

Forum: General Assembly Second Committee

Issue: Economic Development in Central Asia

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Introduction

Economic Development in Central Asia is currently a serious issue with a global impact that may affect many. During the Cold War, under the reign of Soviet Union, Central Asia was consisted of single economies and had relatively stable economies at that point in history thanks to the growing tension between the two global super powers: United States of America and the Soviet Union. However, after the collapse of the Soviet Union, these nations shown little progress in its economies' development taking into consideration the rapid growth for economies all around the world. Central Asian Countries are currently considered incapable of competing on the world market; this is even shown in their lack of trade connection, diplomatic relationship and involvement in the international society especially with other countries than Central Asia.

Countries in Central Asia have long and rich history in politics and economics. Trade between these nations has its origins as early as the earliest day of Great Silk Road established by the Tang Dynasty of China. In later half of the 19th century, Central Asian Countries merged into Russia and formed single economic force. As Russia provided more direct information from European nations, it quickly became an important diplomatic target in order to communicate with the westerns. Nations of Central Asia gained access to Russian markets while Russian investment money was used greatly into the region.



Gobi Desert, A part of the original silk road.

Trade links between Central Asia and Russia were forged, but as the trade links between Central Asia and Russia was forged, trade links between other countries were weakened. Central Asia remained an underdeveloped agrarian region during this time that supplies tools to Russian Industries. However, after the fall of Soviet Union, there was no alternative market system to substitute for Central Asia. The sudden dissolution of Soviet Union collapsed Central Asia's economy.

The aftermath of the decay of Soviet influence on nations caused the economic competition to remain in the Asian region and slowly losing progress comparing to western civilizations. Losing the glory of that great silk road which passed through the seemingly infinite Gobi Desert to the far west, these nations required much international assistance to develop their economy and work its way out of being classified as a LEDC.

Definition of Key Terms

Economic Development

The process of improving an economy's conditions through increasing industrial power and production, exchanging goods and services and controlling and regulating the exchange of money. To ensure more citizens have a stable income which allows them to supply the needs of a family and generally seeking improvements for a quality and well-being of a life style for a community.

Central Asia (CA)

The region more commonly known as Turkestan. Located South of Russian Federation, West of China across the Himalaya Mountain Range, North of Afghanistan. These nations include: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan with a small section of Afghanistan, China, Mongolia and Russia on a geopolitical sense.

Belt and Road

The attempt of recreating a silk road (an ancient path created by the Tang Dynasty to open diplomatic relationship and trades between Asian nations to European nations) in modern times by China. This is performed by implicating a number of economical strategies across nations from South-East Asia through Central Asia to Central Europe while sharing similar diplomatic interests between nations. This is a very controversial topic as many nations agreed upon forming such alliance but doubts that China will gain control over the nations economically or purely for the further economic development of nations.

General Overview

Post dissolution

As the Soviet Union shattered into pieces, breaking and forming many parts of the Central Asia we now know today, the split of land took the economy of these nations down with them, dragging most of their industrial sector, transportation system and communication down with it. The area would go on remaining poor and desolate most of its time until this point.

In order to recover from the economic crisis, many experts suggested Russia and Central Asia to comprise again and form a single economic sector to develop their economy, as it was shown in history. After Russian Empire fell, Central Asia underwent a second phase of economic integration with Russia until 1991. This economic intercourse had both positive and negative effects on Central Asia's economy. CA and Russia went on great economic growth, but due to its framework of the Soviet Union (controlled distribution, centralized planning), they were caught up by other countries. In order to stop the further loss, the republics of Soviet Unions formed links labeled "planned loss-making enterprises." However, this link soon diminished with any further actions. Therefore, this time they suggested Central Asia and Russia to comprise economically in real action, not just with political declaration. This solution seemed plausible; however, there were some obstacles in this plan.

