Analysis of National Strategies of Central Asian Countries from the Position of Humanization

N. N. Chubaeva

Moscow State Institute of International Relations of the Ministry of Foreign Affairs of the Russian Federation (MGIMO), Moscow, Russia
Nn1042781@yandex.ru

Abstract. The article reveals the humane component of the national strategies of Central Asian countries and the inadequacy of measures that impede the balanced development of the economy and access to world markets for goods and services. The author assessed the measures being implemented by governments for congruence with the global humanization of every life area, that is the novelty of the study. The humanization indicators were explored on the back of an information-digital database representing an author’s data set jointly with the President of the Institute of Scientific Communications E.G. Popkova (2020). The data-set contains the latest information of the World Economic Fund, OECD, International Monetary Fund, and other independent international organizations. Taking into account that the world community recognizes the need of adjusting national strategies directed at global economic growth to attain high-level goals for the period up to 2030, the author reveals vulnerable areas to be immediately upgraded. Also, the author gave recommendations to minimize the negative effect of current problems in the legislative and regulatory framework, education, adherence to the principles of the green economy, etc. to build a general model of economic growth in Central Asian countries, as well as identified three areas to be revamped.

Keywords: Humanization of economic growth · Economic liberalization · Government transparency · Development of human potential · Green economy · Information technology innovation

JEL Code: I2 · F6 · J24 · K2

1 Introduction

The development models all over the world suffer transformation. The quantitative indicators of economic growth, such as workforce and natural resources, fixed capital, recede into the background, and attention is increasingly paid to the study of qualitative ones. Economic growth maximizing profits without unlocking human potential, increasing return on the fixed capital, lowering the share of natural resources in production cycles, intensifying production, and innovating is unviable. The current economic set-up is being reorganized towards economic development and satisfaction of
human needs. Under this humane principle of development, the level of population’s well-being rises, opportunities for education, cultural development, and high-quality medical care grow. But on the other hand, it causes a negative burden on the environment, income disparities, and social inequality. At this stage, the primary task for governments and businesses is to achieve a balance between social and economic, public and private interests.

Thus, the adoption of national policy measures both affects the economic development of the country and predetermines its status in the global community in terms of adjustment to global trends. The humanization is manifested in all areas of modern society and mainly related to the retrofit of production facilities and the introduction of information technologies.

2 Materials and Methods

Foundations and practices of developing and pursuing national strategies in accordance with the humane principles are presented in the works by Alpidovskaya and Popкова (2019), Inshakova and Bogoviz (2020), Popкова (2017), Popкова (2019), Popкова et al. (2019), Popкова and Gulzat (2020), Popкова and Sergi (2018).

The source background of the study is formed by official publications of national development strategies, effective policies, social-political works of contemporary authors, news articles of information and analytical agencies. The methodological background of the study is a comparative analysis of measures of national strategies. A country with a high level of economic, social, and technological development was taken as a benchmark. The quantitative indicators were mostly assessed on the back of the author’s data-set jointly with the author’s Ph.D. advisor. The use of these methods made it possible to conduct a coherent and comprehensive study.

The renewal of economic growth factors is mutually beneficial for states and businesses. The need for process reengineering enhances the competitiveness of companies in the global markets, which in turn affects the economic indicators. The tough economic situation makes global actors strictly comply with the high requirements for goods and services.

The need for production upgrade is caused both by the depreciation of equipment and opportunities for the development of capacities, preservation of the environment, and reduction of labor costs. New technologies that facilitate the duties of employees, advanced training programs, various social benefits established by companies, and state financial backing meet the principles of humanized production, strengthen staff’s incentives for high-quality and productive work, which have a direct impact on the economic indicators.

