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KAZISS

Kazakhstan Institute
for Strategic Studies under
the President of the Republic
of Kazakhstan

Issued Quarterly Since 2003

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Translation by LLC «Delta Consulting
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This Journal was registered
with the Ministry of Culture and Information
of the Republic of Kazakhstan
on January 24, 2003.
Registration certificate No. 3529-zh.

ISSN 2414-570X (print)

ISSN 2788-5909 (online)

doi.org/10.52536/CAA

None of the articles shall be
reproduced without reference to the
Journal.

The opinion of the editorial board may
differ from that of the authors
of articles.

Printed by «Nadegda 2050» LLP,
Kokshetau, Baimukanov street, 3.
Copies: 250

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SRSTI:
11.25.40

THE COUNTRIES OF CENTRAL ASIA DURING THE COVID-19 PANDEMIC IN 2020: VIEW FROM KAZAKHSTAN

doi.org/10.52536/KS/vol_82_issue_2_A1

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Abstract. The article examines the political and economic processes in the Central Asian republics in 2020 amid the spread of the Covid-19 virus infection and the global crisis caused by the pandemic. The author examines the reaction of the governments of the countries of the region to the emerging global challenges, as well as the measures taken by them. An analysis of the implications of force majeure on the political, financial and socio-economic development of the states of the region is also given.

Key words: *Pandemic, Covid-19, Sanitary and Epidemiological Situation, Quarantine Measures, the World Health Organization (WHO), Central Asian States, Political and Economic Security.*

ОРТАЛЫҚ АЗИЯ ЕЛДЕРІ 2020 ЖЫЛЫ COVID -19 ПАНДЕМИЯСЫ КЕЗІНДЕ: ҚАЗАҚСТАННАН КӨЗҚАРАС

Болат Әуелбаев

Аңдатпа. Мақалада 2020 жылы COVID-19 вирустық инфекциясының таралуы және пандемиядан туындаған әлемдік дағдарыс жағдайындағы Орталық Азия

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республикаларындағы саяси және экономикалық үдерістер қарастырылады. Аймақ елдері үкіметтерінің пайда болған жаһандық сын-қатерлерге реакциясы, сондай-ақ олардың қабылдаған шаралары зерттелуде. Сонымен қатар аймақ елдерінің саяси, қаржылық және әлеуметтік дамуына форс-мажорлық салдарының талдауы берілді.

Түйін сөздер: пандемия, COVID-2019, санитарлық-эпидемиологиялық жағдай, карантиндік шаралар, Дүниежүзілік денсаулық сақтау ұйымы (ДДҰ), Орталық Азия елдері, саяси және экономикалық қауіпсіздік.

СТРАНЫ ЦЕНТРАЛЬНОЙ АЗИИ ВО ВРЕМЯ ПАНДЕМИИ COVID-19 В 2020 ГОДУ: ВЗГЛЯД ИЗ КАЗАХСТАНА

Булат Ауелбаев

Аннотация. В статье рассматриваются политические и экономические процессы в центральноазиатских республиках в 2020 году в условиях распространения вирусной инфекции Covid-19 и вызванного пандемией мирового кризиса. Исследуется реакция правительств стран региона на возникшие глобальные вызовы, а также предпринятые ими меры. Также дан анализ форс-мажорных последствий на политическое, финансовое и социально-экономическое развитие государств региона.

Ключевые слова: пандемия, Covid-19, санитарно-эпидемиологическая обстановка, карантинные меры, Всемирная организация здравоохранения (ВОЗ), страны Центральной Азии, политическая и экономическая безопасность.

Introduction

The year 2020 has been a very difficult year for the republics of the region. The rapid spread of Covid-19, the lack of special medical treatment and the high probability of death of infected patients have caused serious concern almost all over the world. At the same time, there has been no clear and universal method for responding to the threat. In the initial stages, national governments acted on their own discretion. Most of them immediately undertook emergency security measures and imposed quarantine restrictions. Others took it all without proper precautions. Nevertheless, no one was free from the negative consequences of the pandemic. The spread of the new disease has had a negative impact on political processes, as well as the social sphere, and hit the budget of many states hard. The countries of the Central Asian region have been no exception.

