Chapter 1  •  Asia 3

Central Asia and the Caucasus

Pillars of Aid  Light and Shadow of the “New Silk Road”

Central Asia and the Caucasus was a strategic location on the Silk Road that linked Asia and Europe, where people moved and goods were traded since time immemorial. With the development of petroleum and gas resources along the Caspian Sea, construction of new pipelines and reconstruction of roads and railroads attracts attention; it is said that the “new Silk Road” era has come. However, except for urban areas, people’s lives in rural areas are harsh and poverty alleviation and creation of job opportunities still remain as serious issues.

It is over a dozen years since the region achieved independence following the collapse of the Soviet Union. Some countries have continued to enjoy steady economic development because of rich natural resources, and some are rather advanced in their transition to a market economy. However, disparities in economic development vary. Armenia and Georgia, respectively, and both countries have their own cultures with their own languages and characteristics. This region has a complex ethnic mix including Turks, Slavs, and Persians.

The area stretching from East Asia, Central Asia to the Middle East is referred to as the “arc of instability.” Achievement of stability and socioeconomic development of Central Asia and the Caucasus, located in the heart of the arc, will greatly contribute to the peace and prosperity of the international community. To that end, Japan has actively provided assistance to these countries following their independence.

Diversifying Politics and Economy

Since independence, each country has advanced in its transition to a market economy. However, disparities in economic development are becoming great depending on the presence of natural resources or differences in the speed of reforms. Kazakhstan, Kyrgyzstan, and the three countries of the Caucasus are moving firmly in the direction of trade liberalization, deregulation, privatization of state enterprises, and other types of structural reform. Kazakhstan and Azerbaijan have achieved econom-
ic growth thanks to oil development in the Caspian Sea. The economy of Georgia, located in the middle of the route of the BTC pipeline (from Baku in Azerbaijan to Cyhan in Turkey), which transports crude oil produced in the Caspian Basin, is expected to benefit from pipeline transportation income as the BTC pipeline was completed in 2006. Despite its efforts in economy liberalization, Kyrgyzstan suffers from large debts and has to address financial and economic reconstruction. On the other hand, Uzbekistan and Turkmenistan are distancing themselves from these radical reform programs and following their own slow paths. Tajikistan overcame difficulties of years of civil war, achieving a peace agreement in 1997 and implementation of congressional elections in 2000. It is now pushing forward economic reform after formulating a Poverty Reduction Strategic Paper (PRSP) in 2002.

The major industries in this region, except for natural resources, are agriculture and livestock and food processing and textile businesses using the agricultural and livestock products. The agriculture in Central Asia is represented by rain-fed upland farming (wheat and barley) and livestock in the steppe centered in Kazakhstan and the monoculture of cotton production employing large-scale irrigation centered in Uzbekistan and Turkmenistan. Most of the Caucasus region enjoys a Mediterranean climate, and each country is engaged in agriculture suitable for the regional climate and conditions, as represented by Armenian cognac and Georgian wine, which were already renowned during the Soviet era.

Though efforts differ from country to country, the establishment of new systems appropriate for production, processing, distribution, and sales in replacement of the kolkhoz remains a critical issue in agriculture and livestock along with the progress of transition to a market economy.

Democratization and Trends in International Relations

With the terrorist attacks in the US on September 11, 2001, and the subsequent air strikes in Afghanistan, Uzbekistan, Tajikistan, and Kyrgyzstan offered military bases to US and European forces, thus boosting the presence of the US in Central Asia.

Following independence, in most countries leaders from the Soviet era continued to hold the reins of governments. However, the Rose Revolution broke out in Georgia in November 2003, the Orange Revolution in Ukraine in 2004, and the Tulip Revolution in March 2005 in Kyrgyzstan (though slightly different in nature), resulting in regime shifts. When a massacre took place in Andishan, Uzbekistan in May 2005, western nations condemned the Uzbek government for putting it down by armed force, thus damaging the relationship between Uzbekistan and western nations and causing the withdrawal of the US military from the air base in Uzbekistan in November 2005.

In contrast, China has been increasing its political and economic involvement in Central Asia through the Shanghai Cooperation Organization (SCO). Furthermore, Russia became a member of the Central Asia Cooperation Organization (CACO) in 2005 and Uzbekistan joined the Eurasian Economic Community (EEC) in early 2006, leading to the decision of the integration of CACO and EEC. This shows that China and Russia are getting close to Central Asia and the international situations surrounding this region are changing dynamically.