The author chose the countries of the Central Asian region as far as they have enormous potential for economic growth, and the evolvement of the information technology as one of the priorities of the national policies seems to be a global trend in the development of all social areas. For the intensification of economic humanization, the governments of Central Asia have taken measures to refine the national policy in the field of human capital development.
As far back since 1997, the Republic of Uzbekistan has been launched a national program for staff training within the improvement of human potential. Kazakhstan has taken regulations on all areas of social life outlined in the strategic development plan of the Republic of Kazakhstan until 2025 (2018) and designed for adjustment to the global digitalization trend. The national development strategies of the Republics of Kyrgyzstan for 2018–2040 (2018), Tajikistan, Turkmenistan are also directed at advancement when the government bears responsibility for the population’s well-being, observes honesty, and justice preserves culture and spiritual values.

Within this study, the author attempted to examine the national policies of the Central Asian countries from the standpoint of addressing the humanization of economic growth. The author revealed the measures that contribute to the rise in the humanization index, compared the performance of current measures, gave recommendations on adjustment of policies in terms of the main indicators of economic growth humanization for the countries with lower indicators. When making the quantitative assessment of indicators the author resorted to the data set developed together with Professor, President and founder of the Non-profit organization Institute of Scientific Communications E.G. Popkova (hereinafter the data set) and entitled Humanization of Economic Growth in the Global Economy: Big Data and Digital Modeling – 2020 (Popkova and Chubaeva 2020). Germany was chosen for a comparative characterization since it’s a country with a humane economy, a favorable social environment, and a level of government control.

Measures of the national development strategy lay foundations for sustainable development of the state, economic growth, stable social welfare, and cultural advancement. The development strategies are designed to select and coordinate directions, which are the foundation of institutions’ performance.

According to figures presented in the data set, Kazakhstan is the most developed country in the Central Asian region. Despite fruitful measures, the level of economic liberalization lags behind Germany. It speaks about the powerful state’s influence on business development, low transparency of the state budget, the inadequacy of legislative and judicial systems, as well as obstacles to freedom of speech and press. The Development Strategy of the Republic of Kazakhstan (2018) states that the state privatized 433 entities from 2014 to 2017 to cut the share of state participation in business. Kazakhstan reduced the share of private companies doing public activities and acting as individuals from 652 to 346.

As for economic freedom, the data set shows that Kazakhstan, Kyrgyzstan, and Russia achieved significant indicators (69.6, 62.9, and 61, respectively) versus 73.5 in Germany. Therefore, measures for the development of the institutional environment proved to be rather successful… In analytical research Doing Business (2019), The World Bank notes the high position of Kazakhstan by business conditions (ranks 24th in the overall ranking outrunning Russia by 6 positions). In 2017, it was marked by the largest number of reforms (48) in seven out of ten possible areas. According to provisional reports for 2020, Tajikistan has been distinguished by the greatest progress in the banking sector and the facilitation of business conditions.

Fighting against encroachment is actively supported by other states. The Government of Kyrgyzstan, in the National Development Strategy (2018) emphasizes the availability of sufficient technical facilities and skilled staff for a clear division of the
legislative and executive branches. State functions governing business were partially delegated to relevant organizations. Nevertheless, small and medium-sized businesses contribute to GDP about a third of the total income.

The problem of overregulation is obvious in large cities and the rest of Central Asia, Tajikistan, and Turkmenistan, but at the same time, the regions are underregulated. One of the solutions to this problem is the initiative of introducing electronic government with a detailed description of the functions performed by administrative bodies. It was supported by all the countries of the Central Asian region. Regional administrative bodies should enshrine the list of services provided in official documents and publish information on official websites. The measure will increase the transparency of public authorities and reduce the likelihood of corruption act.

Fig. 1. Objectives of the anti-corruption strategy of Kazakhstan Source: drawn up by the author based on data from the National Anti-Corruption Report (2018).
The established legal and institutional conditions allow citizens to actively engage society in the political life of the country. Following public opinion polls, only 30% of the adult population is conscientious and over 60% (under 30 years) agree to participate in the country’s development. A higher educated young population puts trust in the government due to the successful implementation of the digitalization.

