



---

## Round-table

### “Perspectives to establish the Union of Central Asian states”

**Date:** November 15, 2007

**Place:** Institute for Public Policy (IPP)

**Moderator:** Muratbek Imanaliev, President of Institute for Public Policy

**Speakers:**

- Umarzak Uzbekov, Ambassador Extraordinary and Plenipotentiary of Kazakhstan to Kyrgyzstan;
- Aseyin Isaev, Director of Department of Commonwealth of Independent States, Ministry of Foreign Affairs of the Kyrgyz Republic;

**List of participants:**

1. Ishenbay Abdurazakov, chairman of the supervisory board, Foundation “Project for the future”;
2. Erlan Abdyldaev, Director of the Institute of War and Peace Reporting in Kyrgyzstan;
3. Borubek Ashirov, an independent expert;
4. Sultan Mederov, Advisor of the President, Company “Marka-Audit”;
5. Salamat Alamanov, Head of Department on Regional Problems, the Apparatus of the Government of the Kyrgyz Republic;
6. Nur Omarov, an independent expert;
7. Mahmudjon Sobirov, Ambassador Extraordinary and Plenipotentiary of Tajikistan to the Kyrgyz Republic;
8. Valery Brylev, Ambassador Extraordinary and Plenipotentiary of Belorussia to the Kyrgyz Republic.

**Muratbek Imanaliev:** Dear colleagues, I am pleased to welcome you to the Institute for Public Policy. It is my honor to present the Ambassador Extraordinary and Plenipotentiary of Kazakhstan to our country, Umarzak Uzbekovich Uzbekov, who initiated this round-table, dedicated to the issue of creating integration in our region.

Anticipating our discussion, I would like to say few words on how globalization has caused a simultaneous tendency towards regionalization. The main issues, above all, are economic regionalization and the appearance of many other serious tendencies of a political and humanitarian character, and quite often of an ethnic character, characteristic to a number of regions including Africa and Asia.

There are many views on integration in various regions of the world. The motivations for integration are completely different, some historical and some recent. The emergence of ideas for integration in the post-Soviet space is a matter of fact. There is a variety of integration schemes: military-political, economic and so on. One has to say that one of the most active promoters of these processes is Kazakhstan. Personifying these processes is President Nursultan Nazarbaev. I believe this is a person who is not only the leader in the region, but a politician of world standing.

There was a third anniversary of the initiative of Nursultan Nazarbaev on the Conference on Interaction and Confidence-Building in Asia on October 15, and I have to say that such an important idea, proposed at the UN meeting to establish mechanisms of collective security and cooperation in the Asian continent, in those days was perceived with skepticism and even criticism. Nevertheless, this idea is alive and actively functional in my view. In this context, the idea of establishing the Central Asian states Union seems to be an old paradigm; there were efforts to create a similar union in the 90s. The point was to re-create the union. By the 21<sup>st</sup> century this prototype of the Eurasian Union has disappeared and yet the idea is alive. It is not because president Nazarbaev has advanced this idea again; it is alive because it is objectively justified from historical, economic and geographical viewpoints.

I think the position of President Nazarbaev as a leader not imply at a regional level has the benefit of foresight. Predicting developments for the coming two-three years and further ahead, he proposes to lay constructive foundations and approaches to realize this idea. Nursultan Abishevich Nazarbaev often talks of needing to create a new union of Central Asian states. We know that this is in various regions and countries of the Eurasian continent as well as the Central Asian region. I want to repeat that the idea is alive and being advanced. The aspirations of Kazakh friends resulted in the elaboration of the concept of such a union, which was proposed for consideration to regional countries and our friends in the CIS, Europe, Asia and elsewhere. Today we plan to discuss this Concept at the round-table, and I suppose it will be welcomed by participants trying to touch upon its many aspects. There are issues of regional security as well as economic integration, and some issues of humanitarian cooperation.

I will express my personal opinion that the Central Asian region simply has to unite, because it will contribute to the advancement of all Central Asian countries. And though it may seem strange and paradoxical it could improve the legal subjectivity of each country at the global level.

Now I would like to give the floor to Ambassador Extraordinary and Plenipotentiary of Kazakhstan to the Kyrgyz Republic Umarzak Uzbekovich Uzbekov, who will elaborate on the Kazakh government's position pertaining to the concept of the union.

**Umarzak Uzbekov:** Dear ladies and gentlemen, participants of the round-table! First of all, I would like to greet all of you and thank you for your participation in today's event. Our meeting is to discuss the idea and perspectives on establishing the Union of Central Asian states initiated by the President of the Republic of Kazakhstan, Nursultan Nazarbaev. The region currently named Central Asia has for centuries been a citadel of nations interrelated by close historical roots. Our nations at all times have had mutually beneficial relations that contributed to the strengthening of cultural and economic interactions. However, the collapse of the USSR and the creation of new states in Central Asia have brought some changes in the relations between the region's republics. After gaining independence, the policies of our country's leadership was targeted at the immediate transition into market relations by undertaking cardinal economic reforms. The justification of this path is proved by the current achievements of Kazakhstan in the socio-economic and political spheres that positively affect the wellbeing of the population. In this context, one has to specifically emphasize the long-term strategic development program for 2030 proposed by president Nursultan Nazarbaev ten years ago. The conceptual milestones in the development of the country have been defined in this program. Based on a short but very intense and significant period of our development, one can speak with confidence on the prudence of the identified priorities.

During these years the position of the state in its international relations in important directions, particularly within Central Asia, has been strengthened. Kazakhstan is recognized by the world community as a respectable state with a sustainable economy, with systematic and predictable internal and external politics. The program of political modernization targeted at the democratization of all aspects of life and civil society building is being systematically and gradually realized. Today we are a dynamically developing country, and

at this stage we are trying to accomplish the ambitious task of entering the fifty most competitive states in the world.

