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Economic Security as a Prism of National Interests

The economic security is a relatively new issue for many newly independent states. Firstly, before disintegration of the Soviet Union the such issue was not on the agenda at all and, accordingly, the problem of its economic security did not come up. Secondly, this problem in principle requires new approaches because the whole world itself is constantly changing.

In current unstable and fragile situation in the World many nations try to adopt themselves to a changing economic environment and shape different protecting measures to stay resistant. These issues are clearly reflected in structural reforms defined in the *Strategy of Actions 2017-2021* [1] and by Uzbek President Shavkat Mirziyoyev during his speech in the International Conference «Central Asia: Shared Past and Common Future, Cooperation for Sustainable Development and Mutual Prosperity», (Samarkand, November 10-11, 2017) [2]. Primarily such urgent steps supposed to make any economy flexible and resilient.

Today, the world is such that the interdependence of states in it has assumed practically an all-encompassing character. Frankly, the problem of economic security is generated first of all by such *interdependence*. This process carries not only benefits and profits, but it is fraught with great potential threats for the security of states, especially of the states of the so called average level, whose economy largely hangs on export, import, financial, raw material and other ties with the external agents. This means that serious failures or crisis among foreign economic partners immediately create serious threats to the economic security of own country. We still remember the

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case of the foot-and-mouth disease occurred in late 90-th in Europe and which brought to the brink of disaster the meat and dairy production not only in UK, but also threatened the same kind of production in many other countries of the world. These are special cases and they are very indicative and symptomatic for the contemporary of interdependent world. The same can also be said about raising the U.S. tariffs on export of metallurgical products in early 2002, which created a tough conditions in the metal industry of many countries causing sharp protests and bankruptcies in related sectors of their economies.

The problem of economic security in general is specific by itself, but as such it substantially differs from the problem of military and political security. The maintenance of economic security cannot be achieved by military force, quite the contrary, the military instrument of political system under certain circumstances may serve as a threat to economic security in general. Such is also approximately the role of the state in maintaining economic security: given the excessive state interference in the economy cannot strengthen, but on the contrary, weaken the economic security of one's own country.

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In each certain case it is necessary, we believe, to take into account the definite circumstances, in which the economic development of any country takes place. For Uzbekistan, on the one hand, and Chinese Taipei and South Korea, on the other, these conditions are different, hence a different role of the state and the extent of its controlling role in the sphere of economy in the comparable countries. However that may be, the regulatory role of the state was and remains not only a factor of reduction of the crisis phenomena in the economy of Uzbekistan, but also may foster further development.

The problem of ensuring the national economic security in Uzbekistan takes place today in the conditions when **(1)** the era of production in the industrially developed countries is over in principle and that leads to the relative reduction of demand on the products of the mining and traditional branches of industry, which make up the foundation of Uzbekistan's exports; **(2)** the country's closed geographic location is a certain obstacle in the way of its emerging to the world economy; **(3)** the continuing deep intermingling and interdependence of the national economic complexes of the former soviet republics serve not only as a certain barrier in the way of their isolated integration into the world economy, but also to large extent locks the problem of maintaining their economic security by regional relations.

Here one should take into account the fact that the countries of the West possess a high degree of autonomy provided by the advanced level of technology, considerable natural resources and a vigorous economic system. The main part of the economic ties of these countries is locked by each other. The independent states which emerged on the Ex-Soviet territories play for them primarily the role of suppliers of raw materials and a sales market for second rate or obsolete products for the developed countries. In this sense they fully fit the Western *pyramid model* of globalization.

At the same time the integration processes rapidly gain momentum in South-East Asia, which has turned into the most dynamic region of the planet. *Practically, the formation of the close economic partnership of the countries of ASEAN has been completed and it came to be known as the "Asian Seven"*. In the future the role of this group of countries in the world economy will grow, it is expected, and accordingly the place of these countries will expand in their economic ties with Uzbekistan. Already today the economic ties of Uzbekistan are wide and grow stronger with the countries of East and South-East Asia – China, Japan, South Korea, Malaysia, India and others, and these ties largely serve as a pledge of its economic security. For example, we may rightly mention **Japanese model** of economy, which is based on four core principles: **a)** Strict state regulation, i.e. mobilization of all resources for achieving of high priority goals; **b)** Export orientation of economy for accumulation necessary financial resources and investments; **c)** Active attraction of FDI (mainly to high tech industries); **d)** Creation of large national monopolies to enhance production quality and compete in foreign markets.

