

Research proposal

Title: The Silk Road Economic Belt Initiative in the Ferghana Valley: a source of future cohesion?

Executive summary

In the very heart of Central Asia, the interests of three out of five central Asian countries – Uzbekistan, Kyrgyzstan and Tajikistan – gather in the Ferghana Valley. This Valley since the Soviet Union sized the power in 1920s lost its prominent role held before in the Khanate of Kokand and gradually became a periphery of Central Asia, already considered a periphery in the Soviet Union. But its unique geographical and ethnic conformation never let the valley become an irrelevant player in the area. On the other hand, the valley is still nowadays the core of the economic development of those countries, i.e. every change occurring inside it affects deeply both the internal development of the State and its relation in the region with the others.

Among the majority of problems this valley has (high population density, lack of infrastructures, water management issue, high poverty level, ethnic clashes) the most prominent one deals with border management. For almost 28 years countries in the valley proved to be incapable of settling definitively the question of borders, consequently worsening all other problems depending on it. Nevertheless, a new sparkle of possibility had been brought by the development of the Chinese Belt and Road Initiative, consisting on huge investments and the development of infrastructures – especially railroads and motorways – going through the valley to create Chinese Pakistan Economic Corridor. That is to say that finally China massive economic presence is tackling the border issue between these countries to the core and it might lead to a solution of this problem and to an improvement in the internal relations of the valley.

The topic

The Ferghana Valley is the most influential part of each country involved: its richness in soil allows agriculture to develop, the concentration of major industries in the area makes it the most important economic center (after capital cities) for all the three countries. Still the major problem the valley is experiencing deals with borders. Border issues comes to be the source of all the other ones: poor movement of goods and of labor force, weak development of infrastructures, ethnic tensions and overpopulation of the area. But the recent involvement of the Chinese Belt and Road Initiative in the valley through massive investments, especially in the infrastructure sector, could finally lead these countries to an improvement in the issue and easing their reciprocal relations first from an economic point of view and consequently from a social one.

Research question and working hypothesis

Main question: to what extent will the Chinese SREB “presence” (investments and trade) impact on the Ferghana Valley internal relations?

Working questions:

- How will Chinese SREB change the Ferghana Valley?
- In which sectors will it work better; will there be a true upgrade in the economic conditions?
- Which are the possibilities for an easing of tensions in the relation between the countries in the Ferghana valley?
- Will this impact be solely economic or also social?

Working hypothesis:

- The need of Chinese SREB investments will lead the countries in the valley to try to collaborate and overcome their issues;

- The border issue is the most important one and once solved it could simplify other problems (for example interregional trade, labor movement, goods movement);
- Different economic sectors analyzed will show that this possible improvement will not necessarily include a direct contact between the three countries, and there won't be a homogeneous improvement in all the sectors;

Chapter outline

1. The Ferghana Valley

- Geographic specifics: delimitation of the territory (Uzbekistan: Fergana, Kokand, Namangan, Andijan cities; Tajikistan: Khujand city, Sughd region; Kyrgyzstan: Batken, Jalal-Abad, Osh cities) + its natural richness and resources;
- Identification of the main issues in the valley: how they historically developed + which is the situation now
- Which importance does it have for the SREB project: China-Pakistan CPEC corridor/Afghan Railway project + Northern corridor for Kyrgyzstan + Chinese labor force and housing industry delocalization + primary resources to import in China

2. Agricultural sector

Its importance: this area provides the food for the rest of their countries, the sector in which the majority of the population of the area is employed

To determine: to what extent do the countries deal directly together

- Nowadays economic condition: which is the level of development of the agricultural sector, in the specific which are the main goods traded, how and if they differ from one country to another
- SREB measures: Green Channels, Logistic Terminals, Cargo train programme, investments
- Case study: es. tomato processing plants, cotton cultivation and trade
- Possible answer to the main question

3. Manufacturing Sector

Its importance: the most important industries are included in the valley

To determine: to what extent do the countries deal together

- Nowadays economic condition:
- SREB measures: investments, trade, how in this sector we see the colliding wills of China and Fergana Valley's countries
- Case studies: es. Textile industries of Uzbekistan, Daewoo company in Uzbekistan, Cement industry of Tajikistan and Uzbekistan
- Possible answer to the main question

4. Infrastructure sector

Its importance: it is the only one in which the three countries in the Ferghana have to deal directly + China as a huge interest in this sector + all the other sectors are connected to this one as they need infrastructures as well to develop and trade

- Nowadays situation: needs are really different between the three countries
- SREB measures: many investments and projects, as it is one of the core points of the SREB project itself
- Case studies: Pap-Angren railway project; Dushanbe-Uzbekistan Border road improvement;
- Possible answer to the main question