

Central Asia 2030

Transformational processes in economy and society: convergence, patterns and spill-overs

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Going beyond stereotypes

What are we talking about?

- Individual land-locked countries (KAZ, KYR, TAJ, TKM, UZB)?
- A land-lock sub-region (Central Asia)?
- Something else 'sandwiched' between China and Russia?

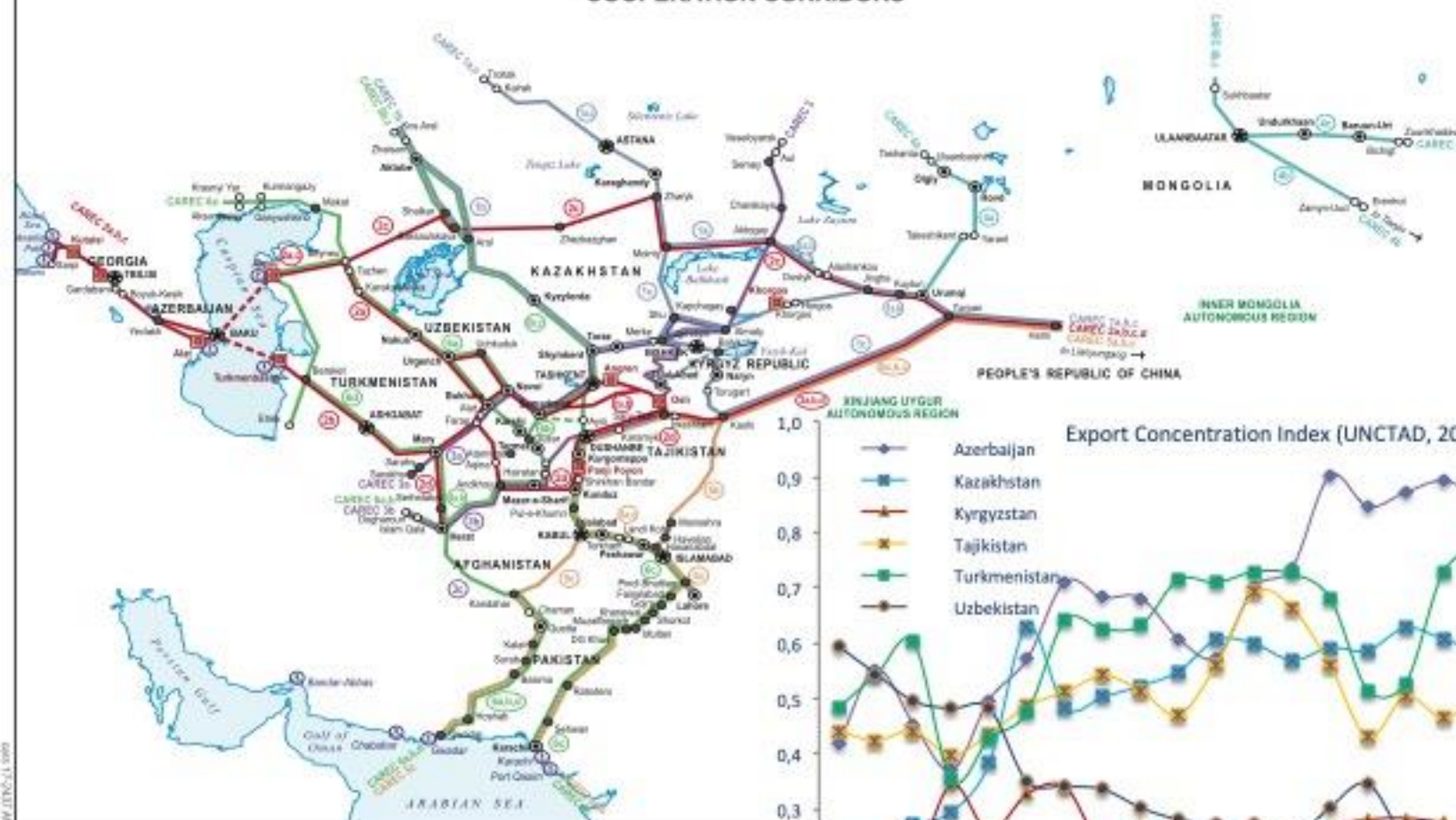
Are we confident about Development Goals?

