhi i vyzovy integratsii,” *Mir novoi ekonomiki*, No. 3, 2018, pp. 6-19.

<sup>3</sup> See: N.E. Kotova, “Evraziiskii ekonomicheskii soiuz: sovershenstvovanie normativno-pravovoi bazy,” *Vestnik Finansovogo universiteta*, No. 5, 2016, pp. 126-132, available at [<https://financetp.fa.ru/jour/article/view/294/221>], 1 March, 2019.

<sup>4</sup> The geopolitical region of Central Caspasia-Asia (Central Caspasia) includes the following countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan (see: V. Papava, “‘Central Caspasia’ instead of ‘Central Eurasia,’” *Central Asia and the Caucasus*, No. 2 (50), 2008, pp. 30-42).

<sup>5</sup> See, for example: G. Kvinikadze, “Conceptualization of Geo-Economic Threats in Small Countries with Transition Economies,” *Economic and Regional Studies*, Vol. 10, No. 3, 2017, pp. 42-52.

<sup>6</sup> See: V. Papava, “Central Caspasia-Asia: Toward a Redefinition of Post-Soviet Central Eurasia,” *Azerbaijan in the World*, The Electronic Publication of Azerbaijan Diplomatic Academy, Vol. I, No. 17, 1 October, 2008, available at [[http://biweekly.ada.edu.az/vol\\_1\\_no\\_17/Toward\\_a\\_redefinition\\_of\\_post-Soviet\\_Central\\_Eurasia.htm](http://biweekly.ada.edu.az/vol_1_no_17/Toward_a_redefinition_of_post-Soviet_Central_Eurasia.htm)], 1 March, 2019.

<sup>7</sup> Conceptual and terminological issues related to Central Asia are discussed in: S.M. Gorshenina, *Izobretenie kontsepta Srednei/Centralnoi Azii. Mezhdru naukoii i geopolitikoii*, Central Asia Studies Program, The George Washington University, Washington, 2019, available at [<http://centralasiaprogram.org/wp-content/uploads/2019/02/svetlana-gorshenina.pdf>], 1 March, 2019.

<sup>8</sup> See: E. Ismailov, V. Papava, *Rethinking Central Eurasia*, Johns Hopkins University-SAIS, Washington, D.C.; Institute for Security and Development Policy, Stockholm, 2010, pp. 8-20, available at [[http://www.silkroadstudies.org/resources/pdf/Monographs/2010\\_MONO\\_Ismailov-Papava\\_Rethinking-Central-Eurasia.pdf](http://www.silkroadstudies.org/resources/pdf/Monographs/2010_MONO_Ismailov-Papava_Rethinking-Central-Eurasia.pdf)], 1 March, 2019.

fully in line with the tradition formulated by the Russian Eurasianists, according to which Russia is not only part of that region, but should also have a dominant place in it.<sup>9</sup>

In the post-Soviet period, researchers have tended to consider the problems of the Central Caucasian countries<sup>10</sup> (Azerbaijan, Armenia, and Georgia)<sup>11</sup> together with those of the Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan).<sup>12</sup> In contrast to the Eurasian concept, the region that consists of these eight countries is usually also called Central Eurasia.<sup>13</sup> As noted above, Russian specialists, based on Russia's interests, not only place Russia among the above eight countries of the region, but also believe that Russia is the country that unites the Central Eurasian region. This is not surprising because Eurasianism as an ideology is a manifestation of outright anti-Westernism.<sup>14</sup>

That approach to defining Central Eurasia is based on an imperial geopolitical vision of the region, in contrast to the newly proposed geopolitical approach based on democratic principles.<sup>15</sup> This approach has provided a basis for rethinking Central Eurasia. In particular, considering that the above eight countries form two sub-regions (the Central Caucasus and Central Asia), the larger region that includes both sub-regions was called *Central Caucaso-Asia*, or *Central Caucasia*.<sup>16</sup> The new construct preserves the word "Central" as a determinant of both sub-regions, while the new term "Caucaso-Asia" (in Russian *Kavkazia*) is derived from two words: "Caucasus" and "Asia".