As part of increasing the Transparency of government as one of the humanization indicators, the Government of Kazakhstan adopted the Anti-Corruption Strategy of the Republic of Kazakhstan for 2015–2025 (2018). The following objectives have been set to concertedly fight against corruption (Fig. 1).

Under Fig. 1, the first figures provided in the National Anti-Corruption Report of Kazakhstan confirm that the population’s trust in the government rose from 52% in 2013 to 73.4% in 2017.

According to the Central Asia Monitor news agency analyst Svetlana Borisova (2019), Kazakhstan is leading in anti-corruption policies among the CIS countries. These indicators allow admitting that policy is adequate and can be considered by other states of Central Asia as an example.

Membership in the Eurasian Economic Union (EAEU) served a leap towards the development of foreign trade relations, economic growth of the country, and positive impact on the population’s welfare. This good practice is an example of mutually beneficial cooperation in the development of trade relations and the economy. Bearing in mind that the level of poverty incidence contradicts the humanization of economic growth as well as militates against the Sustainable Development Goal 1 (Eradication of poverty in all its forms everywhere), adopted by the United Nations (2015), the government should intensify activities to end poverty in countries of the region, such as Uzbekistan (where the share of the population with an income of up to $ 3.2/day is 27.1%), Kyrgyzstan (17.1%) and Tajikistan (12.8%).

The accession of Uzbekistan to the EAEU contributed to the growth of the population’s welfare and economic development. Since May 11, 2020, the country has been represented as an observer. According to experts of the Ria Novosti news agency (2020), this status will be followed by the full membership. Besides, since July 7, 2020, Uzbekistan has resumed meetings of the working group on accession to the WTO. In 1994 the country had observer status and held the last meeting over 15 years ago. This measure will positively affect foreign trade relations, and transformations of the tax, customs and administrative systems brought in line with international standards will greatly facilitate the relationship between the state, society, and business. Regarding that all areas are reorganized and adjusted to the goals of sustainable development we can assume that the minimum accomplishment of goals will bring positive changes in the country.

The critical factor of the social environment for unlocking human potential is education. Its affordability, quality, and wide dissemination secure the development of human capital, economic growth factor.

The human capacity parameter provided in the data set gives a clearer vision of the quality of human assets in contrast to The Global Competitiveness Report statistical yearbooks using average data on life expectancy and health. From this, we can make conclusions on the proportion of the country’s literate population to the total number. Under the development strategy of the Republic of Kazakhstan (2018) within the
framework of human development, the country pumped up funding of the education sector from 4.4 trillion dollars in 2012 to 5.9 trillion dollars in 2016 and projected 77% of the literate population by 2050. The indicators of human capital development provided in the data set prove the adequacy of educational policy and can serve as recommendations to Kyrgyzstan lagging country in this parameter. Russia makes a significant contribution to education in the republic by establishing joint Russian-Kyrgyz universities and providing quotas in national institutes.

In view of the global evolvement of information technology, distance education which has become hot and happening in the context of the COVID-19 pandemic is actively developing in the republic. Data from the Central Asian Research Institute (2020) confirm that countries are far from a full enrollment of students in distance learning. The problem of intramural studies during an emergency was solved in the Republic of Kyrgyzstan through TV broadcasting of learning sessions. In similar situations, this measure can be taken by administrative territories of other countries, including remote areas of Russia. Accelerating and facilitating access to online educational platforms should put at the forefront. It is supposed to widely introduce the Internet, mainly in rural areas.

The Government of the Republic of Kyrgyzstan draws attention in the development strategy until 2040 (2018) to the need for the early start of education. Giving the opportunity to get the highest degree by the time of employment, the country thereby raising the quality of human potential, which is a factor of economic welfare growth. President of Turkmenistan Gurbanguly Berdimuhamedov in his seven-year development program until 2025 (2019), the country has acknowledged the construction of 201 primary schools.