In general, the Central Asian Governments

have demonstrated their readiness to take emergency measures to prevent, counteract and neutralize unforeseen dangers to varying degrees and forms.

Turkmenistan was the first to respond to the pandemic [1]. Then Kazakhstan [2], Kyrgyzstan [3] and Uzbekistan [4] almost simultaneously closed their borders, locking down the countries.

The Kazakh and Kyrgyz authorities imposed a state of emergency for a certain period, and an additional curfew was imposed in the cities of the neighbouring country. Tajikistan was the last to join this tough approach to the fight against the viral infection [5].

Research methods

This article is based on descriptive and comparative research methods. A study of the consequences of the spread of the pandemic for the Central Asian states and analysis of the measures taken by national governments in

coping with political and economic challenges in the context of the global crisis of 2020 are carried out.

Turkmenistan

Turkmenistan did not recognize the presence of Covid-19 infected patients [6]. Some representatives of international organizations supported this version of the Turkmen authorities [7]. Such conclusions were reached by representatives of the World Health Organization (WHO) mission, who arrived in the country on a ten-day visit in July last year [8].

It must be admitted that the Turkmen authorities raised the issue of "carrying out measures aimed at identifying symptoms and treating lung diseases of unknown origin" on January 8. On January 20, a meeting of the Emergency Commission for Combating the Spread of Diseases was held.

In February, restrictions on travelling and measures to protect the population were introduced. All international passenger and cargo flights were cancelled, and the borders with neighbouring countries were closed.

Turkmen citizens who arrived in the republic on special flights were quarantined in Turkmenabad, where transport logistics, a filtration centre and a quarantine camp were organized for them.

At the same time, inside Turkmenistan, it was not allowed to raise the topic of the spread of the Covid-19 and various public events were actively held on its territory, including a military parade on May 9 [9].

Only on May 15 did President Gurbanguly Berdimuhamedov officially approve the plan of Turkmenistan's Readiness to Resist the Pandemic and Ways to Quickly Respond to It, as well as a ban on mass gatherings.

The head of the Turkmen state personally began to control the medical service in the country. With his initiative, along with modern medical and sanitary methods of combating the pandemic, folk remedies for prevention and treatment were also used. Thus, public premises were not only disinfected but also fumigated

with the smoke of harmaly, a steppe plant [10].

It is possible that the general epidemiological situation in the republic was really not so critical. In the context of the high centralization of power in Turkmenistan, the Government gave prompt instructions to arrange checkpoints between etraps (districts) and to form the necessary sanitary and quarantine infrastructure.

Thus, the risk of infection penetrating into the country was reduced to a minimum. At the same time, disinfection tunnels were installed at the Turkmen-Iranian border to import food at border checkpoints.

Nevertheless, information about the social and political situation in the republic was quite contradictory due to the one-sidedness of its presentation. According to the national media, the Turkmen authorities control all the processes taking place inside the country. In particular, it is claimed that, despite the decline in the range of food products, they are still available. Supply problems in social products – e.g., butter and flour – are subsidized by the state from its reserves.

Other sources, mainly from opposition and human rights organizations, claim a more difficult situation in the republic. For example, the ACCA human rights media resource points to the high mortality rate in the country from COVID-19, which the government carefully hides [11].

Due to the catastrophic shortage of basic food in the country, the conditions for mass protests are being created. Thus, the Turkmen opposition abroad cites the examples of past protest actions in the Railway District of Turkmenabat, and Saparmurat Turkmenbashi District in Dashoguz Velayat and Mary Velayat, on their websites [12].

Nevertheless, the authorities of Turkmenistan have taken social and economic measures to mitigate the economic impact of the pandemic, including protecting vulnerable groups, supporting small and medium-sized businesses, as well as enterprises producing essential goods.