Central Caucaso-Asia as a region is not integrated, primarily because it has no political or cultural homogeneity.<sup>17</sup> However, its component countries have much in common, which is why it makes sense to regard them as a single region.<sup>18</sup>

<sup>9</sup> See: L. Gumilev, *Ritmy Evrazii: epokhi tsivilizatsii*, AST, Moscow, 2007; A. Dugin, *Osnovy geopolitiki. Geopoliticheskoe budushchee Rossii*, Arktogeia, Moscow, 1997; idem, *Evraziiskaia missiia Nursultana Nazarbayeva*, Evraziia, St. Petersburg, 2004; idem, *Proekt "Evraziia"*, Eksmo, Iauza, Moscow, 2004; N. Trubetskoi, *Nasledie Chingiskhana*, Eksmo, Moscow, 2007.

<sup>10</sup> See: E. Ismailov, V. Papava, "A New Concept for the Caucasus," *Southeast European and Black Sea Studies*, Vol. 8, No. 3, 2008, pp. 283-298.

<sup>11</sup> See, for example: K.S. Gadzhiev, *Geopolitika Kavkaza*, Mezhdunarodnye otnosheniia, Moscow, 2003; V. Cheterian, *War and Peace in the Caucasus: Ethnic Conflict and the New Geopolitics*, Columbia University Press, New York, 2008; E. Herzog, *The New Caucasus: Armenia, Azerbaijan and Georgia*, The Royal Institute of International Affairs, London, 1999; E. Ismailov, V. Papava, *The Central Caucasus: Essays on Geopolitical Economy*, CA&CC Press, Stockholm, 2006; E. Nuriyev, *The South Caucasus at the Crossroads: Conflicts, Caspian Oil and Great Power Politics*, LIT Verlag, Berlin, 2007.

<sup>12</sup> See, for example: *Crossroads and Conflict: Security and Foreign Policy in the Caucasus and Central Asia*, ed. by G.K. Bertsch, C. Craft, S.A. Jones, M. Beck, Routledge, New York, 2000; *Faultlines of Conflict in Central Asia and the South Caucasus: Implications for the U.S. Army*, ed. by O. Olikier, T.S. Szayna, RAND, Santa Monica, 2003; *The OSCE and the Multiple Challenges of Transition. The Caucasus and Central Asia*, ed. by F. Sabahi, D. Warner, Ashgate, Aldershot, 2004.

<sup>13</sup> See, for example: M.P. Amineh, H. Houweling, "Introduction: The Crisis in IR-Theory: Towards a Critical Geopolitics Approach," in: *Central Eurasia in Global Politics: Conflict, Security and Development*, ed. by M.P. Amineh, H. Houweling, Brill, Leiden, 2005, pp. 2-3; C. Fairbanks, C.R. Nelson, S.F. Starr, K. Weisbrode, *Strategic Assessment of Central Eurasia*, The Atlantic Council of the United States, Central Asia — Caucasus Institute, Johns Hopkins University, Washington, D.C., 2001, p. vii; K. Meyer, *The Dust of Empire: The Race for Supremacy in the Asian Heartland*, Abacus, London, 2004, p. 206; G. Xuetang, "The Energy Security in Central Eurasia: The Geopolitical Implications to China's Energy Strategy," *China and Eurasia Forum Quarterly*, Vol. 4, No. 4, 2006, p. 117.

<sup>14</sup> See: V. Papava, "The Eurasianism of Russian Anti-Westernism and the Concept of 'Central Caucaso-Asia'," *Russian Politics and Law*, Vol. 51, No. 6, 2013, pp. 45-86.

<sup>15</sup> See: V. Papava, "Central Caucaso-Asia: From Imperial to Democratic Geopolitics," *Bulletin of the Georgian National Academy of Sciences*, Vol. 4, No. 1, 2010, pp. 183-187.

<sup>16</sup> See: V. Papava, "Eurasia Versus Central Caucaso-Asia: On the Geopolitics of Central Caucaso-Asia," *CICERO Foundation Great Debate Paper*, No. 09/8, December 2009, available at [[http://www.cicerofoundation.org/lectures/Vladimir\\_Papava\\_On\\_the\\_Geopolitics\\_of\\_Central\\_Caucaso\\_Asia.pdf](http://www.cicerofoundation.org/lectures/Vladimir_Papava_On_the_Geopolitics_of_Central_Caucaso_Asia.pdf)], 1 March, 2019.