Another clear example in this context is China. In-depth analyses of basic indices of **Chinese economy** clearly shows that it did its best to pass the worst period since 2011, and which began recovery from the second quarter 2016. Quality and cost of the industrial production output gave the ground to the Chairman Xi Jinping's decision to intensify internal investments

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Good governance effect was clearly seen in tremendous efforts to activate the Internal investments policy, primarily into infrastructure and expansion of internal consumption strongly supported by Chinese Government and which led to

significant growth of Chinese GDP at about 7% within 2016-2017 [3]. Among obvious risk factors we saw some reduction in volume of foreign trade, dynamics of which may steadily changing to the best by the end of 2018. Such positive tendencies in Chinese economy will definitely affect to a realization of its foreign policy in Belt & Road Initiative.

All this, in my opinion, is evidence of the fact that the issues of ensuring the national economic security of any country can hardly be resolved outside the context of the ongoing shifts in the world economy and in isolation from the existing economic trends, tendencies and realities in the rest of the world.

In its basis the system of the world economy, in which there is no single power element, capable of expediently influencing the behaviour of states as economic units, is built in principle on an anarchic principle: each state adheres to the maximum to its national interests and profit. This is the essential distinction of the world system from the national system which is built on the hierarchical principle in which the central body (the government) may (using the instrument of macroeconomic regulation) influence the behaviour of economic actors.

In international arena a state is forced to defend itself and its interests in the face of similar states, also pursuing their own national interests. That is why the states are participants in the power relations by its very nature, in this case irrespective of the fact in what form this power comes out, - military, diplomatic, economic or some other form.

Today the world is witnessing not only major political and military-strategic changes connected with the crash of the bipolar balance of power, but also substantial shifts in the world economy. If, for example, the weight of the United States as a world military power has considerably grown in connection with the disintegration of the formerly unified territories, then this cannot already be said in regard to its weight in the world economy, where it has been *steadily decreasing*, first of all, in favour of China, Germany and the European Union as a whole.

A certain slowdown is also being observed in the integration process in Western Europe. Earlier, the so called "Eastern Danger" served as a *unifying momentum* and stimulus to integration.

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After its elimination the foreground saw more and the appearance of own national interests of the countries of Western Europe, and following the increased number of its members at the expense of the state of Scandinavia, Eastern Europe and the Baltic States began naturally to unlock and get weaker the organizational and structural strength of the Commonwealth. In the near perspective integrated Europe will include nearly 30 countries. If one believes in *Murphy's law*, this qualitative fact alone can seriously influence the quality of integration association toward its worsening.

In these conditions all the states are faced with no simple task to determine their place in the rapidly changing world and if possible, harmonize their national interests with the interests of the world community on the whole, and also with the partners in regional economic relations. Such task is obviously more topical for the new independent states, including Uzbekistan, due at least to the cause that they had to begin the development of their foreign economic relations almost from scratch and with it to create the system of their collective security.

What is in general understood under national economic security? In scientific literature, as, far as we know, no common understanding has so far been worked out. Possibly, it will not be worked out because this notion, unlike the notion of military security, more variable, hangs more on the external conditions and internal factors of development of economy and changes in them, and therefore they need corrections more often. In our opinion, it is already for this reason that the attempts are less productive to give fixed definitions of economic security. Such definition was made, for example, by certain V. Pankov. "The national economic security, he writes, this is a state of national economy, characterized by stability, "immunity" to the impact of internal and external factors, violating the normal functioning of social reproduction, undermining the achieved standard of living of the population and thus causing greater social tension in society, and also a threat to the very existence of the state" [4].

Alting von Gesau, a German researcher, in his turn, draws attention to the need of delineation between economic security and economic strength, i.e. the ability to achieve goals in the field of economy, and also between threats to economic security and threats to national interests in general. On the whole, he comes to the following conclusion: "the national economic security is under threat only then when the change of external economic parameters is capable of destroying the preferred economic system" [5].

Such kind of definitions is too abstract, and therefore, in our view, is of small value for practical purposes. Their main shortcoming is that they have no indication as to whom and what ensures in fact their national economic security. Does this maintenance take place spontaneously or are there

relevant institutions, which do it? This is especially important to know in the cases of economic systems with free market economic, i.e. with free competition.

Free market economy, taken by itself, outside of the controlling impact on the part of the state is in full sense anarchy or, using the words of Hobbs, “a war against of all”, in which everyone strives to subordinate or strangle competitors.

The slogan of French entrepreneurs of the XVIII century “*laissez faire, laissez passer*”, which means literally “let everyone do what he wants to do, and go over there where he wants”, and in other words - full freedom from the state patronage, was already not working in civilized states long ago. This principle usually works there where capitalism has “wild” forms, as, for example, in some CIS countries, and is accompanied, as a rule, by total criminalization of economy, corruption, racketing and other types of organized crime. But even here it does not exist in a pure form, because this would mean full collapse of all social relations. In fact it is possible to see that even the freest market in one way or another is regulated by the state. This regulation comes out in various forms, first of all, in the form of tax legislation, customs duties, various forms of protectionism, license legislation et al. And, of course, in the form of annually adopted budget of the state, which is the main law regulating social and economic life of society.