In the Caucasus, Azerbaijan and Georgia are strengthening their links with the West, particularly in connection with petroleum and petroleum pipeline development. On the other hand, Azerbaijan and Armenia still continue to dispute possession of the Nagorno-Karabakh enclave.

Addressing Priority Issues in JICA Programs

Embodying New Regional Strategies

In August 2004, then Foreign Minister Yoriko Kawaguchi visited countries in Central Asia and proposed a new cooperative framework of “Central Asia plus Japan” dialogue and agreed with every country. It was decided that under this framework, in addition to strengthening bilateral relationships, which was promoted in the conventional “Silk Road Diplomacy,” Japan assists in the promotion of intra-region cooperation related to common issues in the region (terrorism, drugs, transportation, water and energy resources, trade, environmental conservation, etc.) as well as the promotion of coordination with neighboring countries outside of the region such as Afghanistan.

Cooperation for Central Asia

While promoting intra-regional cooperation for “Central Asia plus Japan,” JICA provides cooperation in four priority areas with the aim of supporting self-sufficient development in Central Asia, namely: (1) support for transition to a market economy; (2) support for rebuilding social sectors; (3) economic infrastructure development; and (4) conservation of the environment.

Support for transition to a market economy includes the promotion of small and medium-sized enterprises, support for WTO accession, support for establishing legal systems, institution-building, and human resources development in relation to reforms of financial systems. Specifically, JICA has launched projects,
Legal Assistance for Improvement of the Conditions for Private Enterprises and Drafting Commentary on the Law on Bankruptcy in Uzbekistan. In Kyrgyzstan, the opening ceremony of the National IT Center was held and courses for training IT engineers who will contribute to industrial promotion were opened.

Furthermore, in the above two countries and Kazakhstan, JICA centers offer business courses aimed at developing practical human resources that will push forward the transition to a market economy, as well as Japanese language courses and activities for promoting mutual understanding.

Support for rebuilding social sectors includes policy support and upgrading equipment with respect to health and education reforms. In Uzbekistan, Nursing Education Improvement Project has been implemented to support curriculum development. Furthermore, nurse JOVs are making strenuous efforts to improve nursing care services.

In the area of economic infrastructure development, cooperation centered on upgrading roads that reach the outside of the region is being considered. In the environmental area, cooperation in relation to water monitoring and flood control has begun.

Cooperation for Three Caucasus Countries ———

In order to support efforts for poverty reduction and improvements in livelihood in the three Caucasus countries, JICA has designated income improvement, promotion of employment, and enhancement of the quality of and access to public services as priority areas. As such, support for training business owners of small and medium-sized enterprises and cooperation in the area of water have commenced.

Experts attending the opening ceremony of the National IT Center, which plays a central role in the promotion of IT industry (The IT Human Resource Development in the Kyrgyz Republic)

Support by senior volunteers
JICA has assisted BWA in developing new trainers, strengthening trainers’ skills, and strengthening the function of training centers. In order to accelerate the speed of the assistance, since April 2005 JICA has dispatched senior volunteers to the Tashkent region to provide support upon request.

Currently, Tashkent has 21 districts, only half of which have training centers with competent district leaders and some of which have not even appointed responsible personnel. Senior volunteers visit these districts to motivate prospective women entrepreneurs to start up businesses and offer seminars to women entrepreneurs who have already started businesses as to how to increase sales. These activities have attracted much attention.

Promotion of women’s independence and increase in rural women’s employment will be achievements of BWA’s activities as well as the outcomes of JICA’s assistance.

(JICA Uzbekistan Office)

Aiming for Women’s Independence and Participation in Society

BWA promotes women’s independence
In Uzbekistan, about 60% of the women marry by the age of 20. In general, women marry at a young age and live with the families of their husbands, bearing the responsibility of household tasks. Thus, they rarely think of becoming independent. However, once they are past the child-rearing stage, they develop the urge to do something to improve their position in the household by helping or pleasing the family members. Women often have to work to support their families if their husbands lose their jobs. The Business Women’s Association (BWA) is an NGO that such women can turn to. BWA helps women acquire skills to become independent, and imparts knowledge (about management, tax, registration, etc.) that is necessary for starting a business. Furthermore, it provides consultation on finance to starting up a new business, which is the major issue for women.

The need for such consultation is particularly high in rural areas, and the BWA has strengthened its function to respond to this need. All these activities of the BWA are supported by volunteers, who are women entrepreneurs chosen for the role.

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Women learning sewing techniques at the BWA to acquire job skills