<sup>17</sup> See: K. Weisbrode, *Central Eurasia: Prize or Quicksand? Contenting Views of Instability in Karabakh, Ferghana and Afghanistan*, The International Institute for Strategic Studies, Adelphi Paper 338, Oxford University Press, New York, 2001.

<sup>18</sup> See: E. Ismailov, M. Esenov, "Central Eurasia in the New Geopolitical and Geo-Economic Dimensions," in: *Central Eurasia 2005 (Analytical Annual)*, CA&CC Press, Stockholm, 2005; N. Muzaffarli (Imanov), *Retting Azerbaidzhana v mezh-dunarodnykh sravnitelnykh issledovaniakh*, Kavkaz Publishers, Baku, 2006.

After the breakup of the Soviet Union, all the countries of Central Caucaso-Asia began their new life under more or less identical conditions. For example, they lacked the necessary state institutions, and the level of political culture was quite low; moreover, all of them were faced with the problem of transition from a command economy to a market economy. At the same time, Central Caucaso-Asia has several conflict sub-regions in its territory,<sup>19</sup> something that interferes, to varying degrees, with economic progress in some of the countries and prevents the region from realizing its potential. It should be emphasized that Russia is involved, politically and militarily, in virtually all conflicts in the post-Soviet space.<sup>20</sup>

A circumstance that deserves particular attention is that large hydrocarbon reserves are one of the main specific features of Central Caucaso-Asia,<sup>21</sup> which at least makes it an attractive investment destination.<sup>22</sup> Attempts by global or regional states to gain political influence in the region are equally important and are quite natural, considering that the foreign policy of these states is usually integrated with their energy policy.<sup>23</sup>

Let us note that in the Central Caucaso-Asian countries, except Kazakhstan, there is an inverse relationship between market reforms and natural hydrocarbon resources: the availability of such resources hinders reform, because these countries have sufficient funds to avoid borrowing from international financial institutions, which make loans conditional on the implementation of market reforms.<sup>24</sup> One should also recognize the fact that the economy in the Central Caucaso-Asian countries is, unfortunately, over-politicized.<sup>25</sup>

## **The Main Economic Mechanism of the EAEU and the Possibilities of Its Enlargement to Include Central Caucaso-Asian Countries**

As noted above, three of the eight Central Caucaso-Asian countries are members of the EAEU.

It should be emphasized that the establishment of the EAEU was seen by many politicians and experts as a victory of the Eurasianist ideology in Russia.

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<sup>19</sup> See, for example: K. Weisbrode, op. cit.

<sup>20</sup> See: T.W. Simons, Jr., *Eurasia's New Frontiers: Young States, Old Societies, Open Futures*, Cornell University Press, Ithaca, 2008, p. 47.

<sup>21</sup> See, for example: I. Aliev, "Kaspiiskaia neft Azerbaidzhana," *Izvestia*, Moscow, 2003; B.A. Gelb, "Caspian Oil and Gas: Production and Prospects," *Current Politics and Economics of the Caucasus Region*, Vol. 1, No. 2/3, 2008; B.A. Gelb, T.R. Twyman, *The Caspian Sea Region and Energy Resources*, Novinka Books, New York, 2004.

<sup>22</sup> See, for example: S.F. Starr, "The Investment Climate in Central Asia and the Caucasus," in: *Russian-Eurasian Renaissance? U.S. Trade and Investment in Russia and Eurasia*, ed. by J.H. Kalicki, E.K. Lawson, Woodrow Wilson Center Press, Washington, D.C., 2003.

<sup>23</sup> See, for example: *Energy and Security: Toward a New Foreign Policy Strategy*, ed. by J. Kalicki, D.L. Goldwyn, Woodrow Wilson Center Press, Washington, D.C., 2005; F. Hill, *Energy Empire: Oil, Gas and Russia's Revival*, The Foreign Policy Centre, London, 2004, available at [<https://www.brookings.edu/wp-content/uploads/2016/06/20040930.pdf>], 1 March, 2019; E. Rakel, "Paradigms of Iranian Policy in Central Eurasia and Beyond," in: *Central Eurasia in Global Politics: Conflict, Security and Development*, ed. by M.P. Aminch, H. Houweling, Brill, Leiden, 2005.