Definitely, the positive changes in the country's development seen at the international level indicate the timelessness of adopting the strategy 'Kazakhstan-2030'. At the same time, Kazakhstan understands that further successful development of the country cannot take place in isolation, without the consequent improvement of neighboring states. In this view, Kazakhstan remains an active initiator and participant of integration processes aimed at the preservation of stability, progress, and the economic and military-political independence of regional states. The above factors explain the initiative of President Nazarbaev to establish the Union of Central Asian states. As noted by the leader of our state, the actively developing Central Asia has a strategic geopolitical importance for the global energy market and security and stability in much of Eurasia. The abundance of natural resources results in the keen interest of many countries to the region. The region is located at the crossroads of Eurasian transit corridors; it has a large transport-communication network, and represents a new market. This strong interest of large world powers has to be turned towards development, but not confrontation; it must serve the interests of our region's population. One needs to point out that in the past there were some efforts to activate integration processes that did not bring the expected results. Unlike those efforts, the Kazakh initiative intends to create a new model of cooperation of regional states. To establish such a union has never been done in the history of Central Asia. To realize the initiative of creating the Union of Central Asian states, the Kazakh side has developed and submitted, for the consideration of its counterparts, the Concept on establishing the Union of Central Asian states. As noted in the concept, the main goals and tasks are to provide peaceful development, to strengthen good relations and to improve the wellbeing of the people of the Central Asian states. It has to be noted that the majority of the existing integration institutions in the Central Asian space are consultative, and their decisions have only recommendation value for the subjects of inter-state formations. This is one reason why recommendations are only partially implemented by national bodies. Hence, there is a low effectiveness of post-Soviet regional organizations- it is proven by global experience as well. When there are regional economic organizations without common normative bodies, it has a limited effect on the member-states.

To effectively solve the problem of coordinating the activities of member-states of the Central Asian Union in their common interests, it is planned to establish the following bodies: A Council of the Central Asian States Union – the supreme body at the inter-state level of heads of state and heads of governments to provide coordination of member-states to achieve the Union's goals; A council of permanent representatives- a permanently functioning consultative body of the Union to provide consideration of national interests in the process of making decisions by the Union, and to inform superiors on the course of implementation; A Commission of Central Asian States Union – a permanently functioning body that is to implement major agreements. The member-states of the Union of Central Asian states, when it is necessary and in compliance with international agreements, may delegate to the Commission of the union some of their competences and the decision of the Commission will be considered as obligatory for implementation by all member-states. The inter-parliament assembly will organize the inter-parliamentary consultations, discuss cooperation matters within the Union's framework, and develop common proposals in the activities of national parliaments.

I would like to point out right away that the creation of the Union of Central Asian states does not imply the creation of a Union that will supersede the sovereignty of member-countries. As noted in the concept on establishing the Union, this union will be a form of state integration based on the sovereign rights of its members, which remain independent and equal subjects under international law. The union of countries will promote further development and strengthening of neighboring relations, inter-ethnic harmony, trust and understanding as well as mutually beneficial cooperation between member-states. The activities of the Union of Central Asian states will be directed at the consolidation and coordination of efforts to create a functional system of security, to form common economic and humanitarian spaces. Moreover, the Union of Central Asian states has an objective

basis expressed in the cultural identity of our nations, mutually complementary economies, the presence of a developed transport infrastructure and common borders. All this allows better forms of cooperation. The realization of the initiative to create the Union may become an important factor in sustainable development, improvement in the competitiveness of national economies and the successful integration of regional states into the global community. Such an argument is justified since this initiative is a result of the aspiration to secure effective mutual-penetration of regional states by means of gradual integration, coordination in economic reforms, creating a free trade zone, custom union, common market of services, goods, capital, and labor similar to the European Union. In this view, the Union of Central Asian states is not a temporary political and economic association but a permanent body aimed at the long-term goal of inter-state cooperation, which may become a mechanism allowing the effective solution of all issues of integrative cooperation. Moreover, establishing the Union of Central Asian states is dictated by the will to have effective regional cooperation and mutual interaction under the conditions of globalization, which have brought common challenges and threats. I mean terrorism, regional extremism and the growing drug-trafficking, human trafficking, illegal immigration, and the proliferation of weapons. It is quite obvious that when there are such complex problems, it will be easier to address them by uniting politically and economically.

It is not overstatement to say that the Union of Central Asian states is the message of the times. Our region is a common market where about 55 million people live. The fact that the populations of neighboring countries live in different economic conditions will not promote integration among our population, but conversely cause some undesirable processes: for example, illegal migration with negative consequences for inter-state relations. Speaking about the importance of integration, one has to mention that Central Asia attracts the attention of major world powers. They want to see our region stable too. Moreover, it is more beneficial to have relations with a region where various mutual partnerships are blossoming rather than with states with poor relations.

To achieve these, goals member-states of the union must, in conforming to international law, build their relations and follow the principles of respect to sovereignty, non-intervention into domestic affairs, implementation of duties in good faith, consideration of mutual interests and avoid economic, political and other forms of pressure in their inter-state relations. Economic integration implies deepening cooperation, the coordination of policies, and undertaking reforms in this sphere. It is planned to develop a number of measures that will be adopted and realized in compliance with some agreements. Here, the experience and principles developed in the founding document of the European Union will be applied. The experience of the European Union as one of the most successful models of regional economic integration, and the experience of other regional organizations may be a basis to form the common economic space in the Union of Central Asian states.