In the era of the modern technological revolution, special attention should be paid to staff retraining. To prevent the unemployment caused by the inconsistency of human resources with the labor market requirements, the employers should have a system of timely advanced training. In tough economic conditions, this measure is simple at the first glance but cost-intensive and unfeasible for employers, which is a virtually dangerous link for the national economy. Coordinated state support measures aimed at preventing unemployment and subsequent growth of social tensions are highly demanded in the most vulnerable countries of Central Asia, Kyrgyzstan, Tajikistan, and Uzbekistan. The construction of institutions for advanced training and retraining under state support will greatly contract the unemployment, provide the market with skilled human resources, and will set the pace for new, mutually beneficial cooperation in the field of economy.

The national unity, which is noted in all countries of Central Asia, is the huge contribution of governments to the humanization of economic growth. Right ethical policy prevented interethnic and interreligious conflicts, unfair labor practices, distinctions as to gender and fostered tolerance and cohesion of the country’s population. It is exhibited by similar and superior rates of inequality in the data set against Germany. Supporting and protecting women’s rights meets the UN Sustainable Development Goals and represents them as equal members of society. The international organization UNICEF is tackling with the elimination of gender distinctions in childhood and solving problems in this social segment.
The countries of Central Asia are on the path towards a green economy. Their national strategies are dedicated to the preservation of a favorable environment for life and succeeding generations and its friendly use for socio-economic development. Kazakhstan possesses enormous resources of renewable energy. But according to the National Wealth Fund (2018), in 2017 the country used only 1.1% and expected up to 50% by 2050. The use of non-renewable energy sources in production cycles has been significantly reduced. About 50 enterprises operate using renewable energy sources (hereinafter RES) and produce 300 MW, which is 1% of the total number. 54.5% of eco-efficiency indicator in Kazakhstan against 78.4% in Germany (as specified in the data set) witnesses state underregulation of the green economy.

The transition to RES is hindered by the following measures taken in Kazakhstan: subsidies for conventional energy sources, low cost of energy, high initial investment costs due to the import of technologies, limited expert assessment in the field of RES, lack of knowledge. The Rogun Dam designed as far back in Soviet times is mutually beneficial from an economic point of view. The construction was interrupted due to the lack of funding. For the owner Tajikistan, this threatens an even greater national debt. According to an independent expert assessment by E. Pogrebnyak, an expert of the Rhythm of Eurasia information agency (2020), the construction of a dam for Uzbekistan may limit the supply of water downstream. In addition, territorial disputes on the facility are still heated. Nevertheless, the utility of the dam as profit from the export of cheap energy for Tajikistan, uninterrupted supply of energy for the population, and full-power operation of industrial enterprises is indisputable. The construction of a strategically important facility at this stage can be completed only after the reorganization of the domestic financial and social patterns to be profitable for the IMF. As a recommendation, a vicious circle can be broken not only by changing the financial structure of the country but also by granting property rights to investors in large enterprises of the greatest interest.

It’s worth noting that the problems caused by the inefficient use of natural resources, such as land degradation due to unsustainable agriculture, a shortage of water resources, a high level of air pollution in cities, disposal of household waste, persist also in other countries of Central Asia. Low access to drinking water in remote areas is a pervasive problem. The institutional development of the water sector is enshrined in the National Strategy of Tajikistan (2016), Kazakhstan (2018), and others.

3 Findings

As general recommendations for the transition to a green economy the author advises the following measures attainable in the long term for all Central Asian countries:

- Aiming at the transition to the use of RES,
- Retrofitting of production facilities towards energy saving and energy efficiency,
- Sustainable development of the agricultural sector,
- Recycling,
- Combating climate change,
- Conservation and restoration of ecosystems.
The economic growth model recommended for the countries of Central Asia should rely on the modification of three components through the transition from quantitative factors to qualitative ones (Table 1).

