

Astana Economic Forum 2014

Blueprint for global progress

TOWARD INCOME EQUALITY | President Nursultan Nazarbayev

A plan to alleviate poverty to better achieve stability, peace and harmony

As President Nursultan Nazarbayev told the recent Seventh Astana Economic Forum, which was held in the Kazakh capital May 21-23, his government is committed to cutting poverty in Kazakhstan in half by 2015. "Gradual eradication of poverty has been, and will be, my personal goal," he said. "Together with the U.N., the World Bank and other international organizations, we are ready to create a platform for a comprehensive poverty-eradication road map."

Underlining the seriousness of this commitment, he added: "We must be prepared for various scenarios of global trends. Along with the unceasing echo of the global financial crisis, credit crunch and social tensions in the euro zone, and a succession of social upheavals in the Arab world, there are new challenges."

The first concern, the president said, is that while there has been recovery in developed countries, the competitiveness of emerging economies has seen a general decline. Experts predict increased offshoring of capital, which could lead to investment in emerging economies falling by 50 percent or more.

Second, he said, income inequality is steadily growing, enlarging the gap in quality of life between rich and poor, and increasing social tensions. This is not just a problem for poor countries, the president added. This backdrop of social tension creates a third problem: economic, social and political conflicts are becoming more frequent, escalating into military operations and resulting in economic sanctions.

'We are ready to create a platform for a comprehensive poverty-eradication road map'

"The world has once again plunged into a phase of escalating tensions and increasing military capabilities," said President Nazarbayev, "but the principle of social Darwinism, where only the stronger one is right, is definitely destructive."

Regarding the role of Western powers in Ukraine and their response to recent developments there, President Nazarbayev cautioned against mixing political and socioeconomic interests.

"We are paying a high price for conflicts that do not lead to the solution of problems, but only aggravate those problems," he said. "Many new issues arise, but the old ones — such as the role of state powers in the new environment and world financial architecture — remain unanswered."

The president said it is impossible to live in harmony and prosperity when there are serious problems in the world, especially in neighboring countries. "In my opinion," he said,

"it is necessary to work in two directions in order to solve these problems. The first is to maximize the potential for economic development and to avert new major economic disruption. Second, you need to develop a poverty-eradication road map that provides extensive tools for the development of human capital in the poorest countries of Asia and Africa." He stressed that it is important to depoliticize economic relations so countries can avoid artificially created conflicts and confrontational rhetoric.

If the Conference on Interaction and Confidence-Building Measures in Asia and the European Conference on Confidence and



Kazakh President Nursultan Nazarbayev opens the Seventh Astana Economic Forum in May. Onstage, from left: Petar Stoyanov, former president of Bulgaria; Malaysian Prime Minister Najib Razak; Martin Sajkic, president of the U.N. Economic and Social Council; and Bangladeshi Nobel Peace Prize laureate Muhammad Yunus.

Security Building Measures work together, said the president, it will benefit the entire Eurasian region.

"Europe cannot maintain sustainable development long term without the resources of Asia," he said. "Asia is endowed with the greatest resources on earth, including its

largest human resources." Likewise, he added, Asia cannot develop without European technology and innovation: "It is imperative for us to work together. In reality, however, we are moving in different directions, and new conflicts arise. The shadow of the Cold War is hanging over us. There is

no trust between states, no trust between people."

President Nazarbayev pointed to terrorist threats, geopolitical outbreaks of violent sentiment, socioeconomic imbalances and the inability to respond to environmental challenges. These have been coupled with a

global monetary framework that is outdated, he said, and cannot provide the necessary tools to move the world forward, which keeps humanity moving in a vicious circle.

"I believe that the system, the architecture that has existed for 65 years on the basis of the Bretton Woods agreements, has become obsolete," the president told the forum. "In the past 70 years, the world has moved on with completely new technologies, completely new approaches, but the financial architecture remains the same. We are all globally dependent on one currency: the dollar. While the currency basket is expanding, this is not helpful. New organizations are being established, but this is not helpful either. Eight states were brought together to work on a solution, then 20."

According to President Nazarbayev, no single or collective leadership can bring the world out of this deadlock. "Only a worldwide platform with the input of all those living on the planet can impose the measures that need to be taken by authorities on all levels, both socially and geopolitically," he said.

The Astana Economic Forum has transformed from a platform for regional discussion into a milestone event in global economics, he said. At the G-20 Summit in September 2013, Kazakhstan presented a variety of proposals and ideas that arose from discussions at the forum.

The Astana Economic Forum's G-Global virtual platform unites more than four million Internet users from 150 countries. At the 2014 forum, nearly 10,000 delegates attended from 150 countries. The United Nations supports the Second World Anticrisis Conference, which was held in tandem with the Astana Economic Forum. ■

EURASIAN ECONOMIC UNION | Birth of a bloc

Kazakhstan, Russia and Belarus sign economic union treaty in Astana

On May 29, the heads of state of Kazakhstan, Russia and Belarus signed a treaty in Astana creating the Eurasian Economic Union. The organization follows the example of the European Economic Community, the predecessor of the European Union.

