

# How Astana is leading the way in Central Asia

Kazakhstan, which lies at the center of Eurasian integration, is a mix of privatization and protectionism, where the state welfare fund is trying to cut state domination in some industries and protect others

*By Pepe Escobar*

*Originally published by The Asia Times, 22<sup>nd</sup> January 2019*

Kazakhstan sits at the heartland of the Great Game of the 21st century, which is all about Eurasia interconnectivity and integration. Astana is a member of both the China-driven New Silk Roads, or Belt and Road Initiative, and the Russia-led Eurasia Economic Union.

Kazakhstan, the “snow leopard economy” as branded by President Nursultan Nazarbayev over the past decade, could not be more quintessentially Eurasian, its landlocked steppes crisscrossed by 60% of China to Europe rail cargo.

The country also functions as a sort of massive power station for the New Silk Roads, overflowing with oil and gas but also significantly investing in solar, wind and nuclear power.

Astana happens to be the only financial hub between Moscow and Beijing, boasting the Astana International Financial Centre, where the Shanghai Stock Exchange is a major investor and Chinese banks and businesses are listed.

A fascinating mix of privatization and protectionism is also in play.

Samruk Kazyna, the Kazakh national welfare fund, is seeking to reduce the government’s share of the economy, which ranges from energy to banking, from 90% to 20%, even as Astana has made it clear that some strategic

commodities and industries are closed to foreign, especially Chinese, investment.

With all that as background, it's more than natural that Kazakhstan's unique Eurasian crossroads status has been discussed in detail at the [Astana Club](#). Its 2018 report, 'Toward a Greater Eurasia: How to Build a Common Future?', focuses on everything from geoeconomics and the Central Asian renaissance to geopolitical and security risks. Of particular interest is a new [report](#) on the global risks ahead for Eurasia.

THE CAUCASUS AND CENTRAL ASIA



## The Eurasian Davos

There's near universal consensus across the Global South, including key Eurasian latitudes, that in a new, emerging, extremely complex geopolitical matrix, globalization as we knew it is "no longer a universal good", given how states are grappling mightily with the rise of protectionism. There's also plenty of debate on how the dwindling "Western liberal order" will be remixed, side by side with the consolidation of the Fourth Industrial Revolution.

These concerns are discussed not only by the jaded Western elites who gathered at Davos this week. It has been a recurrent theme studied by the Institute of World Economics and Politics in Astana, which operates under President Nazarbayev.

Assisted by the International Strategy Partners Group, the Institute conducted a survey among 1,000 executives in 60 countries plus 30 international experts to find out how Eurasia may be able to anticipate the New Great Game's extreme challenges, such as the US-China trade war, the US-Russia geopolitical and nuclear impasse, the shifting chessboard in Southwest Asia – what the West calls the Middle East, the rise of ethnic and religious conflicts, the inexorable march of high-end technology, and the appalling degradation of the environment.

Under the survey, the number one risk for Eurasia was considered to be the escalation of US-China military and political confrontation, closely followed by confrontation between Russia and the West. The conflict most likely to be exacerbated was seen to be the US and Iran. Meanwhile, protectionism was the key concern for 56% of respondents.

Serious questions may be posed about the relevance of some of the experts featured in the final report. Still, there's some sound analysis. Evgeny Buzhinsky, vice-president of the Russia International Affairs Council, ominously stressed how further escalation of the US-Russia high-stakes game could “lead to armed confrontation not only with the use of conventional means of destruction, but also to a nuclear conflict”.

Buzhinsky also sought to make it clear that his country won't initiate an arms race, saying Russia firmly adheres to the principle of “reasonable sufficiency”.

### The multi-vector way

The Astana report does show in some detail the “first symptoms of a crisis of global institutions”. Yet, in parallel, there's a tendency in some Western latitudes to interpret the crisis as [an outcome](#) stemming from the rise of what could be described as Asiatic imperialism.

Turks with a passion for the Ottoman Empire, such as former Foreign Minister Ahmet Davutoglu, may have dreamed of tying up again with citizens from “Sarajevo to Damascus, Benghazi to Erzurum”, but not so much in the spirit of a recent, lovely [travel book](#) revisiting imperial latitudes.

The Syria debacle has proved that President Erdogan’s expansion project will have to be substantially tamed, as it must fit with the geopolitical reach of another former empire, Russia, as well as a backlash from the Arab world. There’s no neo-Ottoman way when Egypt, Iraq, Jordan, Lebanon and the UAE, among others, are now in favor of patching up their formerly fractured relationship with Damascus.

A case can be made that Erdogan may be aiming towards a new brand of Eurasianism, just as Russian intellectuals have evolved the concept of [Greater Eurasia](#), where the notion of *Russkii Mir* (the Russian World) is expanded in an inclusive, geoeconomic and geopolitical way, and not as a [form of domination](#). Russia is, after all, a de facto supranational civilization, not a mere nation-state, just as China is a de facto “civilization-state”. Russian culture reigns all across Central Asia, where Russian, also crucially in social media, is the *lingua franca*.

Erdogan could do worse than invest in a similar, inclusive notion incorporating all Turkic-speaking peoples across Central Asia.

In a nutshell, comparisons with the eve of WWI, as far as Eurasia is concerned, are premature. The discussions in Astana show that the way ahead is multi-vector, multi-cultural, and multi-polar.