

The Role of Regional Organizations in Central Asia's Connectivity

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Abstract

'Connect Central Asia' is crucial to address economic, infrastructural, and diplomatic goals that greatly benefit Central Asia and its neighbours. Inner Asian economies, including Central Asian nations, share common features like resource abundance, reliance on primary sectors, and strategic geographic location and trade relations. Their landlocked geography poses challenges, necessitating vital infrastructure investments for efficient trade. Enhanced connectivity enables diversification of trade routes, spurs economic growth, and fosters cultural exchanges. It cultivates stability through diplomatic dialogue and jointly tackling security concerns. By improving regional integration, promoting investment, and facilitating trade, "Connect Central Asia" unlocks the potential of this vital region, fostering prosperity and cooperation.

Keywords: Connect Central Asia, Trade routes, primary sectors, Cultural exchange.

Introduction

Connecting Central Asia demands a comprehensive strategy to strengthen economic, infrastructural, and diplomatic bonds within Central Asia and with its neighbors. This policy seeks to capitalize on Central Asia's strategic location and rich resources by creating an interconnected and cooperative framework that encourages trade, investment, cultural exchange, and overall regional development. It involves collaborative efforts among Central Asian countries, neighboring nations, and international partners to build stronger relationships, boost economic growth, and ensure stability in the region. The 'Connect Central Asia' (Jha, 2016) policy encompasses several key elements:

- 1. Infrastructure Development:** The policy focuses on creating and improving transportation and communication networks, including roads, railways, ports, and digital connectivity, to facilitate trade, investment, and people-to-people connections within Central Asia and with neighboring regions.
- 2. Energy Cooperation:** Enhancing energy cooperation involves promoting the production, transit, and consumption of energy resources, including oil, gas, and renewable energy, to meet the energy demands of the region and beyond.
- 3. Trade Facilitation:** The policy aims to simplify trade procedures, reduce barriers, and harmonize regulations to promote cross-border trade and economic integration. Special economic zones and trade corridors may also be established to stimulate trade activities.
- 4. People-to-People Contacts:** Encouraging cultural and educational exchanges, tourism, and social interactions fosters deeper understanding and cooperation among the countries involved.

5. **Security Collaboration:** Addressing security concerns, such as terrorism, separatism, and transnational crime, is crucial for a stable and conducive environment for economic activities and connectivity projects.
6. **Political and Diplomatic Engagement:** Strengthening diplomatic ties and fostering political dialogue among the involved nations is vital to ensure mutual support and cooperation in pursuing common goals.
7. **Regional Institutions:** Leveraging existing regional organizations or establishing new ones can help coordinate efforts, share best practices, and provide a platform for regular discussions on issues related to connectivity, trade, and development.
8. **Investment Promotion:** Attracting foreign and domestic investments through incentives, favorable policies, and transparent regulatory frameworks is essential for financing and sustaining connectivity projects.
9. **Environmental Sustainability:** Incorporating eco-friendly practices into infrastructure development and energy projects is important to minimize negative environmental impacts and promote sustainable growth.
10. **Multilateral Collaboration:** Engaging with international partners and organizations, such as the United Nations, World Bank, and Asian Development Bank, can provide additional resources, expertise, and funding for connectivity initiatives.

Regional Cooperation is seen as a rapidly increasing important complement to national sovereignty and an appliance for economic development associated with trade (Dorian and Brett, at all,1997).

Economic Cooperation and Regional Organisations

Economic cooperation initiatives between Central Asian Republics (CARs), China, India, Pakistan, and Russia can enhance successful land linkages. CARs' resource wealth meets China, India, and Pakistan's energy needs, lessening Gulf reliance. And stabilize CARs' Muslim regions, aligning with China's Xinjiang Muslim populated regions stability. India's interest in regional stability counters Pakistan and Afghanistan's unrest. Russia seeks to diminish Western influence in its periphery while managing China's sway. Economic collaborations based on energy, security, and stability goals, foster stronger land linkages and connectivity among these nations. Regional Cooperation is not an option but a necessity for policymakers of third-world countries (Dash,2008)