Western states, imposing today neo-liberal models of economic development, in which the role of the state in the economic regulation is reduced to the minimum, in the cases of raging of the market element in their own societies adopted sufficiently harsh forms of state regulation. Suffice it to recall the banking and anti-trust legislation in the USA in the late XIX c., austerity measures after the 1929-1933 crisis and WWII, currency regulation in Western Europe in the conditions of the post-war financial chaos etc.

During many public debates over the weakening role of the states the economy of Western countries different trends are being observed today. Over the past two decades practically everywhere the share of the GDP, redistributed through the budget, remains intact, or even increases. If a certain reduction of the functions of the state was taking place, then it was mainly in the issues of social protection of the population and in the foreign economic sphere, but instead the participation of the state sharply went up if rising the competitiveness of domestic business and development of the infrastructure are necessary for this. Beside, the number of norms and standards introduced by the state grows fast (ecological, technical, sanitary etc.). Practically all Western countries adopt tougher restrictions on the immigration of foreign manpower. In other words, it is not a curtailing of

the economic role of the state that takes place in West, but a change of its economic functions toward greater participation in the struggle for the world economic positions [6].

A greater role of the state in the economic regulation, and thus also in ensuring national security is seen widely: it is namely the state which is an active subject scrupulously acting in the interests of society as the bearer of sovereignty of the nation. Some of the Western nations impose liberal models of economic development upon others defending their own interests. Well-known media loudhailer of US business the "Fortune" magazine admits the following in this connection: «When business speaks on capitalism it means free markets everywhere, except America" [7].

Today, it seems, the task of creation of not simply a market economy, but a socially oriented market economy is put forward in all CIS countries in different forms. In a vague form in this task it is also possible to see the goal of maintaining economic security of the country and its population. But here again a question arises: who must ensure the fulfilment of that task, which should "orient" the market economy in the social direction? As old and new experience show, the market economy taken solely may strive in the opposite direction.

In the quoted excerpts the role of the state is presented due completeness in ensuring economic security of society on the whole and its members an elimination or neutralization of the emerging threats. Only a strong state, backed by its strong legal basis, is capable to accomplish this.

The issue of national economic security is closely linked with the problem of threats because any system of ensuring security is created in the face of some real threats. "A threat in general, and not only an economic threat, believes, for example, V. S. Zagashvili, is called so because it either carried destruction to the object, or inflicts on it a more or less considerable damage". Destruction should be understood as deprivation of access to resources, leading toward disorganization of production and supply of the population with the necessary goods and products, disorganization of money circulation accompanied by the disintegration of the economic system of the country at all [8]. In its turn, namely real threats put before the state the need of elaboration of a certain scale of priorities in maintaining national economic security.

The economic damage caused to this subject, can be linked with its inability to withstand competition or be the result of internal factors, for example, bad economic management or crude, and therefore destructive economic reforms, as was the case in Russia and some other CIS countries. An irreparable damage to the national economic security was inflicted there by the indiscriminate privatization, introduction of the monetary system, upright dismissal of the state from the regulating function, the

opening of the internal market for foreign goods in the conditions of complete absence of competitiveness of the domestic industry, application of the methods of “shock therapy” as it was seen Russia of 90th and practically direct complicity in economic crimes.

The damage to the national economic security can be, of course, inflicted under the impact of external factors. They may have the form of both conscientious actions on the part of other states aimed at subversion of national economy and spontaneous actions conditioned by the interdependence of states in Global economy. A financial crisis in one country, for example, may entail the same kind of crisis in other countries, closely linked to each other.

Thus, the threats to economic security have their sources as both power confrontations of states in the sphere of international economic relations emanate from a spontaneous and unstable character of functioning of the world economy. The threats of the first

type are usually considered within the framework of the general theory of the balance of force, which was mentioned in the previously. The second type of threats is considered within the theory of “open economy.

The factors, from which hangs the ability of the economy of the country to withstand the negative external influence, according to many experts, may be conditionally divided into three groups. **The first group** comprises natural factors, which either slightly yield or do not yield at all to changes. They include: size of country, its geographic situation, and availability of useful minerals, climatic conditions, i.e. all that is included in the definition of geopolitical factors as it was mentioned before.