Touching upon the views of Union creation, it may be said that they are quite significant. It will concern the economic, political, cultural and other areas of life of the states. Some advantages to creating the Union of Central Asian states can be predicted today. These are opportunities to succeed in internal and external politics, based on national interests; the formation of an external environment for internal political and economic development of member-countries of the union; equal economic levels and living standards of the population; improvement of competitiveness of products in world markets; better cooperation between states; the strengthening of political and economic stability of union members; further cultural interaction of the region's nations. In general, the initiative to establish the Union of Central Asian states is timely and in the future it may become a real integration organization that will lead the region into the league of major world players. In this view, we are certain that the Kazakh initiative to establish the Union of Central Asian states will be supported by all neighboring republics. Thank you for your attention.

**Muratbek Imanaliev:** I think that the proposed thoughts sufficiently cover the concept and approach of the Kazakh leadership to the issue of establishing the Union of Central Asian states. Now I would like to give the floor to Aseyin Kuseynovich Isaev, Director of the CIS Department, who will present the Kyrgyz position.

**Aseyin Isaev:** The Kazakh side officially asked to consider the ideas of creating the Union of Central Asian states and proposed the concept on creating the Union of Central Asian states in 2005. Afterwards, we organized the inter-agency meeting of ministries and considered the concept. But as for a public understanding of the idea - to discuss it in public since the issues of the concept are important - nothing has been done. And as far as I know, today is the first effort, and the importance of this event can hardly be overestimated. As a representative of the Ministry of Foreign Affairs, I would like to thank you for the opportunity to know the various opinions of the public as well as experts.

You know that in April this year the official visit of the President of the Republic of Kazakhstan to the Kyrgyz Republic took place, and this issue has been separately discussed. The Kyrgyz position stated by president Bakiyev is that the Kyrgyz Republic supports the idea of creating the Union of Central Asian states. This provision is officially approved in the joint statement of the two presidents. Both sides recognize the importance of securing regional stability, and the development of integration in Central Asia in the context of the proposed initiative to establish the Union of Central Asian states; Kyrgyzstan as a result of location has to play one of the key roles. The official position thus expressed, the task now is to realize it. A few days ago the first meeting of the Council of Ministers of Foreign Affairs took place. This issue was discussed once again. Kyrgyzstan confirmed its interest. However, there are a number of moments, since it relates to the Union of Central Asian states, where both sides agreed to start a detailed consideration of the concept after hearing the opinions of other participants of the Union. There are several assumptions on what Central Asia is. First is the question of the inclusion of Afghanistan, Mongolia and other countries. At the same time, Turkmenistan is part of Central Asia even though it has declared its neutrality. Perhaps, it may take a different form while developing. There is the experience of two countries – Russian and Belorussia - characterized by many difficulties. It may in the beginning take the form of two states consequently joined by others. Now I have several comments. As you know, the decision to merge the Central Asian Cooperation Organization (CACO) with the Eurasian Economic Community (EurazEC) was taken in January 2006. Many issues that were considered within the CACO, especially economic ones, more than 80% have been considered within the EurazEC. There was duplication in the decision of these issues. These two organizations merged. It seems that potential members of the Union of Central Asian states are all members of CSTO, EurazEC, CIS, SCO, - and our integration aspirations seem to be actualized in these integration organizations. The Ambassador said that each integration organization decides its own tasks. However, there is a common space for these countries, connected culturally, territorially, and with complementary economies and transport structure...Basically it is the common cultural space of similar mentality and common history. With the disappearance of CACO there remains a need to have a mechanism that will support integration aspirations.

**Muratbek Imanaliev:** I think that while presenting the position of the Kyrgyz leadership on creating the Union of Central Asian states, Aseyin Kuseynovich touched upon several important issues. One of them is the delimitation of borders in the Central Asian region. It seems easy to discuss this issue, but to solve it in practice looks difficult. I believe that these processes will not be simple.

Now I propose to ask questions of Umarzak Uzbekovich and Aseyin Isaev. Then we shall continue our discussion. Here, there are many serious Kyrgyz experts, politicians and specialists who came across this problem and were closely involved in processes pertaining to integration in Central Asia. In particular, I would like to mention some ambassadors. These are Ishenbay Abdurazakovich Abdurazakov who managed the process in Kyrgyzstan; Salamat Alamanov who dealt with the complex issue of water-energy problems; and of course, Borubek Ashirov, who managed executive bodies of Central Asian Union.

**Ishenbay Abdurazakov:** I have a question. It is a correct train of thought to have this idea promoted gradually. Otherwise, it is impossible. But this concept- what is it? Is it the final destination or only the first stage? To which period does it refer? And the second question. As mentioned by Aseyin, this idea is discussed for the first time in public, but in

other countries- Uzbekistan, Tajikistan- has it been considered? Is there any reaction to this proposal?

**Umarzak Uzbekov:** As for the concept, it is described in sections. I think all sections are final points. We rely on global experience and there are many similarities. Regarding the support of a state, we have sent the concept to all states. Now there are discussions at the diplomatic level. For example, during the official visit of the Minister of Foreign Affairs of Kazakhstan, this question was discussed at the level of Ministries of Foreign Affairs, governments and presidents. Essentially, we have come to a mutual understanding. The gradual approach was proposed. Kazakhstan and Kyrgyzstan may start realizing the idea. In other words, there will be only two states. I think there is understanding of all interested parties but at present only Kazakhstan and Kyrgyzstan are ready to sign the concept. The rest are deliberating.

