The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

As Kyrgyzstan Joins Russia's Eurasian Economic Union, Not Everyone's Happy

By Sophia Rehm

May 06, 2015



Russia's Vladimir Putin and his Kyrgyz counterpart Almazbek Atambayev in St. Petersburg in March

BISHKEK — The former Soviet republic of Kyrgyzstan is poised to become the fifth member of the Russia-driven Eurasian Economic Union (EEU) on May 9, but not all the country's residents are thrilled about it.

Alina, a teacher in Bishkek and a native of the city, is one of many feeling apprehensive. "I can't imagine any positive outcomes," said the 24-year-old. She, like everyone else interviewed for this article, requested that only her first name be used for fear of backlash from employers or family in a country where the concept of freedom of speech is nascent at best.

"Prices will get higher, and I don't think our salaries will get higher with them," Alina said.

Kyrgyzstan is one of the poorest countries in ex-Soviet Central Asia, with a per capita GDP

of just under $1,300 in 2013, the last year for which World Bank data is available.

Alina's concerns are widespread in Bishkek, the Kyrgyz capital. There has been a country-wide decline in public support for economic integration with Russia, Kazakhstan and Belarus since 2011, when President Almazbek Atambayev first seriously raised the question of joining the Customs Union, a Russia-led free trade bloc that on Jan. 1 this year morphed into the Eurasian Economic Union.

In spring 2011, an International Republican Institute (IRI) poll conducted throughout Kyrgyzstan found that 74 percent of respondents fully or partially approved of joining the Customs Union. Support fell to 62 percent in 2013 and 49 percent by early 2014, according to the IRI.

The government has tried to promote integration with the Eurasian Economic Union, but officials have acknowledged that unemployment and prices are likely to rise following accession.

Kyrgyzstan's Labor Ministry said in December that unemployment could double as a result of EEU membership, mostly due to closures of bazaars that re-export goods from China. The Central Bank has said inflation could rise to 10-12 percent following accession, up from 8.5 percent in March.

Added to the economic ill effects, the Eurasian Economic Union's opponents say the pact will erode national sovereignty. In the two decades since it gained independence from the Soviet Union, Kyrgyzstan has maintained close ties with Russia but has also reached out to the West and East. The nation of 5.6 million people has seen two popular revolts and four presidents since independence, and has defined itself as an "island of democracy" in a Central Asian region filled with presidents-for-life.

Kyrgyzstan was the first post-Soviet country to join the World Trade Organization, and was until last year's closure of a U.S. military base the only country in the world to host both U.S. and Russian military outposts.

But the country remains economically dependent on Russia. Hundreds of thousands of Kyrgyz migrants working in Russia send remittances home to their families. Though Kyrgyzstan has strong trade relations with China, its neighbor to the east, Russia accounts for one-third of its imports and 13 percent of its exports.

Public Opposition

Public opposition to joining the Eurasian Economic Union has been limited, but impassioned.

In 2013, a political party with an anti-Customs Union message called Reforma was established. A public movement, "Kyrgyzstan Against the Customs Union," appeared the same year. Public protests and social media campaigns organized by these groups focus on predictions of rising prices and negative repercussions on Kyrgyzstan's democracy and political independence.

Last November, Lawyer Nurbek Toktakunov filed a court case against the government

challenging the lack of public discussion on EEU accession. The claim was dismissed in Bishkek's inter-district court. In a Feb. 20 interview with news website Catoday.org, Toktakunov said the government's decision was "illegitimate" and had been made by politicians acting in concert with the Kremlin "in flagrant violation of the constitutional provision" to provide a platform for public debate.

The lack of public consultation constitutes "criminal negligence" on the part of the government, according to Toktakunov. When EEU membership begins to impact daily life, opposition could get out of hand and lead to a "Ukraine scenario," he said.

Toktakunov is not the only public figure to have invoked the specter of Ukraine, where wrangling over economic integration with Russia and Europe sparked protests that toppled the government and led to armed conflict in the country's east. But others have talked down the threat, pointing out out that Kyrgyzstan is too far away from Europe to justify the comparison.

