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 Summer Semester 2022

## **The Political Economy of Unsustainable Development in Central Asia**

**Lecture:** Dr Sebastian Schiek, Dr Kuat Akizhanov.

**Place:** Garystr.55/ lecture hall A

**Time:** Wednesday, 12-14

**First session:** 20 April 2022

**Office Hours:** Upon request, Online

### **Modules:**

Master of Science in Economics: *Economic Systems*

Master of Science in Public Economics: *Ökonomische Theorie politischer Entscheidungen*

Master of Arts in East European Studies: *Profilbereich VWL*

### **The Political Economy of Unsustainable Development in Central Asia.**

The course is jointly conducted by political economist Kuat Akizhanov (Nur-Sultan) and political scientist Sebastian Schiek (Berlin) and takes place in English partly online, partly offline. The course aims to build an understanding of evolution and transformations that has taken place in the five post-Soviet Central Asian countries, namely, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. This course applies the interdisciplinary approach to analyse the socio-economic and political processes in the region. It is designed to provide students with a solid introduction to key actors in the Central Asian states and approaches that will serve as the analytical basis and a tool for policymaking. It will explore some of the historical experience of regional development, as well as contemporary debates. This more nuanced approach will help students to see the broader picture of the global political economy of sustainable development from the vantage point of post-Soviet societies and critical political economy perspective.

Following the concept of sustainable development, the overall hypothesis of the course is that the economy and politics have not developed sustainably in the years since independence: Wealth is based on (resource) extraction and unequally distributed between elite and the general population and between urban and rural areas. Labour is often precarious. Small and medium businesses struggle with elite networks that dominate large parts of the economy.

During the course, we apply diverse concepts from political economy and related theories to explain Central Asia's unsustainable development.

While doing so, we attempt to minimize the risk of exoticising, essentialising and pathologising the region, which is dominant in parts of the literature on Central Asia (Sanghera and Satybaldieva, 2021). We will take into account both national and international approaches and factors that have shaped post-Soviet dynamics. Special attention is given to economic systems, the influence of ideologies and ideas, such as neoliberalism, and the role of political power and national elites. For instance, in post-Soviet capitalism, the concept of neoliberalism has shifted the balance of power towards the political elites in these countries. Topics covered include the transition from nomadic society to socialism, the transition to capitalism and neoliberalism in the 1990s; Central Asia's embeddedness in the global (under)development project; natural resource dependency and rentier capitalism; political economy and gender; financialization, market reforms, and protest; agricultural reform, political power, and the environment; autocracy and participation; rural development and societal resilience; the politics of green transformations and decarbonization.

**Active Participation:** Presentation of a syllabus paper.

**Regular Participation:** 75% attendance of lectures and exercises. Students will be allocated into constant groups of 3-4. For each week one of the groups will have to make a presentation on a topic related to the lecture (of the first half of a session).

**Grade:**

Final Exam. Wiwiss students and OEI students will be given different final exams, which correspond to the requirements of their respective degrees.

**Recommended Literature:**

1. Sanghera, B., & Satybaldieva, E. (2021). Rentier Capitalism and Its Discontents: Power, morality and resistance in Central Asia.
2. Isaacs, R., Marat, E. (2022). Routledge Handbook of Contemporary Central Asia. Routledge.
3. Sorbello, Paolo & Totaro, M. (2022). Oil, Capital, and Labour Around the Caspian. In: Isaacs, R., Marat, E. (2022). Routledge Handbook of Contemporary Central Asia. Routledge.
4. Van den Bosch, J. J., Fauve, A., & De Cordier, B. (2021). The European Handbook of Central Asian Studies. History, Politics, and Societies.

5. Overland, I., Kjaernet, H., & Kendal-Taylor, A. (2010). *Caspian Energy Politics*. London: Routledge.
6. Hiro, D. (2011). *Inside Central Asia: A Political and Cultural History of Uzbekistan, Turkmenistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, and Iran*. Abrams.

### **Week 1: Kick-off Session**

We will discuss the syllabus, the overall concept and give a concise introduction to the most important theories & concepts. We will discuss, amongst others the terms and concepts political economy, (un)sustainable development and talk about the level of analysis we adopt during the course.