The second group includes factors which may change over a comparatively lengthy period of time: level of development of production and technology, incomes of the population, gold and currency reserves and other similar parameters. **The third group** includes factors which yield to regulation and change in shorter period: scales, nomenclature and directions of import and export, level of specialization of industry and agricultural production, its diversification etc. [9]

As was already pointed out, Uzbekistan significantly located in the region and characterized by the group of specific factors of its geography. But it considerably lags behind from advanced countries by the factors of power. They namely influence such most important aspect of power of the state as

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To replace the previous premise at stability and equilibrium we resort more often to the orientation to flexibility, manoeuvrability and adaptability, which become the most important criteria in the assessment of effectiveness of economic activity

flexibility of its application and fast adaptation to the changing external conditions. Today, complex political and economic situation in the world when fast and effective decisions and their quick implementation are required, the third group acquires special importance and become a priority in many respects.

Here it is necessary to take into account the substantial changes, taking place in Global economy in general. Recent years are characterized by unprecedented successes in the

development of science and technology, emergence of new fields of knowledge, branches of economy and directions of economic development. These tendencies closely intermingle with profound changes in the nature of demand in Chinese, European and US economies. The saturation of markets with mostly targeted and highly consumed products in combination with the growth of materials of population well-being contributes to rapid differentiation and personalization of demand in emerging economies.

Accordingly, to replace the previous premise at stability and equilibrium we resort more often to the orientation to flexibility, manoeuvrability and adaptability, which become the most important criteria in the assessment of effectiveness of economic activity. This tendency cannot but also spread over the periphery of world economy. For example, the orientation toward pre-emptive production and export of raw materials somehow beforehand deprives the state of the «full-blooded» participation in international economic relations.

Thanks to the purposeful advance along the road of reforms the republic managed to stabilize macro-economy and financial situation and achieve the minimum drop in production among the CIS countries. A moderately tough fiscal policy ensured the reduction of the budget deficit up to 2.5% of the GDP, the average monthly rates of inflation dropped to 1.9%, a positive balance was reached in the goods turnover. Some historic figures of development may illustrate it better. For example, by the rates of industrial production Uzbekistan was first among the CIS countries: 117% in 1999 to the level of 1991, whereas in Russia – only 45%, in Ukraine – 44%, in Kazakhstan – 41%.

In the years of its independence Uzbekistan managed to commission scores of new major production facilities, among which are such industrial giants as the Bukhara Oil Refinery, the GM car-plant in Asaka, reconstruction of the Uzbek Plant of high-melting and heat-resistant materials, enterprises of the mining and metallurgical and chemical sectors so that others will follow it.

Hence a phenomenon emerges, which is known as “dilemma of security”. This angle of economic security is close to mutual distrust and a jealous attitude to the success of others. It is, in particular, manifested in the arms race, whose participants get involved in it out of fear that their potential enemy will get the upper hand over them, although they would all be winners, if they abstained from it. Moreover, they would be winners namely in security and not in expenses connected with its maintenance. As a sequence, an endless race for security starts, whose participants by their actions push each other to commit new stage of that race [10].

The dilemma of security is also inherent to international relations, and it is in them it stands out in the most diverse forms. It can manifest itself in the form of “economic egotism” or desire of this or that state to develop for itself all branches of economy in order to be self-sufficient and independent to the maximum from upheavals or crises connected with economic interdependence. However, such policy, as world practice shows, soon or late depletes the resources of the state and undermines its own economic security.

Beside things that were said the dilemma of security is often seen in the form of protectionism, expressed in the rivalry of states by the size of customs tariffs, export subsidies, credits etc. Inevitably arising in case of implementing tough protectionist measures a greater or smaller isolation of the economy of the state results in a partial exclusion of the country from the world turnover of resources, which, in its turn, undermines its economic security. The negative impact of protectionist measures on world economy has long force the states to take collective measures against “economic”, “customs” and other wars in the sphere of economics and with this purpose to create relevant international organizations such as the WTO, the OECD, and the CIS etc.

The dilemma of security in its various forms and manifestations is the subject of concern of the policy of security of each state, irrespective of the fact, whether it realized by its leadership or not. That this is so is confirmed by the entire history of mutual relations of the states, especially in the XX century, when the economic ties of the states assumed self-contained importance. There is no need to go far to get examples: the best example is a short story of the CIS activity both in the political and economic spheres.

At the present-day phase for the new independent states of the Central-Asian region, including Uzbekistan, special significance, from the viewpoint of maintaining economic security, in our opinion, is occupied by the contradiction between two important tasks. One of them is integration into world economy and the second one is the creation of one’s own internal integral national economy based on the market principles.