Here are some examples of economic cooperation initiatives that contribute to successful land linkages:

Eurasian Economic Union (EAEU)

The Eurasian Economic Union (EAEU) is an international organization aimed at creating a common economic market and customs union among its member states. In September 2021, the member countries of the Eurasian Economic Union are:

1. Armenia
2. Belarus
3. Kazakhstan
4. Kyrgyzstan
5. Russia

The EAEU's primary goal is to facilitate the free movement of goods, services, capital, and labor among its member states, promoting economic integration and cooperation. The member countries work together to harmonize regulations, standardize trade procedures, and create a unified economic environment. This helps in increasing trade volumes, attracting investments, and fostering collaboration within the region.

Shanghai Cooperation Organization (SCO)

A Eurasian political, economic, and security organization that includes September 2021, the member countries of the Shanghai Cooperation Organization (SCO) are:

1. China
2. Russia
3. Kazakhstan
4. Uzbekistan
5. Kyrgyzstan
6. Tajikistan

These are the six full member states of the SCO. Additionally, there are four observer states:

1. Afghanistan
2. Belarus
3. Iran
4. Mongolia

There are also several dialogue partners and guest attendees. The difference between SCO and the U.S. on the democratization of the Central Asian republics can be resolved through dialogue though member countries see it as interference (Azarkan,2009). It promotes economic and trade cooperation, including initiatives for transportation and infrastructure development.

Central Asia Regional Economic Cooperation (CAREC)

The Central Asia Regional Economic Cooperation (CAREC) is a program initiated by the Asian Development Bank (ADB) that aims to promote regional cooperation and integration among countries in Central Asia and neighboring regions. CAREC member countries work together to improve connectivity, infrastructure, trade, and economic growth. In September 2021, the CAREC program involves 11 member countries:

1. Afghanistan
2. Azerbaijan
3. People's Republic of China
4. Georgia
5. Kazakhstan
6. Kyrgyz Republic
7. Mongolia
8. Pakistan
9. Tajikistan
10. Turkmenistan
11. Uzbekistan

These countries collaborate on various projects to enhance transportation networks, trade routes, and policy coordination. The CAREC program promotes investment in critical infrastructure, such as roads, railways, energy, and information technology, intending to increase trade and improve the livelihoods of people in the region. In 2006-2008 Asian Development Bank sanctioned three major projects (Baidasheva, 2006).

Belt and Road Initiative (BRI)

The Belt and Road Initiative (BRI), also known as the One Belt One Road (OBOR) initiative, is a large-scale global development strategy launched by China in 2013. The initiative aims to enhance connectivity and cooperation between countries along the historical Silk Road routes, promoting economic growth, trade, and cultural exchange. The BRI comprises two main components:

1. **Silk Road Economic Belt:** This component focuses on enhancing land-based transportation and infrastructure connecting China to Europe through Central Asia and the Middle East.
2. **Maritime Silk Road:** This component aims to strengthen maritime trade routes connecting China to Southeast Asia, South Asia, Africa, and Europe.

The BRI involves various infrastructure projects, including the development of roads, railways, ports, energy pipelines, and telecommunications networks. It also encourages policy coordination, trade facilitation, and financial integration among participating countries. The BRI's scope extends beyond Central Asia to encompass a wide range of countries across Asia, Europe, Africa, and beyond. It aims to create a network of economic corridors, promoting economic development, cultural exchange, and cooperation among participating nations.

Commonwealth of Independent States (CIS)

The Commonwealth of Independent States (CIS) is a regional intergovernmental organization that was established following the dissolution of the Soviet Union in 1991. The CIS aims to foster cooperation and

coordination among its member states in various areas, including economic, political, and cultural spheres.

September 2021, the CIS includes several former Soviet republics as members:

1. Armenia
2. Azerbaijan
3. Belarus
4. Kazakhstan
5. Kyrgyzstan
6. Moldova
7. Russia
8. Tajikistan
9. Turkmenistan (observer status)
10. Uzbekistan

The CIS provides a platform for member states to discuss and collaborate on common issues, such as trade, economic development, security, and cultural exchange. While the CIS has faced challenges in achieving deep integration and cooperation, it remains a forum for dialogue and collaboration among its member states.