Geopolitical situation around Central Asia

One obstacle is shown in the complicated geopolitical situation around Central Asia. Afghanistan is currently unstable since they have warlike conditions. Due to this instability, Afghanistan is currently difficult to integrate communication between transport systems in Russia, the Central Asian nations and other countries. Also, other than Afghanistan, the geographical isolation of the region is another difficulty. The landlocked nature of Central Asia means it is remote from the main flows of international trade and finance. But the important thing to highlight is the lack of information going into these nations to make it an important state. They lack open and strong diplomatic relationships and also economical alliances, this makes it extremely hard to these nations to develop its economy since they lack the necessities and positions to negotiate a deal with other nations and the resources to continuously develop. The landlocked geographical position closes any sea transportation and trades making it costlier to deliver resources, materials needed to develop and industrialize. Although it may seem fairly easy that the solution can be to increase and strengthen diplomatic relationships between nearby nations and exchange resources but taking into account the relatively hostile attitude of several nations towards the international community, it would be hard to convince these nations to accept the help and encouraging them to open up and trade more often.

Haste in participating in global economy

The poor competitiveness of the economies of the Central Asian countries goes back to the Soviet era, when the Central Asian republics were seen primarily as suppliers of raw materials to the other republics, mainly Russia, and rather less as manufacturers of finished products. In the Soviet era, labour was divided between the republics, and the industries of Central Asia still reflect the strong structural and technological inter-dependence which evolved in that period.

There are thus simply no alternatives, in many cases, to the links which exist between the economies of the Central Asian region to the economies of Russia and other CIS countries. This particularly applies in high-technology fields such as mechanical engineering, aircraft construction and electronics. These would be unable to operate without supplies of components, most of which have come traditionally from other former Soviet republics, principally Russia. The Central Asian transport network and energy complex were

also developed on a regional basis, or even an all-union basis, rather than a national one.

The poor competitiveness of the Russian economy is due to some extent to the same structural, technological and geographical factors. The Russian economy, however, is far bigger than any of the Central Asian ones, and many Russian enterprises had and still have dependence on domestic links rather than on inter-state ones. In contrast, the breakdown of the economic system of the USSR has significantly caused more pain in the countries of Central Asia than in Russia.

In general, the poor coordination of economic activity between Russia and Central Asia means that their processing industries are unable to function effectively. These countries will continue to have raw material-dominated economies because there are no decisive steps being taken to make their economies more efficient by improving inter-state cooperation in general.

Modern ages and the impact of globalization on development

The modern ages bring quite a lot of perks to unlock the ability for these nations to reform while globalization merges the cultures to make them more understanding and allowing more political bonds for these nations. Once these are opened up, the world now focuses on helping these nations to develop their economy to assist in the issue of eradicating poverty. Transportation advances as technology advances and more projects are slowly focusing on the benefits of these nations as well. Overall, a slow a steady improvement is shown. But to accelerate this process, we would need to use more methods to help in this progress.

The perks of 21st century brings these nations to the center of attention, these countries with new political views could serve in many ways towards several global issues and as the world observes their actions, these nations would truly become a part of the international community in the near future.

Globalization

To change a political state of a nation, you must first change its culture. This is what globalization seems to do. To create a more centralized culture which takes full account of all opinions from all ethnicity groups and understanding others. In order for the economy to develop, the closed culture and opinions must change beforehand. Now is the time for change for Central Asian nations, to change their perspective and opinions for us to bring a brighter future for the poor, the weak, the needed. Education changes the ideas of a younger generation, for them to understand the new world, to communicate with us and change with us. Globalization brings so much for them as they can maintain their economy's status, allowing more trades to occur as diplomatic communication increases and reforming these nations into a more economically developed nation in the long run with a focused local culture and an understanding of the global culture. This will act as the lubricant between the old nation and the new.

