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Deliberation on Republic Square

The year has just started, but it already has on its account the events, which will undoubtedly rank among the most important in the modern history, not only in the post-Soviet space, but probably in the whole world as well. We are talking about an attempt of armed (force) influence on the domestic political balance of power in Kazakhstan, the culmination of which was an armed clash on the Republic Square in Almaty, as well as the aggravation of the situation in eastern Ukraine and on the Russian-Ukrainian border. In the latter case, the events served as grounds for accusing Russia of preparing an armed invasion of a sovereign country, which led to a sharp deterioration of the foreign policy situation and a new round of anti-Russian economic sanctions.

These events have not only (and not so much) political overtones, but are rooted in the socio-economic processes that have developed in both Kazakhstan and Ukraine over the past few decades. These countries are not alone in the difficulties they faced after the collapse of the USSR. On the one hand, this is a sharp aggravation of the problem of self-determination (self-identification) of both the new state and its inhabitants, on the other hand – the shock therapy caused by following the postulates of the “Washington Consensus”. The processes of self-identification and implementation of the chosen path of economic transformation have been and remain closely related and interdependent. It is the attempt to consider and analyze their interaction that is devoted to the thematic part of this issue of the journal.

Self-determination is largely based on the understanding of one’s historical, cultural and ethnic belonging by the most influential and prepared for the role of leader by the political and economic elite of this or that country. It is not, unproductive to explain the state and dynamics of the economies of the young states that emerged in the post-Soviet space solely through the prism of theories of economic growth or economic transformation. As shown in the pages of ECO,

the issues of self-determination and orientation of the elite have played and are playing almost a decisive role in this process.

In a sense, until 2022 the situation in Kazakhstan did not seem to confirm this conclusion, at least in its equally rigid and categorical formulation, as it happened in Ukraine. Alas, the events of January – early February 2022 in Kazakhstan clearly showed that it is far from being an exception. Its successes in transforming the economy for the last 30 years were based on oil and favorable external economic situation. In addition, the possibility of re-exporting Russian energy resources (which, incidentally, served as one of the reasons for changing the principle of collection and the amount of the mineral extraction tax in Russia).

It is extremely difficult (sometimes impossible) to understand and explain those decisions to disintegrate industrial, technological and economic ties that were made by the leadership of the post-Soviet republics (primarily between Russia and Ukraine, as well as Russia and Moldova), guided only by the principle of economic efficiency – return on investment, payback period, etc.

Economic science increasingly seeks to take into account and include both behavioral and cultural as well as historical factors and circumstances. For example, E. Helpman asks¹: “Economic and political interests interact to determine economic development. But how exactly do they interact?”. Having examined and analyzed various approaches, he notes with regret that²: “We have neither a good theory which would establish links between political institutions and growth, nor reliable empirical evidence of such links.

The example of the economic development of post-Soviet countries, in the opinion of the authors of this thematic collection, is exactly the confirmation of the existence of such links and provides extensive empirical material for subsequent generalizations.

¹ Helpman E. *The Enigma of Economic Growth*. Moscow: Gaidar Institute Press, 2011. 240 p. [P. 202].

² *Ibid.* P. 212.

At the same time, one cannot but agree with the opinion of D. Rodrik³, who writes: “Today, the statement that there is no set of economic policies that is suitable for any country and that reforms must be adapted to specific circumstances has become almost a mantra for development economists, financial experts and international agencies. “Model blueprints” for reform are no longer relevant; model choices are more relevant than ever.

One theory of the transition from dictatorship to democracy was proposed by D. Ajemoglu and J. Robinson, who link key economic policies to the resolution of conflict over the redistribution of power between the rich and the poor, which is the driving force behind major changes⁴.

The papers in this issue do not purport to formulate any recommendations for the countries in question, but to provide insight into the main problems of their development through the lens of self-determination. This applies primarily to contemporary Ukraine (A.A. Migranyan’s paper) and Moldova (E. M. Kuzmina’s paper). In the case of the Central Asian countries, the focus was on economic problems proper (papers by G.M. Duysen, D.A. Aitzhanova, and P.N. Tesli).

It should be noted that a significant number of modern works on the economy of Kazakhstan and Central Asia have been carried out under the auspices of the Eurasian Development Bank and have an “investment-oriented character”⁵. While the specifics of the process of formation of economic development models in the post-Soviet Asian space, its close connection with self-determination (self-identification) and the positioning of the elites, have received much less attention from researchers. Meanwhile, the statement of the President of the Republic of Kazakhstan K.-J. Tokayev attests to the importance of this aspect: “My main goal is to get rid of monopolies, whether in

³ Rodrik D. *Economics Decides. The strength and weakness of the “dark science”*. Moscow: Gaidar Institute Press, 2016. 256 p. [P. 198].

⁴ Adzhemoglu D., Robinson J. *Why some countries are rich and others poor. The Origins of Power, Prosperity and Poverty*. Moscow: AST Publishers, 2016. Introduction – X, 693 p.

⁵ See, for example, EDB Monitoring of Mutual Investments. // Reports and Working Papers 21/4 – Moscow: EDB Centre for Integration Studies. 2021. 45 p.

economy or politics, as much as possible. Of course, this is not an easy job, but we must definitely get down to it. There is no other way⁶.

What groups and how they emerge in the process of development of sovereign states in the post-Soviet area and how they influence the formation and implementation of economic policy – these questions cannot remain outside the sphere of interest of both researchers and practitioners. Not only the content and content of economic policy, but also, ultimately, socio-economic and political stability in the Eurasian space depends on the answers to them.

Editor in chief of 'ECO'



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⁶ Tokayev: Kazakhstan must totally get rid of monopolies in economy and politics. – February 17, 2022.

URL: <https://mir24.tv/news/16496770/tokaev-kazahstan-dolzhen-polnostyu-izbavitsya-ot-monopolii-v-ekonomike-i-politike>