The contradiction is emerging here, first of all, for the reason that the interests connected with the integration into world economy, do not always coincide or correspond to the interests of development of national economy. At time they are simply incompatible. This contradiction between external and internal integration, between external and internal economic liberalization is specific for the countries going through a transitional period from the command and administrative system of economy to the market economy.

It is only the state that is capable of rendering such support to national companies and enterprises, and therefore it exists and will remain for long not only an integral and most important component of national economic security, but also its chief guarantor.

Here it is necessary to take account of the circumstance that world economy (world market) does not represent a certain homogeneous medium, in which equal partner act and coexist peacefully, who have equal conditions and caring for the interests of other participants. The world market is divided by state frontiers, and within the framework of these frontiers various national economies act by the level of development, self-sufficiency

and purposes. Already for this reason there are no equal conditions for all. Hence it is understandable that the principle of freedom of trade, which certain put forward, plays into the hands, as in the previous times, of the strong and economically developed state. That is why given the scope and the depth of the integration processes in world economy and attractiveness of participation in them, the priority importance is retained by national economies, and this means that the state support is saved for “own” companies in the competitive struggle with “strangers”. It is only the state that is capable of rendering such support to national companies and enterprises, and therefore it exists and will remain for long not only an integral and most important component of national economic security, but also its chief guarantor.

In these conditions the problem of maintenance of national economic security of Uzbekistan consists in strengthening and further purposeful development of the national economic complex as a single whole in the conditions of transition from plan to market, and in the conditions of gradual transition from closed to open model of economy – outside. In this case, it seems, the priority must be given within a certain period of time to internal integration rather than external. This period of preference, most of all, depends on the time necessary for the formation of a full-scale internal market structure and the system of its social regulation.

The time will show the degree of these plans realization. It is clear already that their realization is impossible without stability of international political relations in the world and in the region.

As was pointed out earlier, Uzbekistan has no direct outlets to maritime trade routes which substantially limit the potential of its foreign economic activity. Therefore for further development and deepening of international ties, along with the establishment of external air lifts, priority importance is acquired by the participation in the construction of transnational automobile and railway trunk lines, and also pipelines, ensuring the country's exit to the largest ports of the Indian and Pacific Oceans, the Black and Mediterranean Seas, the Persian Gulf. In this sense great importance is also assumed by the development of telecommunications and broad use of the facilities of computer and satellite communications.

Summing up what was said earlier, thee grounds to assert that one of the key tasks in the system of maintenance of Uzbekistan's national security is seen in the reduction, and in future in overcoming the technological lagging of the republic from advanced countries. The leading role here, as world practice shows, belongs not simply to foreign trade, but to more complex forms of economic cooperation, including production cooperation and import of capital. But, of course, ordinary purchases abroad of hi-tech equipment play their positive role in this respect.

One cannot but mention such an important fact as the achievement of due macro-economic proportions, suppression of inflation, limitation of deficit of the state budget, and, consequently, also of a sufficiently high level of maintenance of national economic security were achieved in the country not by way of a catastrophic drop of production, uncontrolled growth of the volume of non-payments, the systematic non-fulfilment of the budget and sharp deterioration of the material situation and impoverishment of the overwhelming majority of the population, as this the case in many CIS countries.

* * *

The problem of economic security and its maintenance is broad and multifaceted and the dissertation does not set the aim of its disclosure with due completeness. This is not its task. Beyond its limits are such important aspects of security as energy security, security in the system of water supply, playing an especially important role in the life of the Central-Asian republics. For Uzbekistan, where all agriculture is built on irrigation farming, any serious failures in water supply are fraught with a threat of sharply reduced crops, especially cotton. [11]

A number of important aspects of economic security is linked with the growing economic crimes, contraband, corruption, assuming today various and at times sophisticated forms. According to the practical experience of the majority of the CIS countries, the most characteristic types of economic crimes today are as follows: embezzlement of state property and non-purposeful use of credits, tax evasion, contraband of different types of semi-

finished and finished products, abuses in the course mass privatization of the national economic facilities and so on. In their turn, representatives of criminal structures strive directly or indirectly to exert their influence on the organs of executive and legislative power or penetrate them directly. All this forms a knot called “organized crime”, which for some CIS countries has become a scourge and a real threat to their economic security.

The processes of economic interdependence and globalization also generate the problem of security for national culture on the whole. The laws of the world interdependent market envisage cultural and language unification as the necessary form of communication ties and information supply between its subjects. These laws spread not only on managers and engineering and technical personnel, but also on workers and employees, serving on production and realization of commodity flows and services, and also on the numerous army of labour resources, which is ready to join and participate in a ramified infrastructure of the market. For the states, which enter the world economic structures on the conditions of raw material or consumer servicing zones, there exists a real threat of losing the prospect of own national development.