The project, as all three leaders clarified, is not meant to drive a wedge into global economic aspirations, but rather to help emerging economies develop to global standards.

"Today, more than 170 million people have woken up in a conceptually new Eurasia," Kazakhstan's state news agency Kazinform reported. Starting in January 2015, stated the article, the region promises to become one of the most dynamically developing and economically attractive parts of the globe. "Despite the existing skepticism and opposition of some forces within each of the participating countries, as well as extraregional states, the process of economic integration of Kazakhstan, Russia and Belarus has entered its final phase — the establishment and functioning of the Eurasian Economic Union May 29 in Astana."

Kazinform quoted Kazakhstan's President Nursultan Nazarbayev as saying the signed document "covers all the basic aspects inherent in international organizations and enshrines the principles of sovereign equality, territorial integrity and respect for the particularities of the political systems of the members of the union. The important point is that decision-making at all levels of the organization is based on the principle of consensus. Thus, the voice of each party will be determinative."

The president added that the signing was of historic importance to the three countries' future. "We have completed colossal work to prepare the treaty of the Eurasian Economic Union," said President Nazarbayev. The president explained that the EEU — a project he has advocated and promoted from the start — is an olive branch rather than a threat to any economic power or power bloc in the world. The EEU, he said, is a logical tool in the development of a world in which no single economy determines the future success of others, but is based on mutual partnership and equality of nations.

The EEU is a more substantial follow-up

to the Customs Union that has existed since 2010. For years, the leaders of the three countries — as well as those from candidate member states such as Kyrgyzstan and Armenia — have underlined the importance of the EEU not just for present and future members, but also for other economic players in the region and the world.

The three member presidents unanimously stressed that feelings prevalent in the West, which have played a role in the recent conflict in Ukraine, are unfounded and that Western countries should see the EEU as an opportunity rather than a threat. "A new economic organization has appeared in the international arena," said Russian President Vladimir Putin in an official statement, "one that has full juridical personality and acts based on the principles of the World Trade Organization."

He added: "It is important that the transfer of a certain authority to the supranational agencies of the union is no detriment to the sovereignty of our states. Mutual benefit from integration has already been demonstrated in practice. The economic ties between Russia, Belarus and Kazakhstan are

expanding, their trade structure is improving, the share of high-tech goods in the overall trade structure is increasing and our countries are becoming ever more economically competitive in the world."

In all three member nations, political support both in government circles and among the population is strong, averaging more than 80 percent, according to opinion polls. "I would like to emphasize that during the negotiations, our standpoint has always been that this integration process ought to be nonpolitical and that any matters adversely affecting national sovereignty and jurisdiction ought to be left out of discussions," Bakytzhan Sagintayev, Kazakhstan's first deputy prime minister, told the regional independent news agency Interfax. "This integration does not mean that we will become dependent on Russia. First, Eurasian integration is the creation of a union that is purely economic in nature. Its purpose is to remove barriers to ensure unrestricted movement of goods, services, investment, labor resources, business activities — all this must be without any damage to political sovereignty." ■



Three presidents: Alexander Lukashenko (left) of Belarus, Nursultan Nazarbayev of Kazakhstan and Vladimir Putin of Russia at the signing ceremony of the Eurasian Economic Union treaty.

SHANGHAI SUMMIT | Conference on Interaction and Confidence Building Measures in Asia

Kazakhstan and China: Moving forward together

On the eve of the Seventh Astana Economic Forum, the Fourth Summit of the Conference on Interaction and Confidence Building Measures in Asia (CICA) took place in Shanghai as China took over from Turkey as host country. Representatives of 46 countries and international organizations attended.

Among them were the presidents of Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Russia, Tajikistan, Uzbekistan and Sri Lanka. U.N. Secretary General Ban Ki-moon and observers from the United States, Ukraine and other countries also attended.

A summit highlight was the adoption of the CICA Declaration on Eliminating Terrorism and Promoting Dialogue among Civilizations, with the signing of a memorandum of understanding between the Shanghai Cooperation Organization and CICA. Addressing the summit, Kazakhstan's President Nursultan Nazarbayev urged solidarity among the nations east of Europe threatened by renewed polarization in the world.

"The Conference on Interaction and Confidence Building Measures in Asia is a multinational forum for enhancing cooperation toward promoting peace, security and stability in Asia," he said. "It is a forum based on the recognition that there is a close link between peace, security and stability in Asia and in the rest of the world. The member states, while affirming their commitment to the U.N. Charter, believe that peace and security in Asia can be achieved through dialogue and cooperation, leading to a common indivisible area of security in Asia where all states coexist peacefully and their peoples live in peace, freedom and prosperity."

The initiative aims to set up an efficient and acceptable structure for ensuring peace and security in Asia, said the official Astana Economic Forum publication. Many speakers at the forum endorsed this aspiration.

"Unlike other regions in the world," said President Nazarbayev, "Asia did not previously have such a structure, and earlier attempts to create a suitable structure have



Kazakh President Nursultan Nazarbayev and Chinese President Xi Jinping in Shanghai in May.

not been very successful. This initiative was supported by a number of Asian countries that felt such a structure was needed."