<sup>24</sup> See: A. Åslund, "Eventual Success of Market Reform," in: *Russian-Eurasian Renaissance? U.S. Trade and Investment in Russia and Eurasia*.

<sup>25</sup> See: T.W. Simons, Jr., op. cit., p. 7.

The economic model of Eurasianism is based on ideocracy, or the domination of certain ideological principles in social and political life. For Eurasianists, the market and private property are a pragmatically acceptable and pragmatically useful realm, on the basis of which they recognize “society with a market” instead of a “market economy.” The Eurasianists’ main objective is to maintain and develop all economic systems that reflect the cultural and historical paths of the peoples living in a single Eurasian state. Eurasianists believe that the “principle of ownership” is less important than the “principle of possession,” according to which the owner should be socially responsible and should work for the public welfare. In other words, the owner should be responsible to society and the state for the use of his/her property. The state, in turn, should promote national enterprise, follow a paternalistic policy, and use tariff and non-tariff protection mechanisms.<sup>26</sup>

Considering some characteristics of the economic model of Eurasianism (such as “society with a market” or state ownership as a guarantee for achieving public welfare), the economy of Belarus, given the country’s governance regime, comes closest to this model. As for Armenia and Kazakhstan, they have already carried out more or less successful market reforms, while in Kyrgyzstan and Russia such reforms were quite successful only at the initial stage of the post-Soviet era.

As regards the EAEU model, in fact it differs fundamentally from the economic views of the Eurasianists.<sup>27</sup>

The main economic interest that drives the integration process in the EAEU is based on the existence of a mechanism for redistributing oil and gas revenues.<sup>28</sup> Specifically, the Eurasian Economic Union is simultaneously a customs union, so that exports within the Union are duty-free. As a result, the price of a given commodity is reduced by the amount of export duty compared to the world price. Export duties are levied only when commodities cross the borders of the EAEU, which is why part of the revenue (resource rent) due to Russia is redistributed in favor of the other member countries. Since oil and gas are Russia’s main export product, the redistribution of revenue from these commodities is the key integration mechanism in the EAEU.

Obviously, this integration mechanism is economically unprofitable for Russia, but it is the mechanism that allows Moscow to pursue its imperial ambition of reviving the Soviet Union in a modernized form. Such an attitude to the EAEU on the part of Moscow follows directly from the approach according to which Russia has shifted its focus from promoting economic development to consolidating its geopolitical power through the use of energy resources.<sup>29</sup>

Considering that at the present stage world energy prices show a clear downward trend, the effectiveness of the revenue redistribution mechanism outlined above declines as well.

Since the spring of 2014, the United States and other countries have imposed economic sanctions on Russia because of the incorporation of Crimea into Russia and the armed conflict in eastern Ukraine. Since August 2014, Moscow has responded with so-called counter-sanctions.

The sanctions imposed on Russia do not apply to other member countries of the EAEU, which is why the latter have not joined the Russian counter-sanctions. As a result, goods banned for import

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<sup>26</sup> See: A. Dugin, *Proekt “Evraziia”*.

<sup>27</sup> See: M. Laruelle, “Eurasia, Eurasianism, Eurasian Union: Terminological Gaps and Overlaps,” *PONARS Eurasia Policy Memo*, No. 366, July 2015, available at [[http://www.ponarseurasia.org/sites/default/files/policy-memos-pdf/Pepm366\\_Laruelle\\_July2015.pdf](http://www.ponarseurasia.org/sites/default/files/policy-memos-pdf/Pepm366_Laruelle_July2015.pdf)], 1 March, 2019; V. Papava, “Economic Models of Eurasianism and the Eurasian Union: Why the Future is Not Optimistic,” *The Central Asia-Caucasus Analyst*, 29 October, 2015, available at [<http://cacianalyst.org/publications/analytical-articles/item/13296>], 1 March, 2019.

<sup>28</sup> See: A. Knobel, “Evraziiskii ekonomicheskii soiuz: perspektivy razvitiia i vozmozhnye prepiatstviia,” *Voprosy ekonomiki*, No. 3, 2015, pp. 87-108.