Regionalism Reconsidered

In recent years the concept of “globalization”, similar to the closely related terms of “interdependence” and “integration”, have been turned into an absolute assuming, by and a large, a positive meaning. These concepts are regarded as a kind of universal cure against any difficulties that may accompany economic development. Any trends to the contrary are viewed as a backward movement. Quite often the processes of globalization are counterpoised against strengthening of the national economy and measures to protect it from adverse external influence.

However, to get a better understanding of these issues one should bear in mind that any processes that may occur in the world have both positive and negative aspects. This refers to the processes of globalization, interdependence, and integration. To some extent it was already mentioned earlier in this document. Large-scale drug industry, terrorism, illicit trade, illegal migration, money laundering, and other manifestations of organized crime are also vivid manifestations of globalization, inter-dependence and integration. Such destructive components of globalization and inter-dependence have their inherent laws of development. If not counteracted by the organized power of the state, these phenomena may take the upper hand subduing the economy on the whole. This is evidenced by experience scored by many countries in the world.

Globalization without the state’s regulatory role is the backbone of the neo-liberal model of globalization which has prevailed in recent decades not only in theory but in practical terms. Its key features are as follows:

Emphasis on the economic regulation of countries comprising part of the world economy on a rigid monetary basis;

Spontaneous market mechanisms are proclaimed to be the main, or the only in certain instances, means of control over development;

National economic complex, sovereignty, and even the state itself are at times viewed as extinct categories, while bypassing these categories as fast as possible is presented as a real success;

Main efforts are directed at weakening the economic role of the state, at liberalization and deregulation [12].

In this connection it would be apt to emphasize the changing role of such international economic organizations as WTO, OECD, IMF, and others. They make their key strategic and tactical decisions in a very specific role; rather they adopt decisions in direct proportion to economic capacity or to the amount of contributions made to their funds. Such a policy turns them, by and large, into a political tool of most economically advanced countries and into a means of implementing the course towards overall liberalization of other countries' economies. The recommendations worked out by these institutions (primarily by IMF) are of voluntary-cum-obligatory character: without testing and consent provided by these organizations a majority of Western creditors and investors would not dare to invest their capital in any particular country [13] .

Neo-liberalism in its pure form is hardly suitable for the newly independent states. Following its principles they may jeopardize their economic security. Any radical restructuring of political, social and economic relations, just as a transition from command-administrative economic model to market mechanisms, without the controlling role of the state, would be ruinous for these countries. It has been repeatedly stressed already.

Liberalization, in other words, should not be pursued as the determinant of the national economic security, and this principle underlies the policies of all states irrespective of any specific level of economic development.

Former republics of the Union, have different attitudes towards globalization. This attitude is largely determined by interaction of two mutually interwoven, albeit contradictory, trends. The first trend is due to a desire to mobilize the available resources through state efforts and use them to develop the domestic market and the entire national-economic complex. It is often accompanied by rigid measures of protectionism. The second trend is aimed at accelerated integration in the world economy, which, on the contrary, requires the well-known liberalization of economic relations, use of foreign financial capacities and technologies.

Both trends rely on existing imperatives while their backbone is the phenomenon of lopsided economic development inherited from Soviet time, orientation towards rigid central planning, lack of sufficient domestic potential

for the successful modernization, absence of a developed internal market, skilled labour, technologies, etc.

The best way to resolve the contradiction between the two above-specified trends is to reasonably and pragmatically combine openness (liberalization), i.e., globalization imperatives, and protection of national economic interests or, to put it differently, to combine active involvement of the state in economic development with privately owned businesses. It was precisely this approach that was used for many years by such countries like China, South Korea, Taiwan, and Malaysia where the role of the state in economic development was enormous.

These trends have determined by many experts through two approaches to a market modernization of Uzbekistan's economy and, consequently, two groups of interests:

The method of spontaneous liberalization of prices and trade under the existing structural economic interrelations.

The policy of self-sufficiency under strong administrative control and partial introduction of market tools.

Both approaches, in the opinion of the above-quoted author, are wholly unacceptable for Uzbekistan for the following reasons: first, the method of

quick market liberalization of prices and trade, as well as emphasis on creating, jointly with foreign capital, big companies geared to the world market may aggravate the social and economic situation in the Republic. Second, such joint companies in the conditions of weak modern infrastructure may prove unprofitable and will require constant protection and subsidies from the state. As a result the return on new investment will be quite small. Any of these factors may jeopardize the national economic security.

