

Stable Regions and Responsible States in the Asian Century



In recent years, due to the rapid economic growth of many Asian countries, as well as the tectonic changes taking place in world politics, economists and political scientists are increasingly talking about the advent of an "Asian Century," in which Asia will become the new centre of the world. Indeed, the continent now has a growing share in global trade, capital, people, knowledge, transport, culture and resources. Not only the largest cities in Asia, but also the developing ones are in the field of view of international investors, writes Rustam Khuramov, Head of Department at ISRS under the President of the Republic of Uzbekistan.

According to the UN, Asia is already home to more than half of the world's population (61%, which is 10 times more than in Europe, and 12 times more than in North America.), and of the 30 largest cities in the world, 21 are located in Asia.

Moreover, Asia's economic performance is projected to exceed the combined GDP of Europe and America by 2030. In this context, the information reflected in the report "Asia's future is now", which was published by the American McKinsey Global Institute in 2019, is of interest. As noted in the document, by 2040, Asian countries will account for 40% of the global consumer market, producing more than 50% of global GDP.



Share of global GDP at purchasing power parity, %

Source: <https://www.ft.com/content/520cb6f6-2958-11e9-a5ab-ff8ef2b976c7>

According to Parag Khanna, one of Esquire magazine's "75 Most Influential People of the 21st Century," and author of global bestsellers, "while Western countries continue to be confident about their superiority, Asia is overtaking them on all fronts."

According to him, today Asian countries make a major contribution to global economic growth. Asian countries own most of the world's foreign exchange reserves, the largest banks, industrial and technology companies. Asia produces, exports, imports, and consumes more goods than any other continent.

In the pre-pandemic period, 74% of the tourist trips observed in Asian countries were made by Asians themselves. More than 60 % of Asian trade was carried out within the continent and most of the foreign direct investment is also intraregional³, which undoubtedly plays an important role in the economic integration of these countries.

Meanwhile, Asian countries such as China, India, Indonesia, Malaysia and Uzbekistan registered the highest growth rates in the world in 2018-2019.

In this context, as P. Khanna notes, while the world was Europeanized in the 19th century, it was Americanized in the 20th century. Now, in the 21st century, the world is irreversibly Asianized. At the same time, many experts believe that the rise of Asia will differ from the rise of Europe in that the priority for its countries is not the policy of power, but economic development.

Nevertheless, it should be noted that the coronavirus crisis of 2020 corrected global development trends and became a unique stress test for the global economy. Many analysts have called the pandemic a turning point in world history. The Corona crisis, just like other global crises, carries with it unforeseen serious consequences.

At the same time, leading scholars in the field of international relations - Francis Fukuyama and Stephen Walt believe that the example of the fact that Asian countries coped with the crisis better than others shows a further shift of power to the East⁵. In this context, Parag Khanna notes that if there is a political system that won during the pandemic period, it is the Asian democratic technocracy. According to him, "these societies are at the forefront of what he calls the "new Asian values" of technocratic governance, mixed capitalism, and social conservatism, which are much more likely to become a global set of norms."

In view of the above, we can conclude that the advent of the "Asian era" is an irreversible result, it is a fact, the manifestation of which is inevitable. However, it should be emphasized that the Asian continent, consisting of 48 countries and five subregions (including West Asia, Central Asia, East Asia, South Asia and Southeast Asia), is very diverse in terms of economic, political systems and demography.

GDP per capita also varies across Asia; for example, \$1,071 in Nepal, more than \$65,000 in Singapore. At the same time, the continent has its own unique political challenges. In this sense, the transition to the Asian era is not an easy process.

Nevertheless, in our opinion, the real emergence of the "Asian Age" depends mainly on the following 4 fundamental principles:

First, for the development of Asia, multilateralism and equality must prevail in the continent. Many experts attribute the development of Asia mainly to the rapid growth of the Chinese economy over the past 20 years and the fact that today it is the second largest economy in the world. But Asia does not represent only China. The Asian century should not mean the hegemony of one state on the continent. Otherwise, it will increase geopolitical tensions and competition in Asia. The world's imminent entry into the Asian era is not only due to its largest economy, but also due to growth in smaller and medium-sized countries.

The objective growth of countries in the Asian continent can only be achieved on the basis of equality. India and Japan are also the world's leading economies and the driving forces of Asia. Over the past 30 to 40 years, many other Asian countries, such as South Korea, Singapore, and Malaysia, have caught up with developed Western countries in terms of living standards.

