

Consequences Of The Ukrainian Crisis For The Central Asian Region

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Abstract

The Ukrainian crisis has triggered a realignment of geopolitical forces in Central Asia, highlighting Russia's entrenched regional grip and China's emerging ambitions. Despite efforts by Central Asian nations to maintain balanced foreign relations, they face increasing dependency on Moscow through economic entanglements like labor migration, transit corridors, and infrastructure projects. Simultaneously, China is leveraging its Belt and Road Initiative and regional summits to establish a stronger foothold—though primarily economic, with limited political assertiveness so far. The waning influence of the US and EU has accelerated the pivot toward a dual structure dominated by Russia and China. While this dynamic opens new avenues for development and investment, it also raises concerns over diminished sovereignty, economic vulnerability, and complicity in sanctions evasion. Iran's growing role as a transit hub further embeds the region in emerging non-Western networks. The crisis catalyzes both opportunity and instability, compelling Central Asia to navigate a tense and shifting global landscape.

Keywords: Geopolitical Realignment, Economic Dependency, Belt and Road Initiative, Sanctions Evasion, Regional Infrastructure

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Introduction

The Ukrainian crisis is, in a broader sense, a post-Soviet crisis. That is why we cannot consider it in isolation from the rest of the post-Soviet space. At the same time, the greatest changes will have to affect the countries that are most dependent on Russia, that is, are in its zone of influence. This concerns both economic ties, and political, and even cultural ones.

Therefore, it becomes relevant to analyze the state of the region in light of the war in Ukraine, and to determine the key trends in the development of the situation.

Russia's Influence in The Region. Comparison With Other Players

The outbreak of the war led to the realization of the threats that this conflict poses to the countries of the region. The first of these is political. The countries of the region have generally tried to maintain good relations with Russia. This is due to both Russia's political and economic influence. But at the same time, they have adhered to a policy of balance. This balance is generally fragile, since it relies mainly on support from extra-regional forces such as the EU and the US, and to a lesser extent China and Turkey. It is obvious that the parties that are poorly represented in the region and do not have a clearly expressed political, economic, cultural, and military presence here are inferior to Russia.

Russia has an extremely broad presence in a number of countries in the region.

In the economic sphere:

Kyrgyzstan, Tajikistan and Uzbekistan are highly dependent, receiving large amounts of money for their economies from migrants working in Russia. This is an indirect dependence that is difficult to get rid of, since it is unrealistic to reorient migrants to other markets in a short time.

Kazakhstan has a certain share of direct Russian presence in the economy. This is expressed in Russian investments in industry, mainly in the extraction and processing of raw materials, and in infrastructure. However, Kazakhstan's direct economic dependence on Russia is not so great. The main source of income for the country's economy is formed

from oil and mining projects, where Russia's share is low. However, oil transportation passes through Russian territory, namely, the CPC pipeline ensures the export of over 90% of raw materials. This circumstance is a serious instrument of pressure on Kazakhstan. During 2023, oil shipments from terminals in Novorossiysk have already been suspended four times for various reasons.

In the political sphere: Russia uses economic pressure as a way to achieve political goals. This is why Kyrgyzstan and Tajikistan were so quickly involved in the Customs Union (then the EAEU) project, since the possibility of problems with the settlement of labor migrants is very dangerous for these countries.

Uzbekistan is the least dependent on Russia among all the countries in the region, since migrants' funds account for a smaller share of its economy.

For information: In Uzbekistan, remittances from labor migrants account for about 10% of GDP. In Tajikistan, remittances from migrants account for over 1/3 of GDP, and in some years (before the 2008 crisis) the figure even reached half. In Kyrgyzstan, remittances from migrant workers account for about 30% of GDP (World Bank data). Kyrgyzstan – over 1 million citizens work in Russia. Uzbekistan – over 3 million. Tajikistan - over 1.6 million.

In the cultural sphere: the region as a whole is a post-colonial territory of Russian influence. This is determined by the Russian language, Russian information space, historical contacts, and the general familiarity of Russia as a well-known partner. This practice is common in the world. For example, in African countries that emerged from empires much earlier, the influence of former metropolises still remains, not only in economic, political, and cultural terms, but also in military influence.

At the same time, the situation differs in individual countries.

Cultural contacts are least traced in the settled societies of the countries of the region, primarily Tajikistan and Uzbekistan. To the greatest extent in Kyrgyzstan and Kazakhstan.

In the military sphere: Russia has significant military potential deployed in the region. This includes Kyrgyzstan and Tajikistan, where there are military bases. Russia's maximum military presence is in Kazakhstan.