**Salamat Alamanov:** You know it is very interesting material. I think it is not only the concept; it incorporates mechanisms that are comprehensively developed. I have a question regarding the first part: "common preconditions for integration." I like in particular the part on complementary economies. But I am concerned about why we talk about the unity of transport infrastructure. The most important problem for all of us is the unity of water arteries...This issue is related to the question of what we mean by Central Asia. The thing is that there are water arteries from Kyrgyzstan to China. In this sense, north-west China is connected as a part of Central Asian region. This part of China is linked to Kazakhstan and Russia. Afghanistan provides water to Central Asia. The water that flows to us will soon be disputed by them. Iran and Turkmenistan may also start to influence the situation with their water arteries. It seems to me that water must be present as a common precondition. Why was it omitted? Is it designed in this way or is it omission?

**Umarzak Uzbekov:** You are right; water-energy issues are one of the most complex problems in the region relating to economic issues and to the security of the region as a whole. I therefore think that this big problem requires a separate approach.

**Salamat Alamanov:** Here, the common preconditions for integration are formulated. And this is a powerful common precondition.

**Umarzak Uzbekov:** The issue of water has been discussed at the meeting of our minister with the government and president. We came to the conclusion that we could start the joint construction of Kambarata-1 and 2, but the Kyrgyz side said we will construct it ourselves. Here, we may improve the scale and means of operations. It is a practical study. Of course, water problems are complex and have to be decided together despite the fact state interests do not always coincide. This is the most complex issue.

**Salamat Alamanov:** Does it mean this not an issue for now, in order not to complicate the discussion?

**Umarzak Uzbekov:** Most likely.

**Muratbek Imanaliev:** I think here we can see the geographical basis that connects all countries of the region. In this case, water as one of the most important resources of the region must play an integrative role but not become a source of conflict.

**Ishenbay Abdurazakov:** I think, it is an omission, since it furthers rational usage of water-energy resources. I think it has to be accurately formulated.

**Nur Omarov:** I would like to ask a short but important question. Who has been involved in the elaboration of the document- the ministry of foreign affairs or invited experts? Since as scientists, experts, I find many omissions and confrontations. It is visible at a glance.

**Umarzak Uzbekov:** I think that diplomats and also scientists were involved in the elaboration of the concept. The concept was ready in 2005. During the times of Askar Akaev the concept was submitted. Since then there was no official answer from the Kyrgyz side, and now the question is being discussed at the high level again. I do not say that everything is ideal, but it can be clarified in the course of discussions.

**Erlan Abdylidaev:** Umarzak Uzbekovich said that Kyrgyzstan and Kazakhstan are practically ready to sign the concept and even the agreement on creating the Union. In this view, I would like to draw your attention to section five – “legal and financial provisions” - the second item. It says that member-states of UCAS find it necessary to have a mechanism of implementation of decisions and certain sanctions for non-implementation. Since Kyrgyzstan and Kazakhstan are ready to sign, perhaps, there is a common view on what kind of sanctions and how to introduce them; or at least what the approach is and what the potential consequences are?

**Umarzak Uzbekov:** I believe this is a technical section that has to be mentioned. It is not clarified here; therefore, it is difficult for me to say what sanctions would be. I think such issues will be decided in the next stage, when one is ready to sign the union. At present it is hard to tell.

**Muratbek Imanaliev:** I think it is not a simple question. It creates serious discussion. Erlan Bekeshevich Abdylidaev correctly finds it an issue. But I believe this is a technical question.

**Borubek Ashirov:** Dear Umarzak Uzbekovich! My question relates to such aspects that may emerge in the course of discussions. What are the principal differences of UCAS in comparison with other regional integration organizations? I looked at the tasks. These are tasks that are being solved within various integration structures; one step ahead and two steps backwards. What are the major differences?

**Umarzak Uzbekov:** First of all, among economic structures EurazEC is the most advanced one. Many things have been accomplished there, hence the results. However, the composition of EurazEC is much wider- a large region. Here, it is narrower: we talk only about Central Asia. So far, it is only five states. Economic tasks are similar, and above all, it is about economic integration. You are right that there are many similarities. Therefore I think that they shall not confront each other. If we can attain the common economic space within Central Asia, and have free movement of goods, services, and capital, I think it will be great.

**Muratbek Imanaliev:** I think that the question of Borubek Ashirovich from one side is acute, and from another - it is very painful. This is because when I personally think about the concept, I visualize the former USSR map. It is to create the common economic space- Russia, Belorussia and Kazakhstan. Here I have a problem that you mentioned now, Umarzak Uzbekovich, - the free flow of capitals - but you forgot about the people. People's movements are serious. Where will be the outflow? In Kazakhstan, I suppose.

**Ishenbay Abdurazakov:** From Uzbekistan to Kazakhstan, I think.

**Muratbek Imanaliev:** Kazakhstan is a participant of that integration system, and now it is initiating the creation of a new integration system. It means here and there is free movement.

I would personally like to make an important statement: answers to these complex questions we need to search for together, not only from the Kazakh side, right? This is an initiative to create the Union, which is positively accepted by all. I talked to the advisor of President Karimov, and despite general pessimism, there, many think that it is the correct setting of the question. Another issue is time and quality.

Now, let's start our discussion. I invite all participants of the round-table to share with thoughts pertaining to the concept.