Second, there are many unresolved issues in the domestic and foreign policies of Asian countries, including those related to intraregional dialogue, which require peaceful and rational solutions. The main problems of the continent are the ongoing conflict in Afghanistan, the Kashmir problem, the unresolved territorial dispute in the South China Sea, the denuclearization of the Korean Peninsula, the internal political crisis in Myanmar and many others. These problems represent a tinderbox in Asia and could explode at any moment.

Therefore, Asian countries must resolve these issues peacefully, responsibly, in accordance with international law, and most importantly, with an eye toward a common future. Otherwise, the Asian century predicted by experts will become a mirage.

Third, development is not a spontaneous process. Important conditions, such as infrastructure, a stable energy supply and a green economy are necessary. According to Asian Development Bank, developing Asian countries must invest a colossal \$26 trillion, or \$1.7 trillion a year between 2016 and 2030 to meet their infrastructure demand.

Asian countries currently invest about \$881 billion in infrastructure. The continent's baseline needs, excluding costs associated with climate change mitigation and adaptation are \$22.6 trillion or \$1.5 trillion per year.

Asia's failure to make the necessary investments in infrastructure will significantly limit the ability to sustain economic growth, eradicate poverty, and combat climate change.

Fourth, one of the most important principles is the stability of Asia's regions and the countries that take responsibility for promoting cooperative development in those subregions.

Every region of Asia today has its own economic and political problems. The continent also has some "failed states" with weak government system and economic issues. However, there are also countries that are addressing these regional problems through their active, open and constructive foreign policy and set an example for creating a positive political environment in their regions. At the same time, their large-scale domestic economic reforms contribute to the sustainable development of the entire area, becoming the driving force of its economic growth. Such a good example of this phenomenon is Uzbekistan, recognized by experts as the new "rising star" or the "new tiger" of Asia. According to experts, Shavkat Mirziyoyev, who was elected president in 2016, has awakened a "sleeping giant" in Central Asia with his comprehensive reforms.'

It should be noted that the proactive, constructive, pragmatic and open foreign policy pursued by Uzbekistan in recent years has created a new atmosphere and given impetus to a renewed political dynamism in the Central Asian region, which is now recognized not only by the world's leading politicians, but also by international experts.

According to the Journal of International Affairs of Georgetown University, the foreign policy trends in Uzbekistan shaped by President Mirziyoyev and aimed at "reviving Central Asia" and "making Uzbekistan a responsible state in the world community" have coincided with tectonic changes in global geopolitics, associated with a shift of power from West to East.

At the same time, today all the countries of Central Asia are working together for the development of the region, with a sense of responsibility, especially to their citizens. Economic life in the region has greatly revived in recent years. Central Asian countries are establishing joint production cooperatives and developing a common visa system to attract more tourists.

In the 30-year history of independence, the countries of the region have experienced various difficulties, from economic crisis to civil war. A cool wind in intraregional relations had been felt for a while. But today there is a unified consensus between them, which is to move forward together and solve problems through compromise and on the basis of a long-term vision.

The peoples of the region feel the positive changes taking place in Central Asia. A simple example: five years ago, there were almost no cars with Tajik or Kyrgyz license plates on the streets of Tashkent. Nowadays every tenth car has a license plate of a neighboring country. There are also many cultural events.

In Tashkent, the Days of Culture of the Kazakh, Tajik, Turkmen and Kyrgyz are of great interest, and this

has become a regular event. Currently, the Central Asian states are working to prepare and sign a treaty on good neighborliness and cooperation for the development of Central Asia in the XXI century, which will further increase the common responsibility for development in the region.

The improvement of the political atmosphere in Central Asia and the fact that the region is becoming a predictable subject of international relations make it economically and investment attractive. For example, the total GDP of the region's countries increased from \$ 253 billion in 2016 to \$ 302.8 billion in 2019. At the same time, intraregional trade showed impressive indicators. The total volume of foreign trade in the region in 2016-2019 increased by 56 percent, reaching \$ 168.2 billion. In 2016-2019, FDI inflows to the region increased by 40 percent, amounting to \$ 37.6 billion. As a result, the share of investments in Central Asia from the total volume in the world increased from 1.6 percent to 2.5 percent.

At the same time, according to analysts of the international company Boston Consulting Group (BCG), over the next ten years, the region can attract up to \$ 170 billion of foreign investment, including \$ 40-70 billion in non - primary industries.⁹

This economic upswing in the region will not only affect local sustainable development, but will also create more jobs for the world's youngest region with an average age of 28.6, as well as expand access to education and medicine.