- Strategic Roadmaps in Azerbaijan (December 2016)
- Strategic Plan for the development of Kazakhstan towards 2025 (Jan 2018)
- National Sustainable Development Strategy in Kyrgyzstan (December 2017)
- National Development Strategy in Tajikistan until 2030 (December 2016)
- Strategic Priorities for Uzbekistan (February 2017)

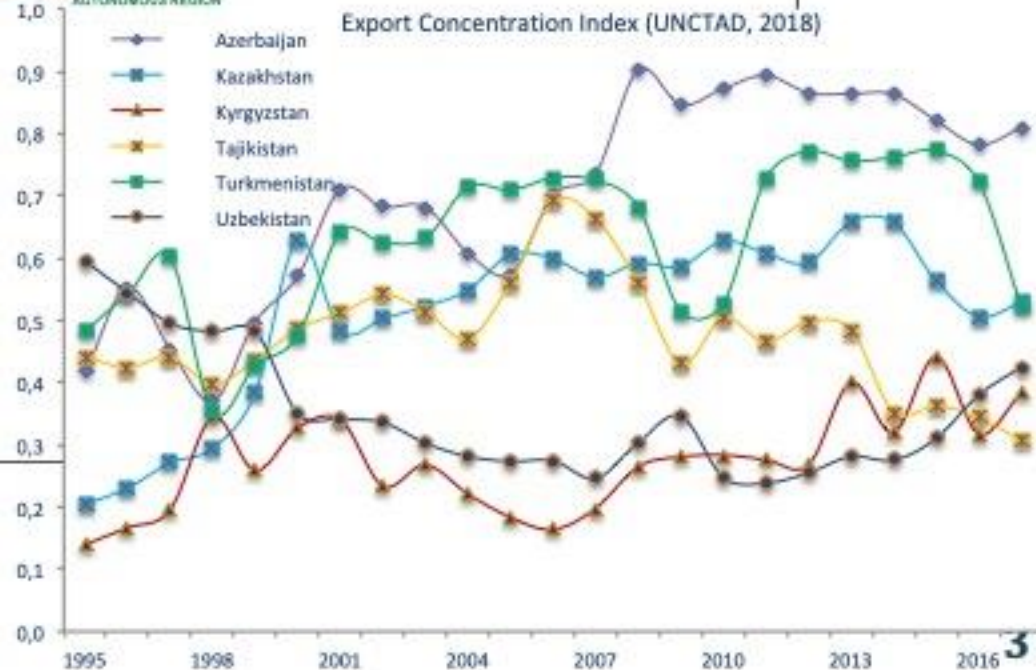
Are we confident about the means?

Connectivity 1. More connectivity = Less diversification?

SIX CENTRAL ASIA REGIONAL ECONOMIC COOPERATION CORRIDORS



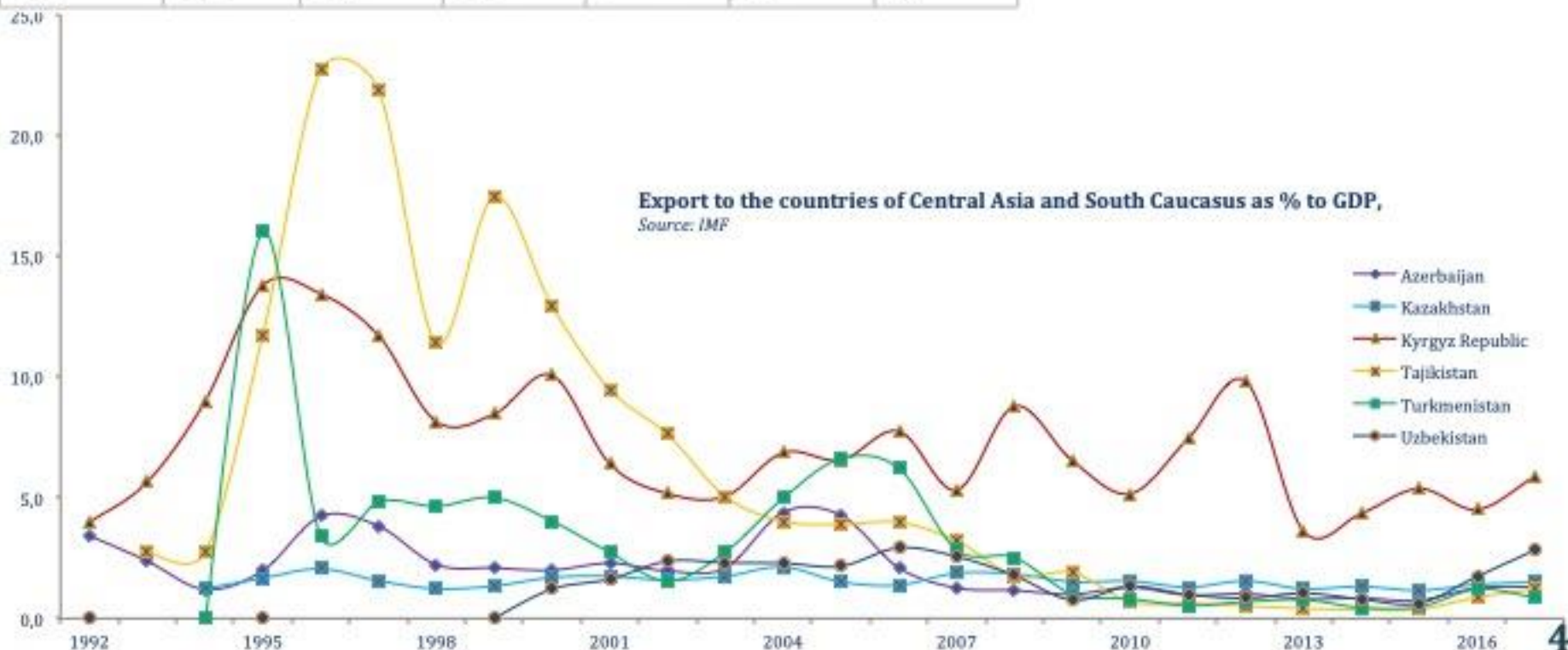
Export Concentration Index (UNCTAD, 2018)