### **Week 2: Introduction: The Post-Soviet Central Asia** **(Dr. Kuat Akizhanov)**

The session will be broken into two parts. The first part gives an overview of what has happened in the Central Asian countries over the last thirty years since the collapse of the Berlin wall in 1989 and the USSR in 1991. Second part will be an overview of what is meant by development, and the sorts of issues we'll be covering, e.g. importance of colonial and Soviet rule in Central Asia, etc. Will link to Thomas (2000) notion of development as a historical process, a vision of desirable society, and as a deliberate effort/intervention.

**Seminar:** Groups will analyze specific twitter and instagram accounts of different actor groups in Central Asia (Presidents, Activists, Business, International Organisations etc.). The accounts will be analyzed with respect to narratives, political attitudes, visual and symbolic aspects.

### **Literature:**

- Batsaikhan, U., & Dabrowski, M. (2017). Central Asia—twenty-five years after the breakup of the USSR. *Russian Journal of Economics*, 3(3), 296-320.
- Kalra, P. (2021). Locating Central Eurasia's inherent resilience. *Cambridge Review of International Affairs*, 1-21.
- Denison, M. (2009). The art of the impossible: Political symbolism, and the creation of national identity and collective memory in post-Soviet Turkmenistan. *Europe-Asia Studies*, 61(7), 1167-1187.
- Tsereteli, M. (2018). The Economic Modernization of Uzbekistan. *Uzbekistan's New Face*, 82.

### **Week 3: Pre-Soviet and Soviet (Un)sustainable Development (Sebastian Schiek)**

After the introduction to the region based on the developments since the 1990s, we will analyze the profound changes and upheavals in Central Asia since the colonisation of Central Asia by the Russian Tsarist Empire in the 19th century. In particular, the forcible sedentarisation of Kazakh and Kyrgyz nomads had dramatic consequences for people and the environment and resulted in a famine with millions of deaths. This was followed by a stable period of Soviet modernisation, with industrialisation, social change, and investment in education. This phase created the conditions for a high level of human development in Central Asia at the time of independence but also reinforced the path dependencies that continue to have an impact in today's post-imperial phase.

#### Literature:

Bonacker, T., Lottholz P. (2022): Understanding the Post-Imperial Politics of Security, Stability and Ordering in Central Asia, in: Europe-Asia-Studies 74 (1).

Cameron, S. (2018): The Hungry Steppe: Famine, Violence, and the Making of Soviet Kazakhstan. Cornell University Press

Dave, B. (2007): Kazakhstan - Ethnicity, Language and Power. Routledge.

### **Week 4: The Move to Market-Oriented Development and Neoliberalism**

**(Dr Kuat Akizhanov)**

This session will cover the transition to a market economy that was implemented with different pace in the Central Asian region. From a radical 'shock therapy' in Kazakhstan and Kyrgyzstan to a more gradual approach in Uzbekistan and 'frozen' structural adjustments in Tajikistan and Turkmenistan where some elements of the centrally-planned economy still have place along with rudiments of a free market. Local elites have used market-oriented restructuring and *laissez-faire* approach to extract income and to build the bases of the kleptocratic governance where the Washington Consensus ideology was used to justify socio-economic restructuring.

**Seminar:** The focus of your presentation and our discussion will be on the following: 1) What are the main challenges for countries like Kyrgyzstan in joining the free trade agreements? Think on WTO, Eurasian Union, NAFTA, etc.; 2) What could be the balance between enjoying benefits of the free trade and protecting a country's industries? How valid are these arguments? 3) How do you understand the notion "neoliberal globalization"? Are there different types of globalization? 4) What are the main consequences of the market-oriented restructuring in the countries of the region? Who are the main 'gainers' and 'losers'? Any parallels with both countries of the Global North and Global south?

#### Literature:

Saad-Filho, A., & Johnston, D. (Eds.). (2005). *Neoliberalism: A critical reader*. London: Pluto Press.

Sanghera, B., & Satybaldieva, E. (2020). The other road to serfdom: The rise of the rentier class in post-Soviet economies. *Social Science Information*, 59(3), 505-536.

Sanghera, B., & Satybaldieva, E. (2021). Selling debt: Interrogating the moral claims of the financial elites in Central Asia. *Capital & Class*, 45(3), 347-370.