**Ishenbay Abdurazakov:** I read the document carefully. Of course, it requires corrections, improvement, clarifications and so on; this is the first version. As pointed out by Muratbek Sansyzbaevich, we need to work together. But this is not the main issue. My point is different. The point is in the essence and feasibility of the idea. Starting from the first days of sovereign states, various ideas on rapprochement, integration and so on are present in the region. There were efforts to propose certain ways and here one needs to appreciate the Kazakh side; the MFA of this country always advances something new, tries to restore such forgotten ideas. A similar case is the idea of collective security, etc. With new conditions, it may be justified. It is better than nothing. But I have the following questions: definitely, those preconditions mentioned in the document exist. No one can deny it; however, despite a number of efforts at the level of regional integration, there is not much progress. The question is why? If we are to analyze theoretically, it seems that the benefits are obvious. Of course, Uzbekistan with its population and Kazakhstan with its economic power are those states that are self-sufficient and big enough to advance their own ideas, to integrate into the world. When one looks at the region as a whole – a population of 60 million, - this is a different figure, different attractiveness and, in a way, a different image from the international and geopolitical perspective. At the same time, despite having such preconditions and opportunities, during 15 years the countries have become different in view of their economic development. And how can these countries be united, and advance this idea? Personally I am a great supporter of such rapprochement; however, it is not up to personalities. I think before moving to the concrete realization, it is important to be aware of what we gain from this organization, and what other views, doubts and rejections are, and how to cope with it in order to have each state see the benefits that. In this view, I think that there is no such document that will be convincing, inclusive and indicative of the present problems, so that it will emphasize the necessity to integrate and show what we lose being separated, and what we gain when we are together.

Second, this document is a serious one, excluding some details, contradictions, or unclear points; in general, it seems to me, it is not the first stage but it is the advanced or even the final stage of such union relations. However, since we are discussing various aspects, it is necessary to have a strong expert analysis. This is because the situation in respective countries is different. Surely, once we can cope with disagreements, it will be great; but perhaps, it will take time to overcome them. What is necessary to overcome the current problems? Here there may be experts who know more, but I do not have such materials. This idea can be advanced only in the case of strong commitment from the authorities, state agencies and the public to move this idea forward, that time is of the essence. There has to be certain support, maybe pressure. For this purpose, it is necessary to start realizing the first rank matters. I guess all agree and talk about signing the document. But it will not be advanced in practice. Moreover, we say that this concept is similar to the concept of the European Union; then we need to learn their lessons. In those days, they started by analyzing the uniting fundamentals, agreeing positions and delegating rights. Step by step after the European Coal and Steel Community became viable and they started enlargement. The European experience is very informative; major European powers agreed with the idea. Here, it is possible that the core can be Uzbekistan and Kazakhstan. Perhaps Kyrgyzstan and Kazakhstan are more oriented towards integration, and our leadership said we are ready to sign. But what is the extent of awareness and certainty on how necessary this idea is at the moment? I am not sure. And when the leadership is not certain how rational it is, it will remain rhetorical.

Therefore I propose this. There are questions on many aspects that have to be carefully analyzed. For example, there is the question of water-energy resources. There are plenty of other issues that require objective data and analysis. And such an analysis may stimulate further rapprochement. I emphasize once again that this idea is very necessary and timely, but it is one thing to talk about it, and another to realize it in practice. Let's leave aside the

question of the union's borders. It seems to me, from the very beginning we need to exclude Afghanistan. As for Turkmenistan, there are problems. During Niyazov it was impossible; nowadays they may reconsider this question. When we talk about neutrality, we mean the military-political union, while economic and humanitarian questions are possible to overcome. The most important thing is to start serious and comprehensive research of these issues based on this idea. This has to be a starting point.

**Umarzak Uzakbaev:** May I explain?

**Muratbek Imanaliev:** Yes, of course.

**Umarzak Uzakbaev:** Ishenbay Abdurazakovich, you are right, however, there is an agreement between Kyrgyzstan and Kazakhstan on the allied relations. There is an appendix that is an inherent part of the agreement. Unfortunately, the previous parliament considered this document in its committees and left it. It contained a very exact plan. It may be said that this action plan included many aspects: convergence of our legislature and customs. It was simply stopped. Later it was proposed by the government, because it needed ratification, and therefore it did not go further. Then your side proposed the plan on economic cooperation for the years 2008-2010. However, all moments in this document are briefly described, while the action plan presented it more fully. We raised this question, our side proposes again according to the agreement on allied relations to approve the action plan. If the parliament does not approve again, then your plan –economic cooperation - will be hindered. Here, one may say that these issues are being prepared, and it is a good project.

**Muratbek Imanaliev:** The existence of disagreements is shown in the European Union's experience as well. First of all, ASEAN is not an element for establishing a kind of full and functional union of states. I think that the problem has a different nature. Along with many other things, it relates to the maturity of political elites in Central Asia and their readiness to solve quite complex regional problems by common efforts. Now, as said by Josef Vissarionovich Stalin regarding scientists: "What will our science say?" I would like to give the floor to Professor Nur Omarov.

**Nur Omarov:** Owing to Kazakhstan, we have a good opportunity to discuss urgent issues. In this view, there is a very good analogy. Yesterday morning I returned from Berlin where we discussed the issue of integration and the possibility of establishing a real and functional integration structure. This event was initiated by the Foundation of Ebert; there were colleagues from Tajikistan, and from all our states. Again there were acute discussions among Kyrgyzs and Uzbeks. It was not an open fight, of course, but it indicated those real processes that are present nowadays.

I would like to touch upon the concept briefly. Unfortunately, I have no time to study it carefully, but from a scientific viewpoint there is a discrepancy. The first section – general provisions, then security, and then economy. As shown by the experience of integration processes (by the way I have been lecturing for 6-7 years the course on integration processes at the university), - the situation is similar to our favorite case of the European Union: any political structure without any economic basis simply cannot be substantial. Muratbek Sansyzbaevich fairly noted that our political leaders are not ready for this, and here the same confrontations between Uzbekistan and Kazakhstan may emerge and so on. I think that economy has to be the second most important section. In my view, it would have been better to change the order. This is the first point.