Table 1. Model of economic growth in Central Asian countries

| Model of economic growth in Central Asian countries |
|---------------------------------------------------|
| Upgrading the production                          |
| Increasing the productivity of industries         |
| Shifting the production towards a green economy   |
| Heightening the quality of goods and services      |
| redesign and digitalization                        |
| Export-orientedness                                |
| Raising and retaining investments                 |
| Cultivating competitive environment                |
| Forging foreign economic relations                 |
| Political and institutional renewal                |
| Delegating powers by transferring control centers |
| to specialized institutions                        |
| Amendment of the regulatory framework              |
| concerning changes in information technologies    |
| The evolution of human assets                      |
| Raising the population’s literacy, awareness      |
| and environmental friendliness                     |
| Developing the science, establishing innovation    |
| centers, bringing up new creative scientists       |

Source: developed and drawn up by the author

As we see in Table 1, the suggested model of economic growth in Central Asian countries provides for the renewal of production, political and institutional systems, and human assets.

4 Conclusion

After studying the national strategies of the Central Asian countries, the author can give the following recommendations:

1. Kyrgyzstan should pay attention to the wide dissemination of the Internet providing access to online education and improving the quality of human assets.
2. Establishment of institutions for retraining and advanced training on new economically beneficial terms as an area of fruitful cooperation between the state and business.
3. All regional bodies should enshrine the list of services provided and introduce the electronic government to enhance transparency and supervision over administrative authorities.
4. Adjustment of the regulatory and legal framework to international standards with due regard to the humane component of development in all Central Asian countries is an indispensable condition for the growth of economic welfare.
References

Alpidovskaya, M.L., Popkova, E.G.: Marx and modernity: a political and economic analysis of social systems management. A volume in the series, ed. Popkova E.G. Advances in Research on Russian Business and Management, Information Age Publishing Charlotte, NC, USA (2019)

Inshakova, A.O., Bogoviz, A.V.: Alternative methods of judging economic conflicts in the national positive and soft law. A volume in the series, ed. Popkova E.G. Advances in Research on Russian Business and Management, Information Age Publishing, Charlotte, NC, USA (2020)

Popkova, E.G.: Economic and legal foundations of modern russian society. A volume in the series, ed. Popkova, E.G. Advances in Research on Russian Business and Management, Information Age Publishing Charlotte, NC, USA (2017)

Popkova, E.G.: Preconditions of formation and development of industry 4.0 in the conditions of the knowledge economy. Stud. Syst. Decis. Control 169 (1), 65–72 (2019)

Popkova, E.G., Egorova, E.N., Popova, E., Pozdnyakova, U.A.: The model of state management of the economy on the basis of the internet of things. Stud. Comput. Intell. 826, 1137–1144 (2019)

Popkova, E.G., Gulzat, K.: Technological revolution in the 21st century: digital society vs. artificial intelligence. Lect. Notes Netw. Syst. 91, 339–345 (2020)

Popkova, E.G., Sergi, B.S.: Will Industry 4.0 and other innovations impact Russia’s development? Sergi, S. (ed.) Exploring the Future of Russia’s Economy and Markets: Towards Sustainable Economic Development, pp. 51–68. Emerald Publishing Limited, Bingley (2018)

Akimat of Sarkan Region: National Anti-Corruption Report (2020). https://akimat-sarkan.gov.kz/ru/natsionalnyj-doklad-o-protivodejstvii-korruptsii/. Accessed 28 July 2020

Borisova, S.: Antikorupcijnnaja politika Kazahstana prinosit plody [Kazakhstan’s anti-corruption policy bears fruits]. Central Asia Monitor news agency (2020). https://camonitor.kz/33134-antikorupcijnnaja-politika-kazahstana-prinosit-plody.html. Accessed 02 Aug 2020

World Bank: Doing Business (2019). https://www.doingbusiness.org/en/doingbusiness. Accessed 04 Aug 2020

Big Asia News Agency: Programma razvitija Turkmenistana do 2025 goda [Development program of Turkmenistan until 2025] (2019). https://bigasia.ru/content/news/businness/utverzhdena-programma-razvitiya-turkmenistana-do-2025-goda/?utm_source=yxnews&utm_medium=desktop. Accessed 02 Aug 2020