Summary

The history of the region has been explained as long as the reason this problem occurred and the problems these nations are facing and struggling. The major question now to follow based on the delegates own understanding is whether they would be willing to accept a change in culture and traditionalized ideas to reform in exchange for economic development. The hardship of geopolitical positions and global economy can be overcome, but as you must realize, this is only the easy part, the real question is: Would you kill a section of a tradition or culture in exchange for a wealthier society? The tradition of having a conservative attitude.

UN Involvement, Relevant Resolutions, Treaties and Events

A major event that influenced the Central Asian region greatly and recently is China's new economic alliance project: Belt and Road. China, as a major country with an important geopolitical position in Asia founded this to, as the Chinese government claimed, strengthen cooperation between Asian countries and the countries that lied on the Silk Road in Tang Dynasty. It is a both diplomatic and economic alliance between these nations and increase chances of foreign trades and government deals. To put this into perspective, the long established European Union perform similar functions to encourage more connectivity between nations and allowing easier, more efficient financial trades. This event led to many Asian nations, including most of Central Asian countries to join the initiative and it is believed to help these countries economically wise since these nations would perform as midpoint of trading between China or South-East Asian countries and Europe or west Asia. However,



Belt and Road Strategic Map: Central Asia as an important section.

there are reasons to doubt this act. People's Republic of China (PRC) is not widely recognized as a democratic nation, thus leading to China controlling the Belt and Road initiative. If nations start to depend on the Belt and Road too much while having enough political importance to compete with PRC, then PRC may take over political control of these nations since the PRC has the power to destroy economies with a few simple statements by the government. This event is currently one of the most controversial because it can bring wealth upon nations' economies', but it also has the power to unleash destruction.

Although the UN has not yet created resolutions to solve the issue, the UN has created relevant groups and shown interest to solve the economic problem of Central Asia. The organization: United Nations Special Programme for the Economies of Central Asia (SPECA) is a unique group under the control of the United Nations founded on 1998 focusing on the economic development of Central Asian nations. The aim of this group is to assist CA nations

to complete the sustainable development goals by 2020. The sustainable development goals are a set of goals adopted by the UN in 2015 as targets to achieve by 2030. The United Nations Economic Commission for Europe (UNECE) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) is giving the organization full support in the hope that by using United Nations resources, the Central Asian countries may achieve the targets set as a whole world and develop and reform its economy

Timeline of Events

The Silk Road is the point where it all started. Over 1100 years ago the Tang Dynasty founded the Silk Road as a road to connect and trade. Time turns and history progressed. The Silk Road now stands as ashes and wrecks. The new world founded, new countries formed. To solve the economic crisis for the future, we must first learn the history and events that influenced the creation, progression of these nations and the events that are important to form the solution.

Date	Description of event
1877	The name “Silk Road” given to the path from Chang An through Central Asia to Europe and entering the recording of western history
1709	Founding of Afghanistan
December 25, 1911	Dissolution of USSR
1991	Founding of Kazakhstan, Turkmenistan, Uzbekistan, Kyrgyzstan and Tajikistan
2016	The project Belt and Road launched by People’s Republic of China.

Possible Solutions

- One of the major solutions in the long run is education. Transforming the younger generation into global minded individuals would allow them to accept help, create more trading activities with other nations and set these nations on a path to a more globalized and open community as an advantage to combat the disadvantages such as the geopolitical role of the nation.
- A short term solution to these nations financial crisis is to temporarily urge the nations to open trade with nations nearby and join economical unions in exchange for more quick trades and deals with other nations or groups that will ease the pressure of the lack of money by the government. To use the money to create more industries will create more jobs for the citizens and providing them with stable income. This will solve several important problems in the short term and satisfy some of the criteria the United Nations is aiming to achieve through this topic.
- Another possible solution is joining an economical union with other nations. An alliance such as the European Union will greatly benefit the CA nations. The alliance could either be an international alliance including countries from other continents which share common interests or a Central Asian nation alliance which share similar geopolitical importance which encourages these nations to help each other out at crisis or in other situations.

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