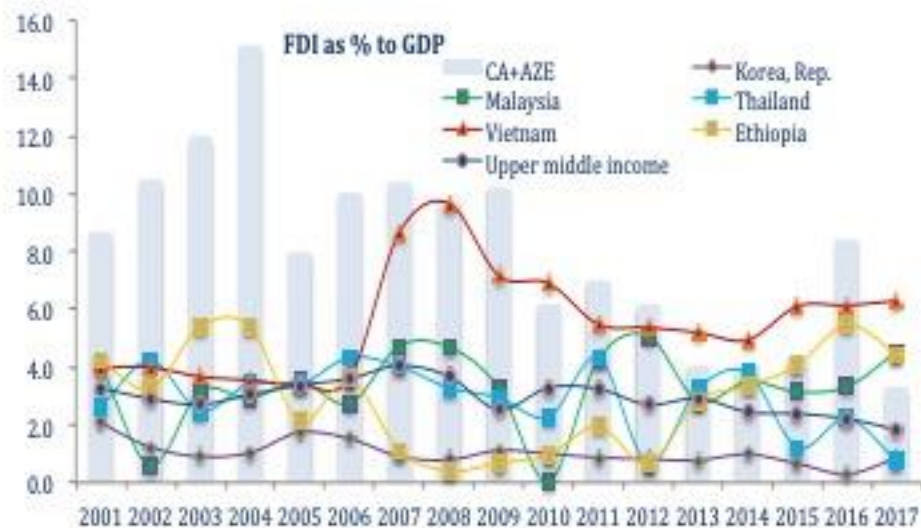
Connectivity 2. Rethinking causalities?

Trade within other ex-USSR States (as % of GDP)

	1989	1990	1994	1997	2007	2016
AZE	40,9	29,8	30,4	9,3	4,6	4,8
KAZ	29,0	20,8	35,9	12,4	10,9	7,1
KGZ	40,8	27,7	46,5	21,6	25,2	18,9
TJK	43,1	31,0	32,7	44,7	26,3	17,0
TKM	41,5	33,0	79,9	18,3	20,9	1,5
UZB	37,3	25,5	25,0	...	10,4	8,0