<sup>29</sup> See: H. Appel, V. Gelman, “Revising Russia’s Economic Model: The Shift from Development to Geopolitics,” *PONARS Eurasia Policy Memo*, No. 397, November 2015, available at [[http://www.ponarseurasia.org/sites/default/files/policy-memos-pdf/Pepm397\\_Appel-Gelman\\_Nov2015.pdf](http://www.ponarseurasia.org/sites/default/files/policy-memos-pdf/Pepm397_Appel-Gelman_Nov2015.pdf)], 1 March, 2019.

into Russia enter the Russian market from these countries. This situation is fundamentally in conflict with the principle of integrity of the EAEU's common customs territory.

Because of its political ambitions, Moscow is obviously unlikely to lift its counter-sanctions before the lifting of sanctions against Russia. At the same time, it is just as unlikely that the U.S. and other countries will lift their sanctions, assuming that Russia will not give up Crimea and will continue to provoke armed conflict in eastern Ukraine.

Since it is very likely that in the foreseeable future Moscow will neither give up Crimea nor stop supporting the separatist movement in eastern Ukraine, the future of the Eurasian Economic Union simply cannot be seen as optimistic.<sup>30</sup>

In this situation, it would be interesting to analyze the possibilities of EAEU enlargement through the accession of other Central Caspian-Asian countries.

Two of the three Central Caspian-Asian countries that are members of the Union, Armenia and Kyrgyzstan (just like Belarus, which does not belong to the region of Central Caspian-Asia), have no hydrocarbon resources of their own. This is why it is very important for them to receive revenue from the export of Russian energy resources. In addition, Armenia's membership in the EAEU is due in large part to the fact that Moscow's support in the confrontation with Azerbaijan and Turkey over Nagorno-Karabakh is vitally important for the republic.<sup>31</sup>

As regards Kyrgyzstan, it is characterized by quite intensive relations with Kazakhstan, its immediate northern neighbor. In the economic context, this is manifested in the fact that even though Kazakhstan is only its third largest trading partner (behind Russia and China), the main flow of goods from Russia to Kyrgyzstan passes through Kazakhstan.<sup>32</sup> Since Kazakhstan is not just a member of the EAEU, but also the initiator of its creation, Kyrgyzstan had sufficient reasons (including economic ones) to become a member of the Union.<sup>33</sup>

Although Kazakhstan has significant hydrocarbon resources, its interest in moving closer to Russia and particularly in establishing the EAEU, all other things being equal, was due to the large number of ethnic Russians living in the regions of northern Kazakhstan bordering on Russia.<sup>34</sup>

When looking at the prospects of integration of the remaining Central Caspian-Asian countries into the EAEU, attention should primarily be paid to those of them that potentially should be more interested, because of the lack of significant hydrocarbon resources of their own, in using the above mechanism for redistribution of revenues from the export of these resources as the Union's main economic integrator. From such a perspective, this economic mechanism should be less attractive to Azerbaijan, Turkmenistan, and Uzbekistan, because these countries themselves are exporters of their own energy resources. At the same time, this reason is rarely mentioned in official statements, where

<sup>30</sup> See: V. Papava, "Economic Models of Eurasianism and the Eurasian Union: Why the Future is Not Optimistic."

<sup>31</sup> See, for example: S.E. Cornell, *Small Nations and Great Powers. A Study of Ethnopolitical Conflict in the Caucasus*, Curzon Press, Surrey, 2001; S.E. Cornell, R.N. McDermott, W. O'Malley, V. Socor, S.F. Starr, *Regional Security in the South Caucasus: The Role of NATO*, Central Asia-Caucasus Institute, SAIS, JHU, Washington, D.C., 2004.

<sup>32</sup> See, for example: P. Diatlenko, "Struktura otnoshenii Kazakhstana i Kyrgyzstana v kontekste EAES," *Vneshniaia politika*, 8 July, 2015, available at [<http://foreignpolicy.ru/analyses/struktura-otnosheniy-kazahstana-i-kyrgyzstana-v-kontekste-eaes/>], 1 March, 2019.