The second point, "common preconditions for integration" sounds good: historical and cultural cohesion, geographical proximity, complementarity and so on - but is it true in fact? I think if we consider the region of Middle Asia and Kazakhstan, there is no historical and cultural cohesiveness in this region. There are two civilizational groups. Kyrgyzstan, Kazakhstan, Uzbekistan and Tajikistan are settled and nomadic nations. Some serious contradictions are present here as well. Geographical proximity and borders...There are still

a number of border and territorial problems. The complementarity can be added by the competitiveness of economies. Other issues can be considered similarly.

Now we appeal again to the European Union, but one has to consider his own history and experience. Today, in my view (I expressed it in the European conference in Berlin), there are two likely models of Central Asian integration, one of which (and partially the second) were mentioned by the president of Kazakhstan Nursultan Abishevich Nazarbaev. The first I would conditionally call the network system of integration. Basically, this is the way chosen by Kazakhstan nowadays after making sure of the idleness of multilateral negotiations and multilateral organizations. In particular, we discuss inter-state councils, for example, Kyrgyzstan-Kazakhstan, Kyrgyzstan-Tajikistan and so on, and then we connect it into the united structure. This is one way. The second way (here, indeed the European experience is extremely valuable, in my view) is to create a consortium as the starting point of integration, particularly what Ishenbay Abdurazakovich said. This is the model of the ECSC - European Coal and Steel Community. In other words, the leading states agreed to distribute and use resources, and it became the starting point to develop integration processes, but again the economic issues were primary. And here, such directions like Nazarbaev's proposal to create a common energy consortium may indeed be constructive. However, there may be some collisions because, for example, Tajik colleagues at the European conference said: "Well, let's say yes, but what does the common energy consortium mean?" Conditionally speaking, the downstream states consider using water together, and separate use of oil and gas. All regional resources then have to be used together. Further it will be necessary to define currency. If it is to be a common economic consortium, we will use all hydro- and energy resources of the region together on the basis of compensation, supplementation or any other basis. Then, there may be indeed something real, and those contradictions on water and hydro-energy will disappear.

Another important question here relates to the concept. It was not idly that I asked the question on whether or not scientists participated in its elaboration. How will it progress? It is impossible to create simply parallel economic and political institutes, and there should be a productive way to create economic institutes, and to have certain political multilateral structures. In fact, there is often the question on transferring sovereignty, national competences, and here many states, including the Uzbek side, are against it. These are stagnated processes. It demonstrates again the European Union's experience, because they tried to create a political union from the 50s but in practice it was established in 1993. Therefore, I think that economy will be a simpler way. As for the politics of security, the common foreign policy and security policy of the European Union was formed officially in the 80s, i.e. after 30-40 years. Definitely, we do not have such time for swinging. Perhaps, it is not necessary to describe moments in details, but it is necessary to talk not about security policies, but mostly about developing common foreign policy. I believe our region will then turn into the common political and economic unit, which may deal equally with other regions and groups. This path was adopted by the CSTO; the SCO partially maintains it, and the EU started with it. I think it is a productive way to develop.

**Muratbek Imanaliev:** I believe that these comments and notes are quite valuable; such speeches must be reflected upon and applied later on. Of course, Nur Melsovich is absolutely right that the economy must be a basis for integration. In those days when the Centra Asian Union existed, we, the Kyrgyz side proposed several principles; one of the most important ones was the balance of sectors' interests. If there is no balance in sectors' interests, it is hardly possible that we will agree upon anything, especially when it concerns energy potential. Kazakhstan and Uzbekistan in those days emphasized more the importance of renewable and non-renewable resources. I think this is a technological question that turned into politics. It is hard to tell whether it was on purpose or not, and I do not want to discuss this topic, but I think that the renewable and non-renewable resources are not the most important issue, if we want to have real integration. The real thing is the balance of sectors' interests. If we do not relate water-energy resources with gas, oil, infrastructure and transport, and do not want to compromise and give mutual preferences, it is obvious that we will never agree on anything. Major powers with strong

economies and with better capacities even in the military dimension have to understand this.

**Muratbek Imanaliev:** Now to continue our discussion on economy, I give the floor to Sultan Mederov.

**Sultan Mederov:** The first thing that I wanted to note – the content of the document and its title. If one talks about the Union of Central Asian states, the name does not reflect the meaning of the word “union.” It is my personal opinion, but I understand the word “union” in its wider meaning. It is about bringing certain things, aspirations to the integration processes and so on. It imposes some limitations on all states of such a union. This is the first point. Therefore I have the impression that it is a return to what we have: EurazEC and other organizations. It is simply a drive to cooperate, the aspiration to integrate, etc.

The second: from an economic viewpoint, the union may be approached quite skeptically, as Muratbek Sansyzbaevich noted correctly now. However, there are other points, for example, difference in understanding common principles of the market economy. All our states strive to build the principles of a market economy, but the extent of economic liberalization, the degree of free economic relations, etc are so different that it is hard to find a common denominator. Moreover, the fact that we have different starting positions for each economy means each economy's conditions for development are different. To find the common denominator, it is hard in fact. There is nothing about it in the document.

The third is the divergence of social minimums. The life expectancy in Kyrgyzstan and Tajikistan are unfortunately much lower than in Kazakhstan. Once again it seems to me that to consider the union will be a long and complex issue. My general impression is that today one can talk of the achievements at the agreement level – these are general principles, common agreements, basically what is written here. For example, when it concerns economy, only movements of goods, services and free flow of goods, free flow of people and so on are mentioned; there is only one place which mentions the common monetary-credit policy. I believe it is a very complex process taking into account the starting data. This is a complicated process – to have common monetary-credit policy. It is possible to agree the general positions of macro-economic policies but when it is more substantial – currency issues and so on - it will be difficult. These moments are not written in this document. I have the impression that it is the return to what we had: let's integrate, let's cooperate...In the long-term perspective globalization processes are becoming intensive; consider the same European Union. I think in the long-term perspective, we cannot escape it and we will strive for it. However, I feel that in the Central Asian region the integration will unfortunately be based on principles of joining but not integrating. When we talk about the readiness of Kyrgyzstan and Kazakhstan to sign certain documents, it is likely not to be according to the principles of parity but of joining on an economic basis.