On August 29, the Cabinet of Ministers

of Turkmenistan, together with representatives of the United Nations (UN), developed a plan of social and economic measures to respond to the acute infectious pandemic. The program consists of five parts and is estimated at USD 1 billion [13].

At the same time, the republic has a poorly diversified economic structure. The revenue part of its budget is formed at the expense of the oil and gas, chemical, electric power and construction industries. In the expenditure part, more than 75% of the budget is spent on the development of the social sphere.

Turkmenistan has limited capacity in the transportation and sale of its hydrocarbon raw materials. It also has difficult relations with the main trading partners-consumers of Turkmen gas: Iran, Russia and China.

So, at the beginning of 2017, gas supplies to Iran stopped and the two countries are still in a dispute over an allegedly unpaid debt by Tehran. In 2019, after a long breakup, Russia's Gazprom resumed buying Turkmen gas, but in small volumes – about 5.5 billion cubic meters and at the stated price of USD 110 per thousand cubic meters.

Amid the pandemic, the Chinese government has cut back on its planned gas purchases from Central Asian countries. According to China's trade data, imports from Turkmenistan fell by 17% in January and by more than 35% in February. Regarding Turkmen exports, gas sales to China account for up to 75-80% [14].

The slowdown in the Chinese economy, the concomitant reduction in production and the decline in energy imports, strongly affects the economy of Turkmenistan.

At the moment, Ashgabat is in a situation of not only low prices for natural gas but also financial losses of up to a quarter of its previous revenues. In addition, the Turkmen government is obliged to repay Chinese loans taken earlier for the development of oil and gas fields and the construction of pipelines at the expense of energy supplies.

Kyrgyzstan

In Kyrgyzstan, despite the strict social

control imposed in connection with the threat of a pandemic, the consequences have manifested themselves in the most complex way. On March 22, the republic moved to a state of emergency. On March 25, a state of emergency was declared in a number of cities and districts with the formation of commandant's offices, and a curfew was in effect in cities and some areas until May 10 [15].

During the entire period of the restrictive measures, the authorities of the country balanced the need to continue the lockout and a return to the previous active economic activity. Meanwhile, the government approved an anti-crisis plan for business in the form of loan and tax deferrals. For this purpose, 14 billion soms (USD 190 million) were allocated. But it was not enough money to support the economy. The Kyrgyz authorities began to ask for help from international donors and were the first in the region to receive USD 121.1 million from the IMF [16].

Also, in the first half of 2020, the republic received 550 thousand from Germany, 11 million from the Islamic Development Bank (IDB), and more than 21 million from the World Bank (WB). The European Bank for Reconstruction and Development (EBRD) is considering the allocation of USD 100-150 million, and the Asian Development Bank (ADB) has approved the allocation of USD 200 thousand for the purchase of equipment and medicines. In general, to cover budget losses, the Kyrgyz authorities need to attract 33 billion 232 million soms (USD 412.3 million) from external sources.

In the second package of measures to support the business economy, the Kyrgyz government did not exempt enterprises from taxes, only providing them with preferential loans. For this purpose, an Anti-Crisis Fund was created in the structure of the Ministry of Finance. This was made up of external assistance and budget savings.

According to the draft law "On Amendments to the Law of the Kyrgyz Republic On the Republican Budget of the Kyrgyz Republic for

2020 and the Forecast for 2021-2022" adopted on May 21, the budget deficit should be equal to 27 billion 692 million 261.2 thousand soms (USD 343.6 million) [17].

The real GDP growth rate of the republic in January-September 2020 decreased by 6% compared to the same period last year, instead of the planned growth of 5%. Excluding the Kumtor field development companies, the GDP amounted to USD 350.4 billion soms. In comparison with the corresponding period of the previous year, the GDP decreased by 7.1% [18].