The best way to resolve the contradiction between the two above-specified trends is to reasonably and pragmatically combine openness (liberalization), i.e., globalization imperatives, and protection of national economic interests or, to put it differently, to combine active involvement of the state in economic development with privately owned businesses. It was precisely this approach that was used for many years by such countries like China, South Korea, Taiwan, and Malaysia where the role of the state in economic development was enormous.

There are sufficient reasons to infer from the above-said that the nation state in current conditions is the main and indispensable guarantor of relations, legal norms and institutions which constitute the backbone of the modern market economy, hence, it is a guarantor of the national economic security. What is more, the nation state, at least in the case of newly independent states, is a also a guarantor ensuring their normal and painless (avoiding any crises) joining the world economy, in other words, a guarantor of their globalization.

In this connection the way towards globalization combines, as one can look upon it, three aspects: first - strengthening of the national economy

based on market principles and ensuring national economic security, second – development of the regional economic integration and regional security system, and, finally, the third – joining the world economic system. Naturally, these tasks are not to be resolved in any certain order or time sequence, as they can be resolved and are resolved as a rule simultaneously as possibilities and favourable conditions permit.

At this point we can briefly touch upon the second aspect – the regional economic integration and the system of regional security.

These processes are also stipulated by close economic relations which continue to exert their influence until today. It is not accidental that in 2010 Uzbekistan's share of foreign trade with CIS countries accounted for 37.6% as compared with 36% of foreign trade operations with economically developed states and 26% with developing countries. It is noteworthy that Russia accounted for the biggest share (15.8%) in the Republic's trade turnover [14].

Rapprochement between these two countries is a natural historical process that has been in place at all times, unrelated to the fact of existence of the Soviet Union. That is why none of the post-Soviet states has come out against the integration processes. It seems like this phrase may be a clue to a strange situation in which nobody is opposing integration and at the same time nobody is in a hurry to develop it.

The Ex-Soviet geopolitical space is close to the world economy, that is to say that it is not an amorphous mass of some accidentally set of collapsing and colliding units. This space has been distinctly divided between the independent sovereign states possessing their own borders, their special national interests, priorities and targets, including those in the area of economic relations. However close or even intimately related peoples inhabiting these states could be there are still state borders between them which cannot be crossed at one's own will with impunity, even in cases where the next of kin live just across the border. It means that «fraternal» relations, a phrase very common in Soviet time, do not regulate the ties between these states any more, rather they are regulated by the national and state interests. Such interests, as the world experience shows, quite often would not take into consideration kindred, ethnical or religious sentiments. They develop according to other laws, which are stipulated by geopolitics, national security interests, balance of powers, protection of sovereignty, etc.

Economic interdependence within the frame of any integrative association requires constant coordination of economic policies among the member countries and, in this respect; it can't help infringing, to a certain extent, upon their sovereignty. Nevertheless, such infringement extends to any participants of integration associations without exception. Thus, ceding a

portion of its sovereignty, the state acquires, in the meantime, part of the sovereignty of other member states for common usage [15]. According to a witty remark of an American economist, the states entering international economic relations sacrifice a certain portion of their freedom for the sake of anticipated benefits, similar to a situation when a wedding contract is signed [16].

However, the fact of the matter is not just to get any direct economic or other type of benefits. As interdependence grows the problem of coordinating the economic policies becomes a real must. An uncontrollable and “wild” competition, as an alternative to coordination, becomes ruinous for all parties. Such competition turns in effect into “a war against everyone” undermining both national and overall economic security.

It has become a common concept that the way towards global economic security runs through regional security systems. Establishment of a global economic security system runs parallel to unfolding world integration processes while its components (or subsystems) are regional integrative unions and associations as well as international organizations such as WTO, IMF, United Nations Organization, and others. It is common knowledge that the European Community countries have achieved remarkable results on this way, with their regional associations acting simultaneously as a regional system of economic security.

The regional systems of economic security are bound to protect at least their members from a double-edged threat: first, protect the weaker members from arbitrary actions of the stronger members, and, second, protect all of its members from the negative spontaneous influence exercised by the world economy [17].

The regional systems of economic security should not necessarily group around any particular centre of attraction, for example, around Russia in case of CIS. There may be several centres of gravity while the states may choose to unite around them to address a relatively limited range of economic issues and problems pertaining to their economic security.

The republics of the Central Asia have already recognized the advantages of such sub-regional cooperation as they began to develop cooperation within the frame of different forums with the aim of coordinating the national development policies especially in the area of infrastructure development and joint use of resources. The need for economic integration among the countries of this region is stipulated, apart from other things, by considerable weakening of technological, economic, and trade links between them. For example, Uzbekistan not so long ago used in the production of material goods products manufactured by 58 branches of Tajikistan’s industry. Besides, Uzbekistan received products of 43 branches of the economy from Turkmenistan delivering in its turn products for 62 branches. As for

Kyrgyzstan, the indicators were 56 and 54 respectively. The situation was quite similar in Uzbekistan's relations with Kazakhstan [18].