The final point is the paragraph which concerns the recognition and implementation of decisions, sanctions and so on is, written in a loose manner. I think if this document is to be advanced in practice, then these parameters have to be clearly described, since we talk here only about the common executive body – inter-parliamentary assembly- and that is all. I believe it has to be a separate section. One more thing that is missing is, perhaps, economic courts. When there is union business, there is a union, a common methodological basis, it is impossible not to have courts.

**Muratbek Imanaliev:** The union between Kazakhstan and Uzbekistan that will be joined by Tajikistan later was not established on the initiative of local leaders. There are two projects at present that are neither dead nor alive: this is SPECA: only recently the meeting of the organization was finalized. The UN European Commission tries to push us towards it. There is the project of the Asian bank initiated by China – CAREC. It is neither dead nor alive, but

they meet and discuss; they say that the point is on how present and mature the idea in the region is per se.

I think that the idea as such is necessary, and it has to be advanced to the second track- I mean a range of experts and public organizations. If the union fails, it is important to save the idea. What will be the result of the absence of a conceptual approach or the absence of ideas? For example, Turkmenistan now positions itself, and at least tries to identify itself, as the Caspian state. In other words, it is not Central Asian but Caspian. In Dushanbe there are ideas of another category that are not related to former friends and brothers of the USSR. The Afghan situation opens unique opportunities to our Tajik brothers as alternative variants for international cooperation in the south. There are supporting elements as well that relate to its cultural heritage for example and the actions of external players. Kazakhstan positions itself not as a Central Asian state but more like a Eurasian one. This is why in the beginning of our discussion, we mentioned the necessity to harmonize with Kazakhstan. I want to say that the existence of economic problems, not to mention border problems in the context of ASEAN experience, is not an important limitation. There are two important points: the presence of the common threat, and not only the actual presence of threat but understanding among the region's countries as such. The second: the requirement to create preferential conditions to each other in trade. There are many problems so far; we are very resistant towards each other. We understand there is a common threat. We understand there is terrorism, drugs and so on. However, in many cases our political elite treat it as a virtual threat, or precisely – a virtualized threat. In total, there are many problems that we need to work on.

**Ishenbay Abdurazakov:** When we discuss such ideas, unfortunately, the process of differentiation goes too far. When we talk about commonality, we want the presence of an absolute purity. This is never the case. Nur says that we do not have preconditions, we are different nations, and as an example he mentioned two civilizations: nomadic and settled. Of course, this factor exists, but this is not the major one, it is a kind of sub-factor. There are wider concepts that unite us historically, culturally, religiously and so on. The same is true for the Kazakh position on Eurasianism. I think there is a point in this position but at the same time there is an intention to play with Slavic nations, Russians and others. And this is quite normal. It does not deny the fact that Kazakhstan is in fact a Central-Asian-Eurasian rayon, because we are not in the center of Asia. This is the western part of Asia, i.e. a half of the territory relates to Europe simply from the geographical viewpoint. But this is not the point. It seems to me, we need to stick to those variants that are present and that will encourage our determination. Tajik friends, no matter how they try to create the great Tajikistan, it is not feasible. This is not real at all. Tajikistan is closer to our region economically and in terms of other aspects. I totally agree with Muratbek Sansyzbaevich that what is important now is not to kill the idea in its embryonic form. This is very important. We need to continue our discussions, to look for factors that encourage integration. The most important thing is to find bases to convince the elite and public that integration will be beneficial for each state.

**Salamat Alamanov:** I believe our discussion was interesting and useful, at least for me. I want to say that this concept, in my view, must be developed more: the conceptual part must be improved. There is the concept together with the mechanism of its realization. Therefore, when we report and undertake joint efforts in energy security, we will incorporate mechanisms that must be worked out in practice, when we start working on real integration in our region. I understand that in the first stage we need to show a range of interests that unite us, and what we need to do. I give much credence to the common preconditions for integration. The historical and cultural commonality- it is not a secret that nowadays in all our states there is the self-identification process of people like that of great nations. I ask my colleagues. Now we try to create a great nation. After a while the current youth will become state officials and scientists, and educated on the basis of false materials; they will meet at international forums, and operate with "facts" that can be conflicting. Those books on certain great nations are written by academics...To incorporate such self-identification in our children, seems to me, would be catastrophic. I think the historical and cultural commonality must be explained more. We need to show that we have in fact

common roots whether it is historical, territorial and cultural irrespective of which ethnic groups we refer to in the region. There are plenty such facts. Common borders and territories, complementarity of economies- it has to be explained, what we mean by the complementarity of economies. I believe we will have different views, different interpretations. Each of us has economic interests, and it will seriously pressure each side when we are about to take the final concept. The unity of transport and water infrastructures –these are two linear points that are inherently connected, but how do they contribute to integration? Nowadays the transport networks in the Fergana Valley play only a negative role for the local population and inter-state relations. Water arteries are the source of conflicts starting from the very days of sovereignty in our region. Hence, it is necessary to conceptually decide or identify these issues now. What do we mean by unity? Is it that network united? Or is it such communication that will serve at all times continuously?