However, the role of the budget is not so significant for the development of the republic. The Kyrgyz economy has many independent segments and is more focused on external relations. For this reason, there are the following system-forming areas that have most strongly felt the effects of quarantine restrictions:

- stopping *light industry enterprises, including clothing production*, which is part of the international production chain: from the receipt of fabrics and accessories from Turkey and China to the sale of finished products in the EurAsEC countries. More than 160 thousand people, or about 7% of the working-age population of the country, are employed in this field [19]. The lack of material and orders had a negative impact on this production sector, and the unemployment rate rose accordingly;

- reduction of *labour migrants' money transfers* since the beginning of the crisis in Russia, Turkey, South Korea and the United States. In February, their fall was equal to 20-30%, in April – to 40-45%. According to the National Bank of the Kyrgyz Republic, from January to November 2020, the volume of money transfers of labour migrants amounted to USD 2 billion 160 million 110 thousand, which is USD 31 million 810 thousand less than in the corresponding period of 2019 [20]. The decline in the volume of financial transactions in the first half of the year affected the purchasing power of households, which led to a slowdown in all business activity in the country;

- the termination of *re-export of goods from China* to the CIS countries has stopped

regional trade in the largest markets of Dordoi and Karasu. Both official and unofficial cash inflows to the republic have stopped. Tens of thousands of salespeople, drivers, movers, and other workers lost their jobs. [21];

- limiting the activities of *small businesses and the self-employed*, where a large number of jobs are organized. According to the initial estimates of the government, approximately 210-230 thousand families needed bail-out from the state during the emergency. The quarantine significantly worsened this situation [22].

Also, against the background of the threat of the COVID-19 spread, the following political processes were ongoing in the country:

First, by presidential decree on March 23, all electoral events in local keneshas were suspended. The formation of a new composition of local representative bodies was not held in 2020. The new government has now launched this process to take place only in April this year.

Second, the date of the elections to the Zhogorku Kenesh was set for July 3. Until October 10, the entire political life of the republic was focused on this political process. Even at the peak of the incidence and high mortality from COVID-19 in mid-summer (on July 15 alone, 85 people died from this infection in the country), it was shaded by pre-election expectations.

Meanwhile, amid the growing discontent of the population due to the restrictions imposed, the closure of many enterprises and the growth of unemployment, political tension in the country has noticeably increased. The results of the elections on October 10 outraged the public. Individual party leaders who were left out of the political process demanded revenge. They called on people to go out and express their dissatisfaction with the results of the vote.

In general, the opposition was preparing for long but active resistance to the authorities and the arrival of a new parliament. In their opinion, the election results were rigged, pro-government parties made extensive use of administrative resources and voter bribery, and the government condoned them.

However, the crowd that came out to the street spontaneously crushed all political processes. The country has once again entered a phase of political turbulence, and new politicians have come to power on this wave.

Tajikistan

Tajikistan began to take active measures against the Covid-19 epidemic only after April 30, when 15 cases of infection in the country were officially confirmed. This statement was made shortly before the arrival of the World Health Organization (WHO) mission to the republic [23].

There are opinions that the late reaction of the Tajik authorities is connected with the political processes taking place in the republic. So in the fall of 2020, presidential elections were expected, and Tajik leader Emomali Rahmon needed to consolidate a strong political position.

One of these decisions, taken on April 17, was the election of Rustam Emomali to the post of Speaker of the National Council at a meeting of the upper house of Parliament [24]. This procedure would not be possible in the context of the introduction of emergency measures.

Another reason was the serious fear of the Tajik government of an onset of social and economic collapse in the event of the use of radical methods in the fight against the epidemic. In this regard, Tajikistan did not impose a state of emergency, and the quarantine was selective and mainly in Dushanbe.

The third factor was the chronic lack of finance in the country's budget. Thus, in the state budget adopted for 2020, the revenue part amounted to more than 26.05 billion somoni (USD 2.61 billion), while the expenditure part was 26.4 billion somoni (USD 2.64 billion). The budget deficit was at the level of 0.4% of GDP, or 349.5 million somoni (USD 36 million) [25].