Alam, A., and Banerji, A. (2000) 'Uzbekistan and Kazakhstan: a tale of two transition paths', World Bank Policy Research Working Paper, (2472). Available at: [https://openknowledge.worldbank.org/bitstream/handle/10986/19763/multi\\_page.pdf?sequence=1](https://openknowledge.worldbank.org/bitstream/handle/10986/19763/multi_page.pdf?sequence=1)

Appel, H., and Orenstein, M. A. (2016) 'Why did neoliberalism triumph and endure in the post-communist world?' *Comparative Politics*, 48(3), p 313-331.

Birch, K., and Mykhnenko, V. (eds.) (2010) *The rise and fall of neoliberalism*. London: Zed Books.

### **Week 5: 2022 Russian invasion of Ukraine: Implications for Central Asia**

Russia, together with China, is the most important economic and political partner for Central Asian countries. Russia plays a predominant role in trade and trade facilitation, investment, and as a destination country for Central Asia's labor migrants. Kazakhstan and Kyrgyzstan are members of the Russian-led Eurasian Economic Union and, together with Tajikistan, of the CSTO military alliance. In this session, we look at the political and economic consequences of the Ukraine war and the international sanctions against Russia for Central Asia.

### **Weeks 6: Natural Resource Dependency and Rentier Capitalism in Central Asia**

**(Dr Kuat Akizhanov)**

We will discuss links between underdevelopment and the 'paradox of plenty' or petro-state. Extensive natural resources (oil, gas, gold and cotton) extraction has had manifold economic and political impacts that determine the 'predatory' nature of the state in the post-Soviet Central Asia. On the other hand, resource-poor countries such as Kyrgyzstan and Tajikistan cannot boast about re-industrialization and mature democratic institutions either. We will explore how in oil- and gas-exporting countries (Kazakhstan, Turkmenistan, Uzbekistan) political regimes are legitimised and why booms destabilize these regimes.

**Seminar:** This week's seminar is based on discussions around notions of the developmental state, policies leading to successful industrialization and upgrade of competitiveness. You are asked to choose one country (NOT from the region) as an example of successful economic development (e.g., South Korea, Singapore, Taiwan, post-war Germany and Japan), describe the context of this development and compare it with any other country of the region. The following questions may help you to enhance critical discussion: 1) What was/were the main strategy/ies

that led to successful economic development in this country? 2) What is more important for long-run economic development: active state interventions or *laissez faire* approach to governing the market? 3) How 'comparative advantages' of some post-Soviet countries of the region can be/could have been used to improve their 'competitive advantages'?

#### Literature:

- Karl, T. L. (1997) *The paradox of plenty: oil booms and petro-states*. London: University of California Press.
- Ross, M. (1999) 'The political economy of the resource curse.' *World Politics* 51(2), p297-322.
- Ross, M. (2001) 'Does oil hinder democracy?' *World Politics*, p325-361. doi: 10.1353/wp.2001.0011.
- Ahmet, K. U. R. U. (2002). The rentier state model and Central Asian studies: The Turkmen case. *Alternatives: Turkish Journal of International Relations*, 1(1).
- Hierman, B., and Nekbakhtshoev, N. (2014) 'Whose land is it? Land reform, minorities, and the titular 'nation' in Kazakhstan, Kyrgyzstan, and Tajikistan', *Nationalities Papers* 42(2), p336-354.
- Kalyuzhnova, Y. (2011) 'The national fund of the Republic of Kazakhstan (NFRK): from accumulation to stress-test to global future', *Energy policy* 39(10), p6650-6657.
- Kalyuzhnova, Y., and Patterson, K. (2016) 'Kazakhstan: long-term economic growth and the role of the oil sector', *Comparative Economic Studies* 58(1), p93-118.
- Bohr, A. (2016). *Turkmenistan: Power, politics and petro-authoritarianism*. Chatham House, Royal Institute of International Affairs.

### **Weeks 7: Feminist perspectives on Central Asia's political economy (Dr Sebastian Schiek)**

This session applies feminist perspectives on the political economy of Central Asia (which does not mean that gender issues do not play a role in following sessions). While the primary motivation of the Bolsheviks for their women's policy was the lack of a proletariat, the Soviet phase in Central Asia indeed fundamentally changed the position of women. Often discredited by Western feminism, Soviet 'state feminism' gave women considerable agency and enabled participation in economic and social life. Nevertheless, the Soviet phase also has ambivalences that continue to shape the independence phase. This also applies to continuing inequalities, but also to often discussed traditional phenomena such as bride kidnapping in Kyrgyzstan or cousin marriages in Uzbekistan, which turn out to be more ambiguous than assumed and reveal the Orientalizing discourses by external actors.

