

Regionalism and Regionalization in Central Asia

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Abstract—This article is dedicated to the question of regionalism and regionalization in contemporary international relations, with a specific focus on Central Asia. The article addresses the question of whether or not Central Asia can be referred to as a true geopolitical region. In addressing this question, the authors examine particular factors that are essential for the formation of a region, including those tied to the economy, energy, culture, and labor migration.

Keywords—Central Asia, integration, regionalization, regionalism.

I. INTRODUCTION

THE collapse of the Soviet Union and the new realities of the 21st century have presented the states of Central Asia with an array of new challenges. Among the most pressing of these challenges are the tasks of establishing a system of effective and enduring interstate relations within Central Asia itself, strengthening the stability and security of the Central Asian space as a whole, and the creation within this space of effective mechanisms for political and economic cooperation.

II. METHODOLOGY

Researchers often analyze regional cooperation and integration in Central Asia in terms of established theories of integration. This approach has time and again leads to the inevitable conclusion that attempts at cooperation and integration in Central Asia have been ineffective. It is our opinion, however, that this conclusion is largely inaccurate and reached through the use of formal theories which are fundamentally euro-normative and based specifically on the model of the European Union. Thus, in examining Central Asian integration, it is important to focus on recent developments in regionalization studies, which focus specifically on the post-Soviet space.

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III. REGIONALISM AND REGIONALIZATION

In contemporary international relations, regionalism, along with globalization, is one of the most dominant trends determining world development. In spite of the fact that numerous studies have been devoted to exploring the concept of a “region”, the multiplicity of criteria used to define the term complicates any attempt to develop a singular understanding of what a region is. The majority of experts view the formation or existence of the region of Central Asia from the perspective of *regionalism*—meaning a form of weak, formal state integration—and *regionalization*, referring to a system of developing (or already-developed) cross-border trade, prevalence of cross-border investment and business networks, and robust international migration [1].

The study of regionalism and regionalization has both theoretical and practical importance. The formal study of the theory and practice of regionalism allows for the development of new approaches to broadening regional cooperation, which in turn allows for the creation of a more stable, more predictable, and less conflict-susceptible regional system. New approaches to regionalism also allow for more accurate analysis of regional systems. This is true in that it allows both the expanded examination of opportunities for regional integration as a whole and for more specific studies of realistic paths to development, tempos of politico-economic transformation, and time frames for reaching milestones in the process of regional cooperation.

On the practical level, the study of regional processes allows for the analysis of national politics in the region, with the aim of revealing not only individual national interests, but also the creation of beneficial opportunities for individual states to pursue cooperation with their regional neighbors. Organized regional cooperation, as shown by the case of the European Union, can focus on the resolution of a number of different issues, ranging from shared economic development of border territories and the implementation of cooperative environmental programs to attempts to rebuild an entire system of international economic relations and the development of complex mechanisms to boost regional security.

Regionalization tends to be most successful in countries with strong politico-military and techno-economic capabilities. This is clearly visible in the examples of Western Europe and East Asia. In the wealthy countries of Northern Europe, regionalism is used for the opening of new markets and the strengthening of international labor market position.

The South uses regional groupings for defense against Western expansion.

IV. CENTRAL ASIA AS A REGION?

After the collapse of the Soviet Union, a new geopolitical region appeared on the world stage—Central Asia. In this article, we take the region of Central Asia to mean the area's five former Soviet republics: Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan, and Kyrgyzstan. The countries of the region are characterized on the one hand by a long period of shared economic and political history, as well as significant interdependencies. As the Soviet Union began its collapse, these factors even determined the process of nation-building and border demarcation in contemporary Central Asia. On the other hand, Central Asia is in many ways still developing as a region and is under the constant influence of a large array of internal and external factors. Many experts consider contemporary Central Asia to have transformed from a previously peripheral region into an important junction at the center of the Eurasian continent [2]. After the Soviet Union's collapse, the countries of Central Asia were faced with the need to quickly form new transnational political and economic ties. At the same time, the Central Asian states began to demonstrate attempts at regional cooperation. The idea of regional integration was viewed as one of the most important elements in the development and strengthening of the states' newly achieved economic independence. The need for integration strengthened with the understanding that the region was facing a complex of shared socioeconomic problems that could be solved by pooling resources and efforts.