<sup>33</sup> See, for example: V.V. Perskaia, "Mesto i rol Kyrgyzstana v razvitii Evraziiskogo ekonomicheskogo soiuza," *Vestnik Finansovogo universiteta*, No. 6, 2016, pp. 133-139, available at [<https://financetp.fa.ru/jour/article/view/313/240>], 1 March, 2019.

<sup>34</sup> Problems of ethnic relations in Kazakhstan are of considerable importance (see, for example: S. Isabaeva, "Mezhetnicheskaia napriazhennost v Kazakhstane vse-taki sushchestvuet," *Central Asia Monitor*, 2 November, 2015, available at [<http://camonitor.kz/19209-mezhetnicheskaya-napriazhennost-v-kazakhstane-vse-taki-suschestvuet.html>], 1 March, 2019; A. Shustov, "Otchuzhdennost rastet...", *Stoletie*, 27 July, 2017, available at [[http://www.stoletie.ru/zarubejie/otchuzhdennost\\_rastet\\_631.htm](http://www.stoletie.ru/zarubejie/otchuzhdennost_rastet_631.htm)], 1 March, 2019.

emphasis is placed on other reasons why Azerbaijan,<sup>35</sup> Turkmenistan,<sup>36</sup> and Uzbekistan<sup>37</sup> openly refrain from joining the EAEU.

Only two of the non-EAEU countries in Central Caucaso-Asia—Georgia and Tajikistan—are poor in hydrocarbon resources.

Georgia made its choice in favor of the West quite a long time ago.<sup>38</sup> Its preferences are determined not only by economic factors, but also by opportunities to develop democratic institutions in the country, which is why possible membership of the European Union (EU) is obviously preferable to EAEU membership.<sup>39</sup> Georgia's most significant achievement along these lines is its Association Agreement with the EU, signed in 2014 and effective since 2016,<sup>40</sup> which includes an agreement on a Deep and Comprehensive Free Trade Area (DCFTA) as its integral part.<sup>41</sup>

As for Tajikistan, the likelihood of its joining the EAEU,<sup>42</sup> despite the negative (along with the positive) consequences of such a move,<sup>43</sup> is actually high. But although Moscow has openly invited the country to become a member of the Union,<sup>44</sup> Dushanbe is still in no hurry to make a final decision.<sup>45</sup>

Although Azerbaijan, Turkmenistan, and Uzbekistan have hydrocarbon resources of their own, it is theoretically possible that some of them will have to join the EAEU, particularly for political reasons (as in the case of Kazakhstan), if they are faced with geopolitical or geo-economic problems. However, the likelihood of this happening in the immediate future, especially if the sanctions against Russia remain in place, is quite low.

<sup>35</sup> See, for example: G. Godjaev, "Azerbaijan in EAEU: Is It Possible?" *Eurasia Review*, 18 February, 2018, available at [<http://www.eurasiareview.com/18022018-azerbaijan-in-eaeu-is-it-possible-oped/>], 1 March, 2019; L. Tariverdieva, "Azerbaijan v EAES: kogo pugaet takaia perspektiva?" *Day.Az*, 12 October, 2017, available at [<https://news.day.az/politics/940642.html>], 1 March, 2019.

<sup>36</sup> See, for example: "Turkmeniia schitaet Rossiia partnerom, no v EAES vstupaet ne budet," RIA Novosti, 14 July, 2014, available at [<https://ria.ru/20140714/1015832476.html>], 1 March, 2019; V. Tarasova, "Turkmenistan ne budet chlenom Evraziiskogo soiuza," *Masterforex*, 14 July, 2014, available at [<http://www.profi-forex.org/novosti-mira/novosti-sng/turkmenistan/entry1008218148.html>], 1 March, 2019.

<sup>37</sup> See, for example: A. Zhanuzakov, "Uzbekistan i EAES: vstuplenie isklucheno, no torgovat' mozhno," 365 Info, 10 August, 2017, available at [<https://365info.kz/2017/08/uzbekistan-i-eaes-vstuplenie-isklyucheno-no-torgovat-mozhno-ekspert/>], 1 March, 2019; P. Vorobyev, "Uzbekistan v blizhaishnee vremia ne budet vstupaet v Evraziiskii soiuz," *Evraziiskie issledovaniia*, 12 February, 2018, available at [<http://eurasian-studies.org/archives/7082>], 1 March, 2019.