Ria Novosti News Agency: Senat Uzbekistana odobril uchastie strany v EAEJes v kachestve nabljudatelja [The Senate of Uzbekistan approved the country’s participation in the EAEU as an observer] (2020). https://ria.ru/20200511/1571269975.html. Accessed 29 July 2020

Information Search System: Vse zakonodatel'stvo Uzbekistana. Nacional'naja programma po podgotovke kadrov. Utv. zakonom Respubliku Uzbekistan ot 29.08.1997g. [Entire legal framework of Uzbekistan. National staff training program. Approved by the law of the Republic of Uzbekistan on August 29, 1997] (2020). https://nrm.uz/contentf?doc=5764_nacionalnajaa_programma_po_podgotovke_kadrov_(utverjdena_zakonom_respubliku_uzbekistan_ot_29_08_1997__). Accessed 28 July 2020
Iskanderova, A.: Koronavirus proverjaet gotovnost' stran Central'noj Azii k distancionnomu obrazovaniyu [Coronavirus tests Central Asian countries for readiness to distance education]. Institute for Central Asian Studies (2020). https://central-asia.institute/koronavirus-proveryaet-gotovnost-stran-centralnoj-azii-k-distancionnomu-obrazovaniyu/. Accessed 04 Aug 2020

Ministry of Economy of the Kyrgyz Republic: National Development Strategy of the Kyrgyz Republic for 2018–2040, Bishkek (2020). https://mineconom.gov.kg/storage/directs/documents/209/15421950795bec078718ff.pdf. Accessed 28 July 2020

National Center for Legislation under the President of the Republic of Tajikistan: National Development Strategy of the Republic of Tajikistan for the period up to 2030, Dushanbe (2020). https://ncz.tj/file/national-development-strategy-republic-tadjikistan-for-period-before-2030-yearpdf-1

United Nations, UNICEF: Gender Equality Program. The UN Concept, UNICEF (2020). https://www.unicef.org/eca/ru/%D1%87%D1%82%D0%BE-%D0%BC%D1%8B-%D0%BD%D0%BD%D0%B0%B5%D0%BD%D0%BE%D0%B0%B1-%D0%BD%D0%BE-%D0%BC%D0%BD%D0%B3%D0%B5%D0%BD%D0%B4%D0%B5%D0%BD%D0%B3%D0%B5%D0%BD%D0%B2%D0%B5%D0%BD%D1%81%D1%82%D0%B2%D0%BE. Accessed 06 Aug 2020

United Nations: Sustainable Development Goals (2020). https://www.un.org/sustainabledevelopment/ru/sustainable-development-goals/. Accessed 02 Aug 2020

Pogrebnyak, E.: Evrazijskaja integracija [Eurasian integration]. Jekspertno-informacionnaja ploshhadka Ritm Evrazii [Rhythm of Eurasia Expert Information Platform]. https://www.ritmeurasia.org/news–2020-07-04–v-tadzhikistane-stroitelstvo-rogunskoj-ges-zabuksovalo-49778

Popkova, E.G., Chubaeva, N.N.: Dataset Gumanizacija jekonomicheskogo rosta v global'nom hozjajstve: bol'shie dannye i cifrovoe modelirovanie – 2020 [Dataset Humanization of Economic Growth in the Global Economy: Big Data and Digital Modeling – 2020]. https://archilab.online/. Accessed 10 Aug 2020

President of the Kazakhstan Republic: Decree of the President of the Kazakhstan Republic No. 636 “On approval of the Strategic Development Plan of the Kazakhstan Republic until 2025 and revocation of some decrees of the President of the Kazakhstan Republic” dated February 15, 2018 (as amended on September 10, 2019). JURIST (2020). https://online.zakon.kz/document/?doc_id=38490966#pos=53;-49. Accessed 29 July 2020

National Welfare Fund “Samruk-Kazyna”: Zelenaja jekonomika: realii i perspektivy v Kazahstane [Green Economy: Realities and Prospects in Kazakhstan], Astana (2020)