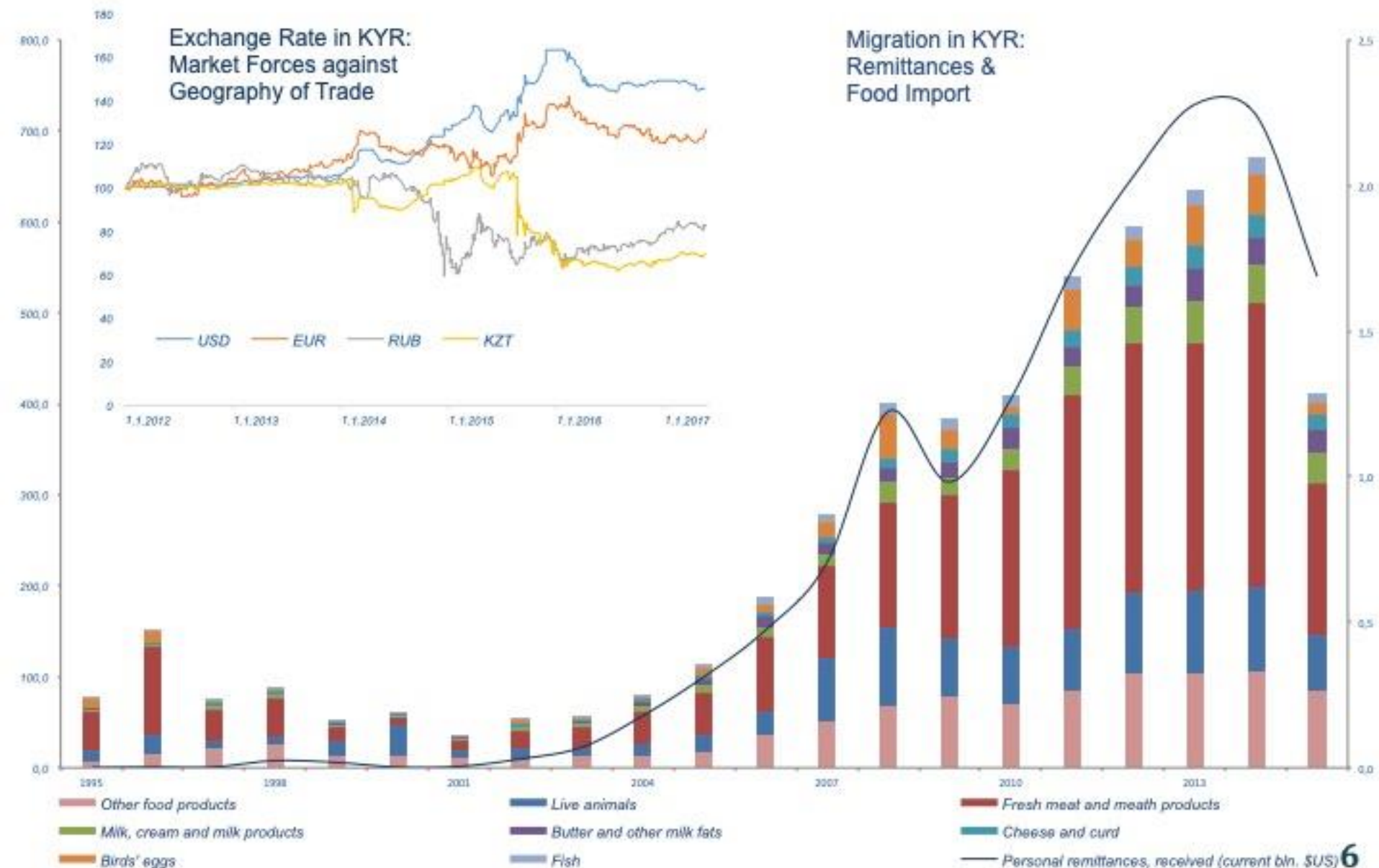
Investment led growth and FDI



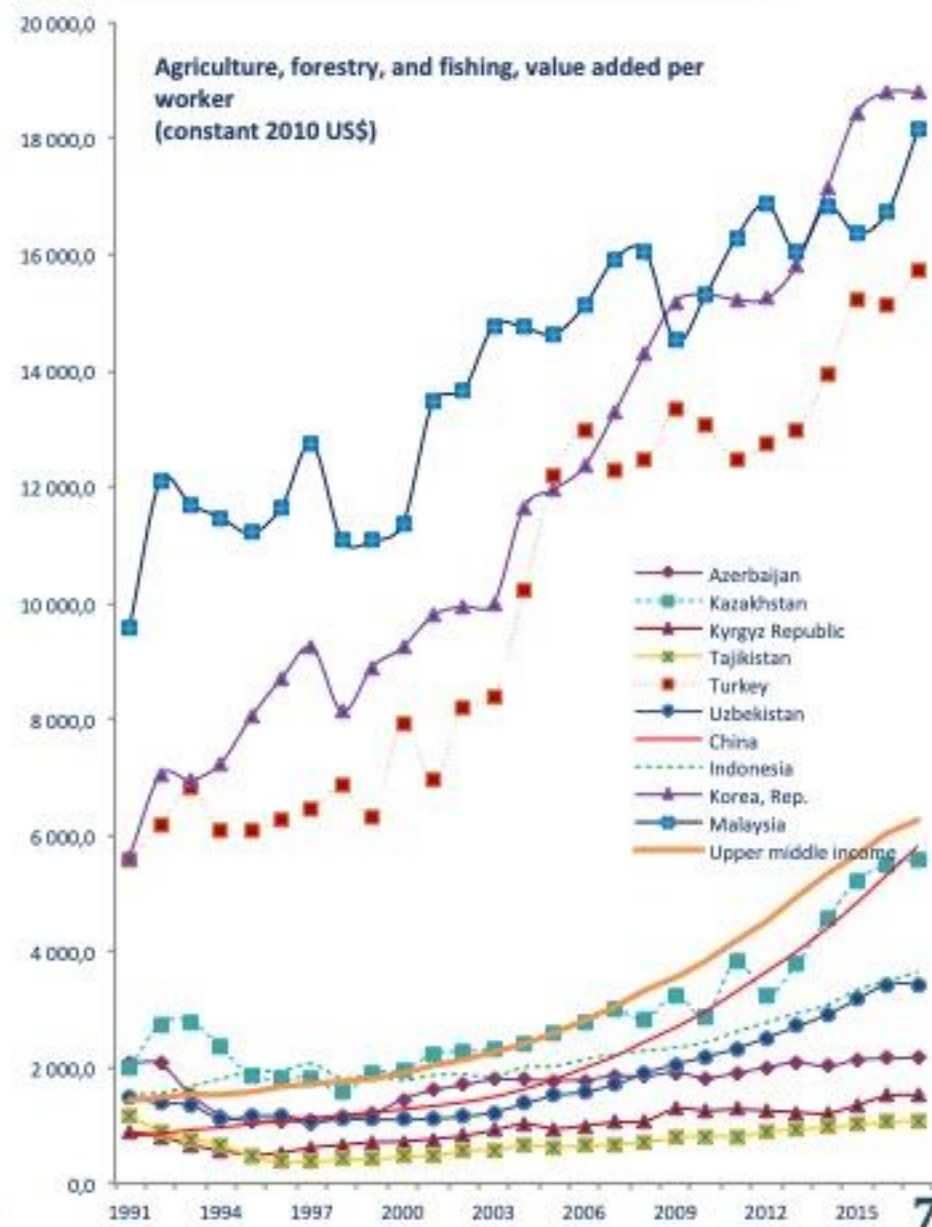
Structural Changes 1. Land-locked and/or Dutch Disease?

Exchange Rate in KYR:
Market Forces against
Geography of Trade

Migration in KYR:
Remittances &
Food Import



Structural Changes 2. Manufacturing or Agriculture?



To come with an Added Value

We have little understanding of 'functions'

- Agriculture / Prices (oil) / Disparities / Taxes (what to be taxed) / Social Protection (transformative) / SOEs / States (developmental)

We should go beyond stereotypes – cross-sectoral connectivity

	Industries	Before joining regional production network		After joining regional production network		% change	
		Backward linkage	Forward linkage	Backward linkage	Forward linkage	Backward linkage	Forward linkage
1	Agricultural products, hunting and services in these areas	1.69	5.02	2.85	21.63	69%	331%
9	Food products	2.19	1.97	3.05	10.81	39%	450%
13	Apparel (clothing)	2.30	1.29	3.29	2.91	43%	125%
39	Trade	1.69	6.49	2.53	13.52	50%	108%
40	Transport	1.85	7.09	2.66	14.49	44%	104%
42	Postal and courier services	1.52	1.26	4.00	1.28	163%	2%
58	Research and Development Services	1.45	1.12	4.21	1.14	190%	1%
61	Veterinary services	1.19	1.01	4.15	1.01	248%	0%
66	Building maintenance and landscaping services	1.41	1.13	4.31	1.19	206%	5%
69	Education services	1.22	1.15	4.27	2.44	249%	113%
70	Health Services	1.34	1.04	3.79	1.67	183%	60%

To come with an Added Value

We should not just name 'ingredients', but help to cook

- Policy is not about selecting between the right and the wrong, but about balancing between
 - Possible and Impossible
 - Public and Private
 - Men and women
 - Generations
 - Rural and Urban
 - Concentration and dispersion
 - Equality and inequality
 - Today and tomorrow
- Politics is best use of limited resources of a given nation:
 - Financial / Human / Institutional / Time (!)

We should not just name 'ingredients', but help to cook

- Shared Challenges?
- Shared Goals?
- Shared Strategies?
- Joint Actions!

THANKS!

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