China's influence is growing, but it remains a matter of perspective. China is still more of an economic entity than a political one. However, the growth of China's ambitions, especially in light of the crisis in Ukraine and the crisis processes in Russia, is already noticeable, but has not yet taken on real outlines.

At the moment, there are two projects. One of them is the "Belt and Road". But the economic belt project raises serious doubts among experts in terms of its economic feasibility. So far, we have not seen that the "belt" projects have produced any significant results comparable to the huge funds that were invested in it.

The other project is the results of the "China - Central Asia" summit. So far, this is only a declaration of partnership, and in this form it does not mean much. Nevertheless, it showed that China is clearly striving to become not just an economic, but also a political player in the region.

Other countries have much smaller resources of influence in the region.

For the US and the EU, this is participation in large projects in the field of oil and gas production. For example, significant oil production in Kazakhstan is carried out by Western corporations. But this is, in fact, the only source of direct, intra-regional presence of the US and Western countries in the region as a whole. The only US base in Kyrgyzstan was closed in 2014, under pressure from Russia.

In general, the level of cooperation between the US and the governments of the countries in the region is low. They are interested in the US as a necessary element of balance, but they cannot receive serious support. The only relatively stable ally of the US can be considered Uzbekistan, which is ready to actively cooperate on the issue of trans-Afghan routes, in which it is interested.

Nevertheless, the US seeks to maintain contacts with the countries of the region, even if they pursue a policy that is contrary to the interests of the US, in order not to leave the region completely under Russian control. Therefore, the role of the region in bypassing sanctions and participating in smuggling schemes is ignored. In addition, the region is losing its importance as a resource supplier, as the future transformation of the oil market will hit high-cost producers. Then, the Ukrainian crisis has made oil transit from the region risky.

Changing The Balance Of Power

In general, the growing influence of Russia and China can have a serious impact on Central Asia, given their geographical proximity and existing economic and political ties with the region. This includes:

- growing political influence, especially within the SCO mechanisms;
- economic influence, due to the expanded presence of Russia and China in the region's economy;
- control of transit routes.
- At the same time, due to the strengthening of Russia and China, the United States as a geopolitical force has been practically ousted from the region.

In the context of such a balance of power, it is difficult to maintain a traditional balance. This is why the countries of the region are forced to support Russia to a greater extent.

There are political reasons for this, since Russia has carried out a number of actions to put pressure on the countries of the region. This concerned demonstrative statements about limiting the opportunity to work in Russia for migrants from the region. In addition, as mentioned above, the Russian Federation has blocked transit routes several times.

In addition, Russia is carrying out a number of actions to expand in the economy. This concerns large infrastructure projects (roads, hydroelectric power plants, nuclear power plants and thermal power plants) in the countries of the region; participation in industrial projects (uranium, oil, metals). The countries of the region need funds, since the overall economic situation is unfavorable.

Accordingly, Russia's influence is gradually growing, not only politically, but also economically.

China is also increasing its economic influence. But the question is whether China will be able to act as a political force, using its economic capabilities. The war in Ukraine has created a vacuum of an alternative force in the region that would balance the excessive growth of Russia's influence. China is a candidate to fill this vacuum.

In the current global crisis, China plays a dual role. It benefits economically by becoming Russia's main trading partner in the context of Western sanctions (China accounts for over 40% of Russian imports and about 30% of exports). This is due not only to the opportunity to purchase

Russian raw materials on favorable terms, but also to the increased export of a wide range of Chinese goods. At the same time, China is experiencing the negative consequences of the crisis, such as slowing economic growth and increasing international tensions, which affects the country's investment attractiveness. The Chinese leadership, however, continues to use the situation to strengthen its position, especially in the fight against the West, despite growing internal and external challenges.

The Belt and Road project is becoming a key tool for promoting China's interests in the region. This ambitious multi-billion dollar project is aimed at creating a modern Silk Road linking Asia with Europe and Africa through a network of land and sea routes. Central Asia, due to its strategic position and rich resources, is a key element of this initiative. The Belt and Road Initiative represents an opportunity for Central Asia to improve its infrastructure, economy and regional connectivity. However, the success of this initiative will depend on how well the threats and challenges are managed.

With the growing importance of Russia and China, the importance of infrastructure projects carried out in their interests is growing in the region.

Development of transit routes in the directions proposed by these countries can lead to the region being tied to these schemes. These are the North-South and the Belt and Road.

The Xi'an Declaration of the China-Central Asia Summit states: "The Parties emphasize the need to enhance the status of Central Asia as one of the most important Trans-Eurasian transport hubs, intensify the development of the China-Central Asia transport corridor, the development of multimodal transit and transport transportation in the directions of China-Central Asia-South Asia, China-Central Asia-Middle East, China-Central Asia-Europe, including along the China-Kazakhstan-Turkmenistan-Iran route and trans-Caspian routes using the seaports of Aktau, Kuryk and Turkmenbashi, as well as the transit and transport capabilities of the city of Termez."