The social sphere in the expenditure part of the state budget amounted to 11.7 billion somoni, or 44.4% of the total volume. 3 billion 927.6 million somoni (USD 405.3 million) was allocated for the development of the energy sector with 2.1 billion somoni (USD

210 million) for the completion of the Rogun HPP and 30 million somoni (more than USD 3 million) for the planned parliamentary and presidential elections that year.

However, the systemic problems in the Tajik economy had revealed themselves before the arrival of the pandemic. Tajikistan's overall development is constrained by weak state management and large debts.

Thus, as of July 1, 2017, the total debt of medium and large economic entities amounted to 28 billion 871.6 somoni. A year later, it already amounted to 45 billion 727.1 million somoni, and by January 1, 2019, it reached 73 billion somoni (USD 7.73 billion).

Leading in the list of debtors are state-owned system-forming enterprises: Barki Tojik Energy Holding, Tajik Aluminum Company (TALCO), Tajik Air, State Unitary Enterprise "Tajik Railways", Dushanbe International Airport and others. According to the Statistics Agency of the Republic of Tajikistan, about 30% of enterprises in the country are unprofitable.

In addition, last year, the Ministry of Finance allocated more than USD 300 million for the rehabilitation of "problem banks", including Agroinvestbank and Tojiksodirotbank [26].

At the beginning of 2020, the national debt of the republic amounted to more than 3.6 billion dollars (45% of GDP). Of these, USD 2.9 billion is external and USD 715 million is internal debt. Almost USD 220 million was allocated from the budget for its maintenance. By the end of the year, it reached USD 3.7 billion, which was 43.3 % of its GDP [27].

The situation with the pandemic has further aggravated the previously weak state of the economy. Among the negative factors, the following stand out:

- according to various estimates, there are from 800 thousand to 1.5 million Tajik citizens in labour migration. Their contribution to the social and economic development of the country is quite high. Thus, over the past 11 years, they have transferred USD 30.4 billion to the country, while the total volume of foreign direct investment during this time amounted to only

USD 3.6 billion. In 2018, USD 2.5 billion were transferred only from the Russian Federation, in 2019 it was up to USD 2.7 billion, which is equal to 33.4% of last year's GDP of the republic [28].

As can be clearly seen from the address of President Emomali Rahmon to the IMF managers on April 29, the volume of money transfers in March and the first half of April fell by 50%. In turn, the IMF proposed to revise the country's state budget for this year instead of providing the government of Tajikistan with a soft loan of USD 189.5 million, namely, to reduce the planned state budget revenues by USD 225 million [29];

- The foreign exchange earnings of the National Bank of Tajikistan (NBT) decreased following the reduction in transactions of labour migrants. According to the NBT resolution, all foreign money transfers since 2016 shall be issued in somoni, while foreign currency remains in the bank's accounts.

This operation forms one of the most important sources of foreign exchange income of the country. Migrant workers' transfers are issued to their families at the official exchange rate set by the NBT. As a result of the conversion of about 5%, the state treasury has received up to USD 2.65 billion dollars since the decree was adopted [30];

- as a result of the border closure, the transport, service sector and retail sectors were left in the republic without income. For example, more than 76 thousand people work in the markets and shopping centres of Dushanbe. According to local experts, if all organizations were closed for quarantine in February-March, the country's budget would not reach 16 billion somoni.

The recognition of the unwillingness to repel unforeseen threats could greatly affect the image of the current regime. Since the introduction of active measures against the pandemic on May 1, the Tajik government has allocated 12.4 million somoni (USD 1.24 million) from the President's Reserve Fund for additional payments to the salaries of doctors for three months.

A charitable foundation under the Ministry of Finance was also established, where as of

May 6, donations of up to 5 million somoni (500 thousand dollars) were collected. At the same time, it became necessary to ask for help from foreign countries and international financial institutions.