Along with interesting proposals - tasks to form a common economic space, the kind of global-level issues of the region - I think, it is important to decide a particular issue of use, optimization and rationalization of water-energy resources of transboundary rivers. I would add this: the hydro-carbon resources, taking into account member-states of the UCAS. To remove a further reference to the UN Convention. It was mentioned already that these conventions have been evaluated together with Tajik colleagues. They were adopted under pressure from larger states that are downstream countries. In other words, upstream countries' interests were not taken into consideration. Therefore, we proposed that there be a meeting in Almaty on this occasion where it says: it is necessary to work out our own convention, in the case of UCAS, on water and water resources. The conditions of the region are seriously different from the standard conditions in the rest of the world. From this perspective, we have a unique country, and I think, all of you are aware of it. Why do we need to stick to something that was developed by others: Europeans, Americans and other countries? Let's develop our own convention. In my view, no one will prohibit it, and what is important is that we will consider the interests of all our countries. I have a proposal that if we want to develop this concept further, integration mechanisms must include this issue. As for other dimensions of cooperation, we need to approach it critically and incorporate useful parts of documents that unite other regions. But certainly, we need to construct the concept for ourselves, for our region, if we are about to create the Union of Central Asian states.

**Muratbek Imanaliev:** I want to add here that the UN Convention on this issue contradicts the European Convention. International law may not be useful as a legal basis. But it may be disputable to decide which convention we must refer to, because Uzbekistan is not a participant of the European Convention. I think we need to work on this very seriously. Unfortunately, we do not have time. Let's give the floor to the ambassador Ashirov.

**Borubek Ashirov:** Several small remarks. The first remark is technical. The name of the organization, especially the abbreviation does not sound good. CIS is sound. EurazEC is sound but UCAS is not. It is desirable to return to the former, previously used name – Central Asian Union (CAU). It is sounder, in my view.

The second, since we mentioned the CAU, is to remove the question on why a new integration organization is sought, we must answer: why did we terminate the CAU and then CACO? While establishing them, there were hopes that within the Central Asian region, we would be able to create such organizations that could solve at least economic issues, and it is repeated again in this document. I remember in 1994, when we created the Central Asian regional organization, and called it the inter-state council, the main theme was to establish common economic spaces. Then we reorganized the inter-state council into the Central Asian Economic Union. Later we accomplished none of those tasks. Therefore, many had questions. Even if this organization would not have merged with EurazEC, it was terminated anyway. In its last days, there was no point to this organization. I was succeeded by Mahmudjon to lead the organization; he knows when the CAEU was turned into the Central Asian Cooperation Organization. There, even decisions were not compulsory. There were only recommendations. In other words, we gathered, discussed and that was it. Accept if you want, or not.

Now I think: whether we will create a similar new union of a higher level? Whether the same destiny awaits as that of the CAEU? The experience of CAEU has to be studied. There were interests, aspirations; at the meetings we decided something. Even water-energy regulations were discussed. In 1998 there was the decision on rational use of water-energy resources, and until today this issue is regulated legally, even though the agreement does not match all requirements, and it has to be changed. Nevertheless, it shows that this organization existed, and if there were the will and interests of all participating states, it would have been possible to advance its activities.

The third: even we create the economic union; one of the purposes of such a union will be the creation of the free trade area. EurazEC considers this issue as decided. They expect to sign until the end of this year an agreement on the formation of the Customs Union as a matter of fact. We again turn backwards, even though all our four states that will join the new union are members already. We go back to solve the solved issue. In the Customs union the task is dealt with stage by stage; the creation of a free trade area, then customs union, and then the currency union. How will the Customs Union correlate with the membership in the World Trade Organization? The latter does not allow limitations regarding the third states while the Customs Union does. How will it match up?

And the last point. If we consider the European Union as a model, why not to start with key spheres where we have problems? Maybe there is no need to create the united economic space and so on, and we need to consolidate our efforts on such questions like water-energy regulation, transport, and security. When we decide these issues, in the future there may be a more effective union. If we do not decide, no matter what you call it, it will not make sense.

**Muratbek Imanaliev:** Concluding our very interesting round-table, and where many ideas were advanced, I would like to say the following. Despite the radical positions of our friends, and sometimes an extreme optimism, we all agree that such a union (in this case – no matter how we name it, it is not important) is necessary.

I will repeat once again that in my view, it is justified historically, culturally, economically and geographically. We all need to move towards this direction, at least because Central Asian states can be separated otherwise. We always try to talk about our past, in this case – Turkish. Salamat Kulenbekovich mentioned about 'who is bigger and older.' This question has to remain in the agenda. But I believe that the Soviet past is the historical and socio-economic, lingo-cultural factor that favors integration. I think we should not forget the Soviet past, because it serves as linking element for the former Soviet Inner Asian republics as a step towards integration. I believe we still have a chance. I agree with Umarzak Uzbekovich that there are many contradictions; many problems and we need to work on. Perhaps, it is better not to hurry in creating the union, because we have bad experience with inertia seriously and negatively affecting people's perception. At the end, I would like to propose this to Umarzak Uzbekovich: in spite of all meetings at ministerial and presidential levels and sending messages to each other, there has to be a serious regional conference on this issue. The best place will be Almaty where experts from all Central Asian countries may gather. Definitely, we need to invite our Russian, Chinese experts, and representatives from OPEC and CAEU. In other words, we need a 2-3 days conference where the topic of Central Asian integration has to be discussed to understand how to treat it, and whether we are ready or not. Perhaps, we will be able to make something of it.

To conclude, I would like first of all, to express thanks to Umarzak Uzbekovich for today's initiative. In my view, it has reflected not only the Kazakh leadership's position but his personal position as well. I would like to thank all participants of the round-table, and wish you all the best, good luck and good health.