

The Spatial Impacts of Conflicts in Russia and Ukraine on Economic Security of the Eurasian Countries: The Findings of GSPRE Model

Assoc. Prof. Dr. Necmettin Çelik [ID0000-0003-0139-7778](#)

Mr. Sezer Ertüzün [ID0000-0003-4264-4333](#)

Mrs. Merve Zorlu [ID0000-0001-5350-4032](#)

Abstract

Conflict, observed especially in Ukraine and Russia, harms Eurasian countries' economic security. In fact, the decrease in the share of foreign direct investments preferring Eurasian countries in around the world, in the last decade, might be related to the conflict in the Region. Accordingly, this study analyzes the relationship between economic security and foreign direct investments in the Eurasian countries. The findings of the Generalized Spatial Panel Random Effects Model (GSPRE), including selected Eurasian countries and the 2011-2020 period, due to the lack of data, show that the conflict has negative effects on foreign direct investments. Therefore, the security problems experienced in any of the Eurasian countries negatively affect the economic security of the region. In addition, foreign direct investments have a positive spatial clustering pattern among them even if it is weak. It means that as the average foreign direct investments toward neighbors of a country in the Eurasian Region increase, foreign direct investments towards that country also increase over time. It refers that there are positive externalities among Eurasian Countries. It means that the increase in economic relations between these countries creates a positive externality in the regional economies. For this reason, it is essential to prioritize policy tools for stability and cooperation among Eurasian countries in terms of the region's economic interests. Accordingly, since the conflicts in the region are seen as a threat, a regional security complex should be established.