Thus, in April, when Tajikistan was not officially recognizing the presence of coronavirus patients in the country, international organizations and individual countries had already offered Dushanbe their financial and other assistance.

In the first half of the year, the republic received more than USD 7.7 million worth of humanitarian aid from 43 donor countries. Also, various programs to combat coronavirus in Tajikistan were funded by the EU (EUR 48 million), the World Bank (USD 11.3 million), and the ADB (USD 100 thousand). Other international organizations and financial institutions continue to provide assistance to the republic.

By the fall of 2020, emergency international assistance in the form of grants and loans was agreed with the IMF (USD 189.5 million), the ADB (over USD 102.5 million) and the EFSD (USD 50 million). The World Bank's support to the health sector during the COVID-19 period amounted to USD 11.3 million in available assistance, which will be supplemented by USD 16.2 million [31].

In general, Tajikistan was poorly prepared to deal with the risk of the viral disease spread. At the time of the pandemic, there was only one reference laboratory in the country with two trained specialists. They could examine up to 230-250 tests per day, which is extremely insufficient in conditions of force majeure [32].

In this regard, the World Bank report on the situation in Tajikistan predicted that "coronavirus can cause 72,000 to 230,500 severe cases, 13,600 to 43,500 critical cases requiring intensive care, and 6,600 to 21,000 fatal cases" [33]. Nevertheless, the country remains socially and politically stable. On October 11, presidential elections were held, in which the incumbent head of state won by a large margin (90.92% of the vote).

In this regard, there is a decline in the political activity of the Tajik public and the civil sector. The population hopes to improve its social and economic situation after the elections. The nomination of Emomali Rahmon from the Federation of Trade Unions was intended to present him as an "independent" candidate, and his re-election as the "people's" president.

Also, taking into account the events in Belarus and Kyrgyzstan, the Tajik authorities have taken all necessary measures to control the situation. Moreover, the developments in Minsk and Bishkek demonstrated the opposite effect – it was an example showing that the forceful suppression of mass unrest, riots and looting has become the only and necessary means to preserve stability.

Uzbekistan

Uzbekistan has taken comprehensive measures to combat the Covid-19 pandemic. From the first days of quarantine restrictions in the country, President Shavkat Mirziyoyev announced the plan of 12 Steps to Win. It included such decisions as the creation of an anti-crisis fund, support for the health care system, compliance with quarantine and other measures of a financial, economic and social nature [34].

In this regard, *«on March 18, the Anti-Crisis Fund in the amount of 10 trillion soums (USD 1 billion 51 million) was created in the republic. A month later, on April 22, the Uzbek government asked international financial institutions to allocate USD 3.1 billion to it to reduce the consequences of the pandemic. In the fall, the Ministry of Finance increased the income of the Anti-Crisis Fund from 10 trillion to 13.4 trillion soums (USD 1.28 billion) due to the fact that "measures to combat the coronavirus pandemic last longer than initial estimates." The Fund received 1.7 trillion soums due to the optimization of state budget expenditures, and another 1.7 trillion soums in the form of loans from international financial institutions»* [35]. This money was intended to strengthen the health care system, support entrepreneurship and the banking system, the state budget, and

help utility and energy companies.

The Head of State constantly held video-conference meetings with members of the government and heads of regions. With them, he discusses operational issues on the situation in the country and support for the population and the economy. All actions of the state bodies to control the epidemiological situation had wide information support with a positive trend.

Besides, the republic has developed its own method of quarantine regime with colour-coded zones, which began to operate on May 8. As early as May 15, certain types of social and economic activities were allowed in accordance with each category of such differentiation [36].

On the foreign-policy front, Shavkat Mirziyoyev has frequently contacted the leaders of the Central Asian states and Afghanistan, and the Uzbek government has repeatedly provided humanitarian and medical assistance to neighbouring countries.