President Atambayev has assured the nation that his decision was based solely on Kyrgyzstan's national interests. His government touts the benefits of simplified visa and employment requirements for the approximately 500,000 Kyrgyz migrant workers in Russia and Kazakhstan and the opportunities of joining a unified market of some 175 million people.

Integration to the EEU will hit the thriving business of re-exporting goods from China, but the government has portrayed the change as a painful but necessary process.

Officials say membership in the union will allow the economy to develop local industry.

"There is no market right now for domestic products," Economy Minister Temir Sariev was quoted by the BBC as saying in December.

"These kinds of opportunities will come with joining Russia, Kazakhstan and Belarus. For example, accession is advantageous for our farmers, who will be able to sell their products at a profitable price," he said.

Kyrgyz politicians have also, though less-enthusiastically, spoken of the risks of not acceding to the EEU. Last year Prime Minister Djoomart Otorbaev said Kyrgyzstan had "no alternative." President Atambayev called joining the union "the lesser of two evils."

The risks of not joining the EEU could have included tightened border control for Kyrgyz exports to EEU countries (including of re-exported Chinese goods), decreased benefits and worse conditions for migrants in Russia and Kazakhstan, higher prices on petroleum from Russia and discontinued Russian investment in Kyrgyzstan's energy projects.

Street Skepticism

Maria, a 20-year-old economics student and social activist in Bishkek, said she thought personal financial incentives, as well as pressure, were behind the government's decision.

"Everyone knows our politicians get money from other governments, and their people are the last thing they think about," she said.

"They're selling everyone else," she added.

Maria said Russia was also pushing conservative legislation in Kyrgyzstan.

"There was pressure from Moscow on Kyrgyzstan to pass the 'foreign agents' and 'gay propaganda' laws before joining [the EEU]," she said, referring to two draft laws under consideration in Kyrgyzstan's parliament that were based on recent Russian laws tightening restrictions on non-government organizations and recognition of LGBT rights.

"Russia wants to create a religious, conservative society here, because it's easier to control," she said.

Galina, a 33-year-old student in Bishkek, said she doubted the promises made in the media. "Our small businesses, farms and companies won't be able to compete in the larger market," she said. Most people do not understand what economic integration will really mean, she said, adding, "older people are hopeful that it will be like the Soviet Union."

Sixty-nine percent of respondents to IRI's 2012 public opinion poll aged over 50 years said they would "like the return of the U.S.S.R."

Mira, a 60-year-old accountant in Bishkek, said of accession: "We'll be like one country."

Her friends, other professional women in her age group, held contending opinions. "One friend of mine says it will be hard for our country — everything will get more expensive and our economy is too small to raise salaries and pensions along with prices. Another friend says it will be good — Kyrgyzstan is a good place to open a business, and if a lot of new Russian and Kazakh businesses open here, it will create more jobs."

Mira is hopeful for the Eurasian Economic Union. "It will bring our country to life," she said. "And it will be easier to go to Russia, Belarus, and Kazakhstan to work."

However, accession comes at a difficult time — plunging oil prices and Western sanctions over Ukraine have helped push Russia's economy into a recession that is spilling over into neighboring economies.

In an April 6 interview with Asia News, former Kyrgyz member of parliament Begaly Nargozuyev said that due to the economic crisis in Russia, "in just the last months, 58,000 citizens of Kyrgyzstan have lost jobs in Russia and returned [to Kyrgyzstan]. There has been a sharp decline in cash flow coming from migrant workers. The Russian economy has begun to fail from world sanctions, and won't be able to create new jobs."

Even if the opportunity to work in Russia did arise, Alina, the teacher, said she wouldn't take it. "I would feel like an immigrant," she said. "I know people from Central Asia aren't treated very well there."

Yulia, a 40-year-old baker in Bishkek, took the long view. "I think the Customs Union will create a crisis here for a year or two," she said. "While we adjust, it will be really hard. Prices will rise to match Russia's but wages won't. We'll suffer. But ultimately it will improve the country. Factories will open; everyone will have jobs and pensions."

[Russian President Vladimir] Putin has done a lot of good things for his people. Our government doesn't think about its people at all," she said.

"When our laws change to match Russia's, it will benefit us."

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