Both China and Russia are capable of promoting these projects, and intend to promote them, which means expanding their infrastructure ties with the region.

The third party in this scheme is Iran. Iran acts as a strategic hub linking China with Europe and the Middle East. Thus, Iran is actively developing transit projects, including the Belt and Road Initiative and the Russian

North-South Initiative. The North-South Initiative creates a corridor between South Asia and the EU through Iran and Russia, but it has faced problems with political instability and sanctions. Iran's transit cooperation with China within the Belt and Road Initiative is also important, but is complicated by political and economic challenges. Both projects have great potential to strengthen the region's economic interaction with global markets. Despite international sanctions and political tensions, Iran and China continue to develop bilateral relations. Thus, in March 2021, they signed a 25-year strategic cooperation document, which includes Chinese investment in Iranian infrastructure worth up to \$400 billion, covering energy, transport, industry, telecommunications and information technology.

Consequencies Of Conflict

In these conditions, the first consequence of the conflict in Ukraine is Russia's attempts to gain support for its actions from the Central Asian countries. Direct support has not been expressed by any of these countries, as this means a rapid and dangerous change in the balance of power. But gradually, Russia will seek to ensure such support.

The change in the political landscape has led to attempts to diversify relations with other global players. Central Asian countries are trying to maintain a multi-vector foreign policy, not wanting to be completely dependent on any one external force, whether it is Russia, China or Western countries. But the balance is still shifting towards strengthening Russia, and China as an alternative force.

Another consequence is the impact on the economy.

Labor migration from the region continues. But it has decreased to some extent.

Thus, in the first half of 2023, the number of legal labor migrants in Russia decreased by 10-15% compared to the same period in 2022, reaching 2.15 million people. This decline occurred despite an acute shortage of workers and rising wages in the Russian labor market, which may indicate a decline in the attractiveness of the Russian market for migrants. However, the total number of labor migrants, including illegal ones and citizens of the EAEU countries who do not require work permits, may be significantly higher (according to demographers, in 2019 the real number of labor migrants in Russia could have been about 4.5 million

people, which is 2.5 times higher than the number of officially issued permits). The number of Russian passports issued to foreigners also decreased in the first half of 2023, and this is most likely a consequence of fear of mobilization.

Overall, experts conclude that the war has not had a serious impact on the scale of labor migration yet. At the same time, in 2023, the labor market in Russia faced a labor shortage estimated at 4.8 million people. This is a significant problem that hinders the country's economic growth. Demand is particularly high for mass personnel such as drivers, operators and salespeople, as well as for blue-collar workers including turners and welders. The shortage of personnel is felt most acutely in manufacturing, construction and transport. This situation complicates the economic restructuring under sanctions restrictions and leads to an increase in wages in some industries. Therefore, as long as there is demand for labor in Russia and the means to pay them, the migration flow will not undergo any drastic changes.

Despite some economic benefits, the war has also disrupted trade and supply chains, contributing to a sharp increase in food and energy prices.

The weakening of the ruble has affected the incomes of millions of families in Central Asia who depend on remittances from Russia, the main destination for labor migration from the region.

Re-export of goods has become the norm for the region's economy. Central Asian countries are accused of helping Russia circumvent Western sanctions. For example, sanctioned Western products and goods are imported to third countries, such as Kazakhstan and Kyrgyzstan, and then re-exported to Russia. This makes it much more difficult to monitor compliance with the restrictions.

Thus, the war in Ukraine has brought both economic challenges and opportunities to the Central Asian countries, affecting their political strategies and alignments, as well as their role in international trade, especially with regard to sanctions.

Overall, the war in Ukraine has triggered economic turmoil around the world, including Central Asia, especially due to its close economic ties with Russia. It has had the effect of disrupting trade and supply chains, causing food and energy prices to rise.

Conclusions

In the near future, the region will be influenced by the following trends:

- **1.** Increased influence of Russia and China. Moreover, if Russia's influence will grow both in the political and economic planes, then China's will grow mainly in the economic plane. It can be expected that these countries will be more widely represented in strategic sectors of the economy and in infrastructure.
- **2.** Gradual convergence of the political positions of the countries of the region and Russia as a consequence of the growth of Russia's influence in the economy and measures for political expansion.
- **3.** China may be considered a partial alternative to the United States for the region, a "surrogate guarantor" that is in fact in allied relations with Russia. At the same time, China has great economic potential.

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