Indeed, today Central Asia is undergoing a transformation, with the countries of the region getting closer and closer to each other. This process takes place simultaneously with the process of transformation of the world.

In other words, every subregion of Asia should have states with a sense of responsibility similar to the Central Asian countries that contribute through their activities to overall intra-regional economic growth, peace and stability.

The sense of responsibility of the Central Asian countries to the region can be seen in their initiatives to establish peace in Afghanistan and its economic and social reconstruction.

For example, in recent years, Shavkat Mirziyoyev has radically changed the way Uzbekistan views Afghanistan. Tashkent began to look at Afghanistan not as a source of regional problems, threats and challenges, but as a unique strategic opportunity that could give a fundamentally new impetus to the development of broad trans-regional ties throughout the Eurasian space.

Uzbekistan has not only become an important participant in the peace process in Afghanistan, but has also taken the position of one of its sponsors. At the same time, the Tashkent Conference on Afghanistan, held in March 2018, played a decisive role in the "reset" of peace efforts in the Afghan direction.

This forum, initiated personally by the President of Uzbekistan, once again drew the attention of the world community to Afghanistan.

It was after this conference that direct negotiations between the American side and the Taliban were launched, which resulted in the signing of the Agreement between the United States and the Taliban in Doha. And in the future, it allowed entering into an intra-Afghan dialogue.

In addition, Central Asian countries also contribute significantly to Afghanistan's socio-economic reconstruction by involving Kabul in Central Asia's economic processes. Today, thousands of young Afghans are studying in the countries of the region, where they teach sciences in areas important to Afghanistan and train personnel in certain professions.

Central Asian states also supply electricity to Afghanistan, which is important for the development of the Afghan economy.

For example, since 2002, Tashkent has been regularly supplying electricity to Afghanistan and covers 56%

of Afghanistan's electricity imports. The volume of electricity supplies from Uzbekistan to Afghanistan from 2002 to 2019 increased from 62 million kW / h to almost 2.6 billion kW / h, that is, more than 40 times. Construction of a new Surkhan – Puli-Khumri transmission line project has begun in Uzbekistan today.

The transmission line will increase the supply of electricity from Uzbekistan to Afghanistan by 70% – up to 6 billion kW.h per year. The uninterrupted flow of electricity will ensure the life of the social infrastructure of the IRA - these are schools, kindergartens, hospitals, as well as the activities of international organizations providing humanitarian assistance to the Afghan people.

At the same time, Uzbekistan has embarked on efforts to restore connectivity between Central and South Asia and revitalize the centuries-old economic relationship between the two regions in line with today's needs.

In this process, an important aspect is the establishment of peace in Afghanistan. Recognized by international analysts as the project of the century, the railway project “Mazar-i-Sharif - Kabul – Peshawar” promoted by Uzbekistan is of strategic importance for the economies of the two regions. According to the Project Syndicate observers, the Trans-Afghan railway will be able to transport up to 20 million tons of cargo per year.¹⁰ Full implementation of the transport and infrastructure potential of peaceful Afghanistan will reduce the time for transporting goods from Uzbekistan to Pakistan from 35 to 3-5 days.

One of the main beneficiaries of building transport connectivity will be Afghanistan, which can become a link between the two regions.

For Kabul, the implementation of this corridor will have a multiplier socio-economic effect, expressed in the country's integration into the system of trans-regional interconnectedness.

A powerful impetus to the discussion of all these issues and their practical implementation will be given by the initiative put forward by Uzbek President Mirziyoyev to hold in July 2021 an international conference on “Central and South Asia: Regional Interconnectedness. Challenges and Opportunities”. The conference will serve as an important platform for developing fundamental proposals for peace in Afghanistan and a new level of historical cooperation between the two regions. The successful launch of the North-South Transport Corridor by India and Iran, through which transport goods have been moving since 2000, including through Afghanistan and Central Asian countries, demonstrates that trans-regional connectivity can be revived.

Summarising the above, it should be noted that at a time of uncertainties in today's system of international relations and different forecasting assumptions, there is an increasing need for states to be responsible for ensuring peace and sustainable development in their regions. The transition to the Asian century also depends on this factor. To date, as a result of the joint efforts of the countries of the region, Central Asia's subjectivity on the international stage has increased. Their initiatives on global and regional issues are carefully listened to by the international community. A step towards the Asian century is being made.

Source