For this session, all groups take an active part: for the first half of the seminar, each group prepares a short presentation. For the second half of the session, the groups will prepare for interviews with two guests from Uzbekistan and Kazakhstan who will join the seminar online.

**Literature:**

- Ghodsee, K. (2019) *Second World, Second Sex. Socialist Women's Activism and Global Solidarity during the Cold War*. Duke University Press.
- O'Neill Borbieva, N. (2019): *Visions of Development in Central Asia: Revitalizing the Culture Concept*. Lexington Books.
- Dergoussoff, D. (2018). Rural Women's Encounters with Economic Development in Kyrgyzstan. In *Women of Asia* (pp. 415-423). Routledge.
- Cleuziou, J., & Drenberger, L. (2016). Gender and nation in post-Soviet Central Asia: From national narratives to women's practices. *Nationalities Papers*, 44(2), 195-206.
- Verdery, K. (1994): *From Parent-State to Family Patriarchs: Gender and Nation in Contemporary Eastern Europe*. *East European Politics and Societies* 8 (2).

**Week 8: Rethinking Income Inequality in post-socialist Central Asia****(Dr Kuat Akizhanov)**

The underlying causes of increasing income inequality in Central Asia as everywhere in the world are various, complex, and multi-dimensional. However, the contemporary form of capitalism (finance capitalism, neoliberalism) might be at the root of this cause. There are too many and too complex interrelated factors and dimensions of increasing income disparity to be ignored or left for unidimensional approach of mainstream economics theories. The research on income inequality is the research about the political economy of modern capitalism. Apart from ideological explanations, there might be some deep conceptual and methodological reasons for misunderstanding and denial of inequality in Central Asian countries.

**Seminar:** For your presentation and our class discussion chose one country of the region and describe the patterns of income and wealth inequality. What are the main causes of the rising socio-economic disparity? Are their common reasons that can be traced both in the countries of the region and any other country in the world with high income gap between the poor and the rich?

**Literature:**

- Kaasa, A. (2003). *Factors influencing income inequality in transition economies*. University of Tartu Economics and Business Administration Working Paper Series, (18).
- Mikhalev, V., & Heinrich, G. (1999). *Kyrgyzstan A Case Study of Social Stratification*.
- Junisbai, A. K. (2014). The determinants of economic system legitimacy in Kazakhstan. *Europe-Asia Studies*, 66(8), 1234-1252.
- Laruelle, M. (2012) 'Discussing neopatrimonialism and patronal presidentialism in the Central Asian Context.' *Demokratizatsiya*, 20(4), p301.

Satybaldieva, E. (2018). Working class subjectivities and neoliberalisation in Kyrgyzstan: Developing alternative moral selves. *International Journal of Politics, Culture, and Society*, 31(1), 31-47.

Najman, B., Pomfret, R., Raballand, G., & Sourdin, P. (2008). How are oil revenues redistributed in an oil economy? The case of Kazakhstan (No. hal-00266752).

### **Week 9: Autocratic Systems and Civic Participation (Dr Sebastian Schiek)**

Political rule in Central Asia is mostly authoritarian, although there are major differences between political systems and practices. In all countries, the monopolisation of political power is closely connected to the monopolisation of economic power. During the session, we will discuss two aspects of Central Asian's authoritarianism: The first aspect are techniques of power consolidation. We will discuss different concepts and techniques of power consolidation. The availability of financial capital and repressive capacities are important prerequisites to uphold power and prevent regime changes or coup d'états, but they are by far not the only ones. We will mainly discuss discursive and biopolitical instruments of the autocratic toolbox. The second aspect is the role of citizens in authoritarian politics: we will analyze whether and how citizens do participate in public discourses and political decisions.

Bonacker, T., Lottholz P. (2022): Understanding the Post-Imperial Politics of Security, Stability and Ordering in Central Asia, in: *Europe-Asia-Studies* 74(1).

Omeličeva, M. (2015): Authoritarian legitimization: assessing discourses of legitimacy in Kazakhstan and Uzbekistan, in: *Central Asia Survey* 35(4).

Lemon, E. & Thibault, H. (2018): Counter-extremism, power and authoritarian governance in Tajikistan. In: *Central Survey* 37(1), pp. 137-159.