The economies of the new Central Asian states, having been broken into individual systems, did not—at the moment of their independence—present a real prospect for large-scale international investors. Only the uniting of a more significant economic space could allow for the attraction of investment of a scale that would allow for the modernization of the countries' economic systems. This understanding was demonstrated in the attempts of the Central Asian states to create a regional economic community and common economic space. The shared use of resources in the region was also predestined, given the new states' common environmental and geographical positions. However, soon after independence, it became clear that there were obstacles standing in the way of integration. The new countries showed intense sensitivity to the concern of developing national sovereignty. This commitment to state sovereignty resulted in a level of unwillingness and opposition to the idea of handing over certain state powers to a supranational organization or union [3]. These problems were exacerbated by the asymmetry of the various countries' development. Central Asia's new states differed significantly in the size of their populations and territories, as well as in their access to natural resources and key transport routes. Varying models of political and economic modernization relate to the factors suppressing regional cooperation in Central Asia.

Today, the question stands as to how integrated Central Asia actually is as a region. If one examines the Central Asia's

five independent states through the lens of their shared geography, culture, and economic systems, it would seem appropriate to refer to Central Asia as a region.

However, fundamentally important to the discussion of defining a region is the presumption that states within the region have stronger economic ties to one another than to states outside of the region. Today's Central Asian countries are fundamentally exporters of raw materials and energy sources—commodities dependent on the conjecture of global, rather than regional markets. Furthermore, the economic criteria for regionalization are directly tied to integration, which is itself most stable when the goals and preferences of all players are in large part aligned. When large gaps exist between the preferences of neighboring states, the alignment of their national interests becomes significantly more complicated.

This explains by the fact that regionalization is directly tied to integration, the analysis of interdependencies in trade, investment, labor migration, and the energy sector can be effectively used as a measure of region formation in Central Asia.

Central Asia is widely considered to possess the theoretical prerequisites for region formation. Generally speaking, it is a group of countries with shared characteristics, objective interests, and developed transnational ties. The countries of the region share a range of factors, which allow for their examination as a promising space for integration. These factors include:

1. a geographic location in the center of the continent, providing the countries with geopolitical significance from the perspective of ensuring security and stability for a large part of Eurasia;
2. interdependency in the context of water and energy systems;
3. connected transport infrastructure and a location at the juncture of pan-Eurasian transit corridors, including an exit to the Persian Gulf through Iran, the Indian Ocean through Afghanistan and Pakistan, and the Asia-Pacific region through China and Russia;
4. similar infrastructural elements of systems of education, science, culture, and administrative rule;
5. shared attempts to maintain the Russian language as a cultural, political, and economic medium of communication;
6. a significant, but as of yet underdeveloped market (over 56 million people live in the region, which has a combined GDP of around 60 billion USD) [4].

Of the above-listed factors, the most important from today's standpoint is the region's interdependencies in its water and energy systems, investment, labour migration and possibility of creation economic institutions. If the countries of Central Asia are to take on a more pragmatic approach to the formation of bilateral and multilateral relations within the region, their shared historical past, the prevalence of the Russian language as a uniting factor, and their other commonalities will cease to play a significant role in the integration process.

V. KEY FACTORS OF REGIONALIZATION AND INTEGRATION PROMOTION

A. Energy Systems

A high degree of interconnectedness in Central Asia's energy systems is capable of promoting regionalization. However, in recent years energy trade in the region has been significantly reduced, and energy models in each of the Central Asian countries differ significantly from one another.

One such example can be found in the production of hydroelectricity, an energy source of vital importance to Central Asia. The issue of water is fundamentally a transnational one in Central Asia. Thus differing interests in water usage has given rise to new conflicts and obstacles to the development of mutually beneficial relations. Most recently, these disputes have been felt most strongly in clashes between Uzbekistan, which requires water for intensive irrigation projects, and its upstream neighbors--Kyrgyzstan and Tajikistan—which are attempting to further develop their hydroelectric capacities.

The hydroelectric sector has the capability of attracting a flood of foreign investment and creating a clearly-structured high-yield market for electricity, capable of providing a powerful boost to the economies of the Central Asian republics. Increased cooperative integration of countries with economies based on the processing and export of natural resources with poorer, more mountainous countries would for quicker development of the region's hydroelectric sector. The strengthening of hydroelectric integration in Central Asia is tied to both internal and external interests of the regions' states; increased integration would allow for the creation of a single regional market for energy resources—both hydroelectric and hydrocarbon. This would mean the division and redistribution of a potentially gigantic energy resources market, with the attraction of South Asian consumers in Afghanistan, Pakistan, Iran, and India. Currently, the most feasible global project requiring the acceleration of integration processes is the World Bank's CASA 1000 project, envisioning the development of hydroelectric export capacities from Central Asia to South Asia.

B. Investment

Investment is an intraregional component of regionalization. Statistical data shows that investment does not play a significant role for the countries of Central Asia, which lag far behind the European Union, Russia, and the US in investment attraction. From 2010 to 2012, Kyrgyzstan ranked 13th amongst all countries in aggregate cumulative investment from Kazakhstan; Uzbekistan ranked 20th and Tajikistan 21st [7]. At the same time, Kazakhstan was characterized as having a greater level of market integration with Russia, even during the period before the formation of the Customs Union of Kazakhstan, Belarus, and Russia. Nevertheless, from the perspective of quantitative indices measuring region formation, even relatively small trade flows can play a significant role [5].