It should also be borne in mind that the geographical situation of the Central Asian states is not so convenient and beneficial for foreign trade: it was mentioned already that they have no outlets to open seas and the system of communication between them is underdeveloped. Although the Great Silk Route ran through these regions since time immemorial, it is very hard to revive now its geo-economic potential that would meet the requirements of modern economic development. What is more, the countries of the region depend, to a large extent, on the stability in the neighbouring countries, in particular, in Afghanistan, Pakistan, India, and Iran. It is only a reliable balance of forces and stability that is closely associated with it that will allow a discontinuous functioning of transportation routes and will facilitate trade with South-East Asia and Europe.

One can hardly count on any real economic interest to be displayed by the leading world powers such as the USA, Germany, Japan, etc. The orientation towards Russia, China, Iran, Pakistan, and Turkey is more likely, as they represent the states that have not gone a long way ahead in economic terms as compared with the countries of the region under review.

The problem of transport also pushes these countries towards integration. The difficulties involved in cargo shipment via Russia made the Central Asian states search, as far back as late 1991, for alternative outlets to sea routes. The railroad line Tejen - Serakhs - Meshkhed was built linking the countries of the region with Iran. A new transport route – the Trans-Caucasian corridor – was developed to include

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the region under review into the European and Asian communication systems. *Very soon **Belt & Road Initiative** more known as OBOR Strategy of Chinese Government may become a good alternative opening and easing logistical and economical interaction for Central Asian nations.*

Today, the economic integration between the countries of the region has no alternative and became a real must. This process helped the countries, in addition to many other things, to get out of the state of autarchy in which some of them were forced into before, and to expand the intra-regional specialization.

We still remember good start of that process in mid 90th when leaders of Kazakhstan and Uzbekistan made an important step towards integration in January 1994 as they signed of the Treaty on a Common Free Economic Zone. The Treaty provided for forms and methods of mutually beneficial

cooperation and development of economic systems. Just a few days after the signing the Republic of Kyrgyzstan joined the Treaty. An Inter-Government Council of three countries was set up serving as a standing body for discussing and dealing with the issues of mutual economic and political interests. The Inter-Government Council deals, in particular, with questions of water usage, a most vital issue for Central Asian republics.

One may recall the fact that in June 1995, five countries of the Central Asia (including Turkmenistan and Tajikistan) held, with UN assistance, the Central Asian Conference on Regional Cooperation. The conference resulted in a joint declaration stating that the member states are ready to consider four key aspects: economic and social development and regional cooperation; a demographic problem (including migration and refugee problems), *Aral Sea Disaster* and related topics of trans-border rivers water resources management. One of the program issues at the conference was creating prerequisites for further development of economic integration within Central Asia [19].

Another moment of their common history was connected to the CIS Summit in February 1996, where three states – Kazakhstan, Uzbekistan and Kyrgyzstan – agreed to contribute a start up capital for the purpose of establishing the Central Asian Bank of Cooperation and Development (CABD) based in Almaty.

Today, Uzbekistan *reconsidering* its foreign policy priorities making *regional prism as its focal point*. Uzbek President **Shavkat Mirziyoyev** repeatedly emphasized it in the 72d Session of General Assembly of UNO (Sept.19, 2017) and during the International Conference on Afghanistan held in Tashkent in March 27, 2018, applying to regional nations for close cooperation to resist to common security threats and build safe future.

Indeed, there are a number of objective conditions and prerequisites for the integration of Central Asian republics. It implies equal start-up conditions of economic development, identity of social and economic problems, single transport and power industry communications, and water resources. In addition, there are common threats to the security of all nations of this region.

Therefore, it can be asserted that the establishment of the Commonwealth of the Central Asian States is a practical implementation of the principle regionalism. The regional security here plays the role of an indispensable mediator between the national and general global security. That makes the principal to globalism through regionalism clearer, as only having

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provisioned mutual understanding and cooperation of states of certain regions, in the sectors dangerous with conflict situations especially, possible to outline the ways of peace and stability achievement in wide scale.

Whatever the process of globalization may be indeed, the author considers that in present day conditions the guarantee of legal norms and formations based on the functioning of market business and guarantee of economical security can be achieved through complex measures and mechanism by any state clearly understanding its national interests and equally accounting the needs of its partner. However, considering the legacy and burden of the past, nation-building may take a whole epoch. That is why these processes are inseparable from each other and exist in such constantly.

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