Ismailbekova, A. (2017). The Return of the Native Son. The Symbolic Construction of the Election Day. Chapter 6 of 'Blood Ties and the Native Son: Poetics of Patronage in Kyrgyzstan'. Cambridge.

Ismailbekova, A. (2021). Native son: the rise of Kyrgyzstan's Sadyr Japarov. Online at: <https://beta.opendemocracy.net/en/odr/native-son-the-rise-of-sadyr-japarov-kyrgyzstan/>

Knox, C. & Janenova, S (2018). Public councils in Kazakhstan: a case of emergent participative democracy? In: *Central Asian Survey* 37(2).

### **Week 10: Climate Mitigation in Central Asia: Challenges of Decarbonization of the Regional Power Industry (Dr Kuat Akizhanov and Dr Daulet Akhmetov)**

Central Asian countries have inherited from Soviet planning economy energy inefficient economies, fossil fuel power generation sectors and energy subsidy policies. With exception of Kyrgyzstan (with its hydropower plants), other CA power industries have strong carbon footprint.



Therefore climate change agenda results in several challenges in CA energy transition: technological (how to integrate renewable energy, RE), economic (how to attract investment into RE and how to support competitiveness of energy inefficient economies) and social (how to eliminate energy subsidies, provide access to energy and employment for workers of fossil-based industries). We will explore trade-offs, win-win, and ethical dilemmas in decarbonization policies. Taking into account the recent initiatives of the Central Asian governments to achieve full carbon neutrality by 2050-2060 timeframe, the different policy alternatives will be discussed.

**Seminar:** For your presentation and our class discussion chose one country of the region and describe one (or few) of its environmental problems. It might be severe pollution in cities, or Aral sea disaster, or any other climate change-related issue. What are the main causes of this problem? Is it inherited from the Soviet era or a comparatively new environmental issue in the region?

#### Literature:

Lioubimtseva, E., & Henebry, G. M. (2009). Climate and environmental change in arid Central Asia: Impacts, vulnerability, and adaptations. *Journal of Arid Environments*, 73(11), 963-977.

Reyer, C., et al. "Climate change impacts in Central Asia and their implications for development" *Regional Environmental Change* (2017) 17: 1639

Satke, Ryskeldi: Interview: Climate Change in Central Asia. Columbia University's Benjamin Orlove on the repercussions of climate change in Central Asia. *The Diplomat* 7 (2015)

Bernauer, Thomas and Tobias Siegfried: "Climate change and international water conflict in Central Asia" *Journal of Peace Research* 49: 227-239 (2012).

### **Week 11: Agricultural Reform, Power and the Environment (Dr Sebastian Schiek)**

We will study the political economy of agriculture in Central Asia. Within the region, there are significant differences in terms of farm size, importance of agriculture for the export economy, and the share of subsistence farming. We focus on the relationship between agriculture, economics and politics by looking at the motives, processes and outcomes of agricultural reforms.

#### Literature:

Boboyorov, H. (2012): Personal networks of agricultural knowledge in the cotton-growing communities of southern Tajikistan. *Demokratizatsiya*. 20 (4).

### **Week 12: The Politics of Green Transformations in Central Asia (Dr Sebastian Schiek)**

The goal of this session is a deeper understanding of discourses around Green Transformations, such as Energy Transition or Sustainability. We will look at different examples

from Central Asia such as Energy Transition and the Expo 2017 in Kazakhstan, Sustainable Development Goals and Green Economy Strategies in Central Asia.

**Literature:**

- Nasritdinov, E. (2022). Politics of Green Development: Trees vs. Roads. In: In: Isaacs, R., Marat, E. (2022). Routledge Handbook of Contemporary Central Asia. Routledge.
- Koch, N.; Tynkkynen, V. (2019): The Geopolitics of Renewables in Kazakhstan and Russia. *Geopolitics* 26(2).
- Heathershaw, J. (2014). The Global Performance State. In: A Reconsideration of the Central Asian “Weak State”. In: Reeves, M., Rasanayagam, J., Beyer, J. (Ed.) *Ethnographies of the State in Central Asia: Performing Politics*. Indiana University Press.
- Scoones, I., Leach, M., Newell, P. (2015): *The Politics of Green Transformations*. Routledge.

**Week 13: Wrap-up Session**