In evaluating investment as an indicator of region formation in Central Asia, it is important to note the countries' differing levels of economic openness. For example, Turkmenistan's economic and political system makes the country an extremely difficult partner for integration and strict government control of the economy limits market access for all foreign players.

C. Labor Migration

Labor migration also plays a specific role in regionalization, enforcing shared economic and cultural ties between countries in a region. In Central Asia, migration flows travel from south to north, from poorer countries with labor surpluses to richer countries where cheap labor is in short supply. Though Russia has been the primary destination for migrant laborers in the post-Soviet space, Kazakhstan has also been an important receiving country since 2004 [6].

Migration processes in Central Asia have a strong impact on regional relations. In part, the high level of labor migration in Central Asia mitigates the consequences of economic independence still felt by many of the post-Soviet Central Asian states. In Tajikistan, Kyrgyzstan and Uzbekistan, labor migration provides monetary flows to support growth; in Kazakhstan influxes of migrants offset labor market losses experienced in the 1990s. Nearly 30 % of economically active population of Kyrgyzstan, Tajikistan and Uzbekistan is involved in labor migration in the region [6]. Thus labor migration is a serious factor for regionalization and good potential space for closer integration in case of more productive cooperation in the field.

D. Economic Institutions

Regionalization is also directly tied to formal development of institutions in the region. Central Asia is a region with a low level of institutional development, but high potential for nongovernmental actors to play a role in the development of regional ties.

The region's institutional weakness can be explained by the varying strategies for reform selected by the leaders of each Central Asian country. Correspondingly, the results of economic and institutional development attempts have also varied widely. This is most evident in the region's two most powerful states, Kazakhstan and Uzbekistan. Kazakhstan, at present, has become a center of supporting for regionalization, especially in terms of investment, in which it significantly outstrips Uzbekistan. From the perspective of formal institutions, Kazakhstan has historically realized a more consistent model of liberal reforms, remaining largely open to foreign investors. Uzbekistan declined to adopt wide-ranging reforms, maintaining a large amount of its governmental sector and continuing to practice economic interventionism. If the results of Uzbekistan's economic development significantly surpassed those of Kazakhstan up to 1996, producing the so-called "Uzbek miracle", Kazakhstan has remained the leader in economic growth since 2000.

VI. KAZAKHSTAN AS A CENTER OF REGIONALIZATION

Many experts believe that regionalization in the former Soviet Union maintains an asymmetrical character due to the vastly differing sizes of individual post-Soviet economies. Russia, it is often argued, plays an influential and dominant role in processes of integration in Central Asia. More recently, however, it has also been noted that a second center of regionalization is forming in the post-Soviet space. This second center is Kazakhstan [7].

Kazakhstan belongs to a group of what have been called “middle states” – that is, post-Soviet countries defined by natural resource wealth, rapid adoption of economic, political, and democratic reforms, and effective entrance into the broader world community. Kazakhstan’s position as a “middle state” has allowed it to play two major roles in the promotion of regional integration. The first, as mentioned in the previous section, is in the sphere of migrant labor, where Kazakhstan has become something of an independent magnet for labor resources in the post-Soviet space. The second is in the sphere of regional trade—specifically grain trade—in which Kazakhstan plays a key role.

V.CONCLUSION

As established above, Central Asia currently possesses all the necessary prerequisites for region formation, including a range of shared economic and cultural factors, common geopolitical significance, and significant interdependencies through systems of water use, energy, and labor migration. However, in spite of these factors, Central Asia lacks a significantly-developed level of transnational cooperation between its countries. Indeed, its states can be characterized as being more integrated with extra-regional powers such as China and Russia than with each other. Therefore, Central Asia can be more accurately characterized not as a region, but as a sub-region.

It should be noted that Russia, in particular, maintains a strong role in Central Asia. The area’s most successful attempts at integration have largely been realized with Russian support. This is true of both systemic projects such as the creation of the Customs Union and of large-scale economic investment.

Moreover, several factors continue to complicate intraregional cooperation. The most problematic of these is the different approaches the governments of the region have taken in approaching political and market reforms.

The brightest hope for increased Central Asian integration likely lies in Kazakhstan. Given Kazakhstan’s status as a secondary destination for migrant labor and its relatively open approach to reform, it has the potential to become a nucleus for regional integration. Kazakhstan’s efforts would be further supported by its economic stability, dynamic development, and its role as a source of investment. If Central Asia is to form a true region, it will need to rely heavily on the stabilizing factors provided by its most economically developed state.

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