European Bank for Reconstruction and Development (EBRD)

The European Bank for Reconstruction and Development (EBRD) is an international financial institution that focuses on promoting economic transition and development in countries across Europe, Central Asia, and the Southern and Eastern Mediterranean region. Established in 1991, the EBRD provides financing, expertise, and support for projects that aim to build sustainable market economies and foster private sector development.

Key objectives of the EBRD include

1. **Supporting Transition:** The EBRD assists countries in the transition from centrally planned to market-oriented economies. It helps countries implement reforms, strengthen institutions, and create a business-friendly environment.
2. **Private Sector Development:** The bank emphasizes the importance of a strong private sector in driving economic growth and job creation. It provides financing and technical assistance to support private-sector projects and investments.
3. **Infrastructure Investments:** The EBRD funds and supports critical infrastructure projects, including transportation, energy, and telecommunications. These projects contribute to regional connectivity and economic development.
4. **Promoting Sustainable Development:** The EBRD focuses on projects that align with sustainable development principles, including environmental protection, social inclusiveness, and good governance.

5. **Regional Integration:** The EBRD encourages cross-border cooperation and regional integration, fostering economic ties among its member countries.

International Organisations

1. **World Trade Organization (WTO):** While not region-specific, the WTO plays a crucial role in promoting economic cooperation and trade facilitation among member countries, including those in Central Asia.
2. **International Monetary Fund (IMF) Programs:** These programs provide financial assistance and policy advice to countries in need, contributing to economic stability and cooperation.
3. **Trade Agreements:** Bilateral and multilateral trade agreements between Central Asian countries and their neighbors foster economic cooperation by reducing trade barriers and harmonizing regulations.
4. **Customs Unions and Free Trade Agreements:** Various countries in Central Asia engage in customs unions and free trade agreements to promote trade and economic cooperation within the region and with external partners.

The challenges before TRACECA, Asian Highways(AH), and Trans –Asian Railways(TAR) programs are to bring plans from paper to ground. Regional coordination, planning finance, and construction institutional and technical bottlenecks are some other serious issues (www.traceca-org.org and www.unescap.org). These examples illustrate the diverse range of economic cooperation initiatives that contribute to the development of efficient transportation networks, enhanced trade flows, and overall regional integration in Central Asia and beyond.

Conclusion

Inner Asian economies exhibit certain characteristics, such as a heavy reliance on primary sectors like agriculture, mining, and energy. While these sectors contribute significantly to GDP and employment, they also expose these economies to vulnerabilities stemming from global commodity price fluctuations. Historically situated at crossroads, these regions served as vital trade hubs along the Silk Road routes. Today, they leverage their strategic geographic locations to enhance modern connectivity. Diverse trade partnerships, including collaborations with neighboring countries, global economic powers, and emerging markets, play a pivotal role in driving economic growth, even in the midst of geopolitical influences.

Through initiatives like the Belt and Road Initiative (BRI), the China-Central Asia-West Asia Economic Corridor, the Central Asia Regional Economic Cooperation (CAREC) Program, and the Eurasian Economic Union (EAEU), countries in the region are taking collaborative steps toward improving infrastructure, standardizing trade regulations, and fostering joint ventures. These endeavors are essential for establishing a strong foundation for land-linked trade, attracting foreign investments, and promoting economic diversification.

The benefits of such economic cooperation are multifaceted, including improved transportation networks, streamlined trade rules, reduced transaction costs, and the synergy generated through joint infrastructure projects, which drive economic growth, job creation, and technological advancement. Additionally, economic integration helps build trust, fosters diplomatic ties, and contributes to regional stability by mitigating conflicts and fostering a shared vision of prosperity. To ensure the success of these initiatives, consistent commitment from governments, businesses, and international partners is crucial. Collaborative efforts in simplifying cross-border procedures, eliminating trade barriers, and investing in infrastructure will pave the way for seamless land-linked trade and sustainable economic growth. Central Asia, through regional cooperation, has the potential to turn its challenges into opportunities and emerge as a prosperous, integrated, and influential player on the global stage.

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