Addressing perceptions that CICA may be part of a bloc attempting to undermine Western interests in the world economy, the document stresses that no "neo-Cold War" scenario is at its agenda and that the current global power division under the U.N. Charter will be strictly observed. "Following the spirit of the founding documents, CICA pursues its policy based on the principles of sovereign equality and noninterference in internal affairs of the member states," says the conference document. Through economic, social and cultural cooperation, the members aim to reach their main objective of "enhancing cooperation through elaborating multilateral approaches toward promoting peace, security and stability in Asia. All decisions within the CICA framework are taken by consensus."

In addressing the summit, China's head of state, Xi Jinping, confirmed that CICA will adhere to its principles. "We will stick to the fundamental principles of international relations, such as respect for sovereignty and territorial integrity, mutual noninterference in internal affairs and settlement of disputes through peaceful negotiations," he said. "We paid close attention to security threats and unanimously concluded that Asian countries should cooperate in combating terrorism, drug trafficking and transborder

organized crime, ensure protection of human rights and nonproliferation of nuclear weapons, and jointly work toward food and energy security."

President Nazarbayev said: "The conference, which embraces most of the Asian continent, has shown that countries are committed to enhancing dialogue between countries. I am sure that the borders of the conference will broaden as new countries want to become members."

The president added that cooperation between member countries had reached a new level. "We are starting new joint projects," he said. "We are already putting into practice the proposals of Chairman Xi Jinping in regard to the economic development of the Silk Road countries. These include railroads, highways and joint enterprises that we have with China. China has invested \$20 billion in Kazakhstan since we gained independence."

Kazakhstan's state news agency, Kazinform, quoted the Chinese president: "Kazakh leader Nursultan Nazarbayev is the initiator of the CICA convocation. We admire his great political foresight and his call of duty in ensuring regional security and stability. The CICA development shows that the initiative to strengthen multilateral trust and dialogue meets the spirit of the times and needs of the Asian countries. Such attainments would have been impossible without their initiator's great contribution." ■

INTERNATIONAL FORUM OF WOMEN | Economic roles

Valuing women's contributions to the business world

Discussions held at the latest International Forum of Women under the umbrella of the G-Global communications platform noted that women manage resources connected with entrepreneurial projects better than men. Rather than de-

pendent strictly on mental calculations, said participants, they seem to have a better understanding of how the heart influences decision-making and policy-setting in entrepreneurial structures. This psychological advantage enables women to manage businesses and their employees without necessarily labeling them as career-winners or career-losers. They

also seem to be able to match the right people with the positions best suited to them, a skill that contributes to business development.

Under the theme "The Role of Women in the New Economy," discussions were held within the framework of the Seventh Astana Economic Forum, held in the Kazakh capital May 21-23. Among the speakers were Huseyn Banu Ghazanfar, Afghanistan's minister of women's affairs; Anurup Altybayeva, a

member of Parliament from Kyrgyzstan; her counterpart from Uzbekistan, Dzhamilya Niyazova; and female MPs from Turkmenistan and Tajikistan. A special guest was the president of the World Women Inventors and Entrepreneurs Association, Mi-Young Han.

"Today, 70 percent of [working] women focus on small business, which is why our main task in the Eurasian Community is to develop small and medium-sized enterprises," the chair of the Union of Women Entrepreneurs of Kazakhstan, Meruyert Kazbekova, told forum participants. "By creating the new integration union for the business-

women of Kazakhstan, new opportunities will be created in searching for new partners and additional markets."

Experts affirmed the era of "soft power," where feminine qualities and policy approaches prove more effective than the traditional male approach, explained one conference publication. In modernizing society, they said, women's vision and solutions are essential to tackling pressing issues.

The mission of the International Forum of

Women, says the conference introduction, is to develop women's potential, attract investment and innovation, and prepare women entrepreneurs from around the world to participate in Expo 2017 in Astana.

The conference introduction notes that women make up more than 50 percent of the world population and that they care about their and their children's position in society. "Those countries that explore and provide key conditions for the empowerment of women are on the right track," it says. "The achievements of the Republic of Kazakhstan in gender equality issues are recognized by the international community. In 2013, in terms of gender equality, Kazakhstan ranked 32nd out of 136 countries."

As in many Central Asian nations with nomadic and seminomadic traditions, Kazakhstan's women have long played an exceptional role in tribal leadership, and their contributions have been highly respected. Princesses and queens of the steppe took part in councils up to the highest levels, mediating in such issues as land control and war and peace. Today, Kazakhstani women are just as successful in careers in state institutions and corporate business as their male counterparts. ■



Exploring women's roles and strengths: From left, Huseyn Banu Ghazanfar, Afghan minister of women's affairs; Elena Bakhtmutova, deputy chief executive of Samruk-Kazyna; Alexandra Akhriyan, acting vice president of corporate communications, TeliaSonera Eurasia; and Makhabbat Bekbosynova, chairman of the National Commission for Women, Family and Demographic Policy, at the Astana Economic Forum in May.