Nevertheless, the Uzbek authorities did not impose a state of emergency. Thus, when developing the strategy of fiscal policy for 2020-2022, they expected 5.5% GDP growth. However, the global crisis associated with the problem of the pandemic began to make its own adjustments. According to the World Bank's World Economic Outlook report, the republic's economic growth in 2020 was estimated at 0.6% [37].

In May last year, President Shavkat Mirziyoyev signed a new law to change the republican budget. The reasons for optimizing some items of government spending were the urgent allocation of funds for anti-crisis measures for the social sphere and support for entrepreneurs, as well as the emergency costs of eliminating the consequences of the accident at the Sardobinsky Dam Reservoir [38].

In general, the economic problems of Uzbekistan consisted of the following factors:

- at the end of the first quarter, compared to the same period last year, exports fell by 11% and amounted to USD 3.4 billion respectively. The Central Bank of Uzbekistan (CBU) expected it to fall further due to the continued low demand

in the foreign markets of natural gas, cotton fiber, non-ferrous and ferrous metals, as well as a decrease in the flow of tourists;

- the import of goods to the republic, including machinery, equipment, construction materials and other products, also decreased by 10% and amounted to USD 4.8 billion. Experts warned of a possible sharp increase in consumer demand for imported goods after the quarantine. In the context of reduced export volumes, this could lead to a significant shortage of currency in the country. To offset this deficit, Uzbekistan began to increase the supply of its fruit and vegetable products, as well as gold, abroad.

- businesses and households have reduced their ability to repay loans. Thus, in 2019, there was an active growth in lending to the private sector (by 26% more than in 2018). During the economic downturn, this trend negatively affected the stability of the banking system;

- the volume of financial transactions of labour migrants has significantly decreased. In March, foreign money transfers decreased by 26%, and by 50% in April. This is one of the most difficult and painful problems of Uzbekistan, as it affects the plight of its citizens in other countries and sets the task of their re-emigration, security and employment. This factor affects the level of poverty in the republic;

- at the same time, small and medium-sized businesses, including those working in the tourism sector, suffered. There are spikes in food prices due to logistics constraints. Domestic demand is declining due to a reduction in the income of the general population, as well as their access to food.

According to international experts, the economic problems of Uzbekistan in the past year were in general not so critical. The economic reforms initiated since 2016 have helped it prepare for the conditions of the pandemic. The experts believe that one of the strengths of the republic in this crisis was the low public debt.

Conclusion

The countries of the region each suffered from

the effects of the spread of the virus, as well as the measures taken against these sanitary restrictions in their own way. For the first time, they were faced with the threat of a pandemic. Therefore, the actions and measures taken differed from each other. It also depended on the availability of financial resources.

In addition to the direct costs of fighting the Covid-19 epidemic, the Central Asian states have suffered heavy losses due to the following negative global processes:

First, the countries of the region lost a significant part of their income, including due to lower oil and gas prices, reduced revenue due to restrictions on foreign trade operations and a decrease in the volume of money transfers of migrant workers;

Secondly, following the reduction in the cost of energy resources, the national currencies of Russia and Kazakhstan devaluated, which had an impact on the financial system of Kyrgyzstan, Tajikistan and Uzbekistan;

Third, the closure of borders has suspended the production of goods, their sale and consumption within countries and the region as a whole. The trade turnover with China, Russia, Iran and other external partners has decreased;

Fourth, the state of emergency imposed in most Central Asian countries has led to an increase in the number of people on unpaid leave or who have lost their jobs.

This analysis shows that the negative factors of the crisis are more pronounced when the economy is poorly diversified, as well as when it is focused on the supply of raw materials and/or exports of labour resources, or when it possesses high government debts.

Nevertheless, the global economic turnaround gives the Central Asian countries a chance to adjust their economic policies towards mutual and complementary cooperation schemes in the region.

This can become a road map to regional cooperation in the context of global crises. The proximity and availability of the necessary raw materials, energy resources and labour can be the key to success for joint ventures.

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