<sup>38</sup> See, for example: A. Rondeli, "The Choice of Independent Georgia," in: *The Security of the Caspian Sea Region*, ed. by G. Chufrin, Oxford University Press, New York, 2001.

<sup>39</sup> See: V. Papava, "A Eurasian or a European Future for Post-Soviet Georgia's Economic Development: Which is Better?" *Archives of Business Research*, Vol. 5, No. 1, 2017, pp. 159-170, available at [<http://scholarpublishing.org/index.php/ABR/article/view/2651/1554>], 1 March, 2019.

<sup>40</sup> See, for example: "Soglashenie ob assotsiatsii Gruzii s ES ofitsialno vstupilo v silu," Sputnik, 1 июля 2016 [<https://sputnik-georgia.ru/politics/20160701/232396228.html>], 1 March, 2019.

<sup>41</sup> See, for example: M. Kakulia, "Georgia's Experiences on Developing Trade and Trade Policy Relations with the European Union," *East European Studies*, No. 5, 2014, pp. 137-160, available at [[http://vki.hu/files/download\\_772.html](http://vki.hu/files/download_772.html)], 1 March, 2019.

<sup>42</sup> See: V. Panfilova, "Tadzhikistan sdelaet pervyi shag k EAES," *Dialog tsivilizatsii*, 16 December, 2018, available at [<http://www.dialog.tj/news/tadzhikistan-sdelal-pervyj-shag-k-eaes/>], 1 March, 2019.

<sup>43</sup> T.G. Rzaev, E.V. Alexandrova, "Vkhozhdenie Respubliki Tadzhikistan v EAES. Pravovoi analiz," *Gosudarstvennaia sluzhba i kadry*, No. 2, 2018, pp. 150-152; Kh. Khurramov, "Tadzhikistan-EAES: ozhidaniia i opaseniia," *Evraziiskie issledovaniia*, 30 March, 2018, available at [<http://eurasian-studies.org/archives/7494>], 1 March, 2019.

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<sup>45</sup> See, for example: "Ministr: Tadzhikistan vse eshche izuchaet plusy i minusy ot vstupeniia v EAES," Sputnik, 10 August, 2018, available at [<https://tj.sputniknews.ru/economy/20180810/1026413934/tajikistan-eaes-vstuplenie.html>], 1 March, 2019.

## *Conclusion*

The geopolitical region of Central Caucaso-Asia, which includes eight countries (Azerbaijan, Armenia, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan), is not integrated as it has no political or cultural homogeneity. However, these countries have much in common, primarily because they were part of the U.S.S.R. for several decades, which is why it makes sense to regard them as a single region. An important role here is also played by the interest shown in this post-Soviet region by both global and regional geopolitical “players.”

At the same time, the geopolitical context of Central Caucaso-Asia differs fundamentally from the generally accepted imperial approach to Central Eurasia.

The establishment of the EAEU was seen by many politicians and experts as an implementation of the ideas of Russian Eurasianism. In fact, the economic model of Eurasianism has nothing to do with the economic model of the EAEU, which is based on the redistribution of customs revenues from the export of Russian hydrocarbon resources in favor of the other Union countries.

Today, three Central Caucaso-Asian countries—Armenia, Kazakhstan, and Kyrgyzstan—are members of the EAEU. A natural question here is whether the Union can be enlarged to include other countries of the region.

Since hydrocarbon resources are the dominant factor in EAEU integration processes, the Union’s enlargement through the accession of Azerbaijan, Turkmenistan, and Uzbekistan, which have their own hydrocarbon resources, is unlikely.

Of the remaining Central Caucaso-Asian countries, Georgia has long opted for closer relations with the EU with a view to integration.

The most likely scenario for the foreseeable future is that EAEU enlargement to include Central Caucaso-Asian countries can only take place with the accession of Tajikistan, although at the present stage Dushanbe is clearly in no hurry to make such a political decision, which is due, other things being equal, to the sanctions imposed on Russia and the counter-sanctions imposed by Moscow in response to these sanctions.