



CASE - Centrum Analiz Społeczno-Ekonomicznych
CASE - Center for Social and Economic Research



Strengthening Cooperation Among Research Institutes of V4 Countries for the Development of a Political, Economic and Security Strategy on Central Asia

POLAND

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Plan of Presentation

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The Political Dimension – Basic Facts

- Diplomatic relations since 1992
- Embassies in Astana (Kazakhstan, Kyrgyzstan) and Tashkent (Uzbekistan, Tajikistan), Baku (Turkmenistan)
- Treaties:
 - Countries:
 - Uzbekistan (23)
 - Kazakhstan (17)
 - Kyrgyzstan (12)
 - Tajikistan (5)
 - Turkmenistan (1)
 - Areas:
 - diplomatic relations, e.g. the Consular Convention
 - security, e.g. combating crime
 - economic affairs, e.g. double taxation, economic cooperation
 - culture, science, education
 - transport



The Political Dimension – Treaty Base

	Area	Uzbekistan	Kazakhstan	Turkmenistan	Kyrgyzstan	Tajikistan
Diplomacy	Consular Convention	1995/1997	1997/2006	-	1993/1999	-
	Visa exemption for holders of diplomatic passports	2015/2016	2007/2008	-	2013/2014	-
Security	Crime	2002/2003	2002/2005	-	-	2003/2004
	Defense industry	-	2007/2013	-	-	-
	Classified information	2005/-	2010/2012	-	-	-
	Defense	-	2012/2013	-	-	-
Economy	Double taxation	1995/1995	1994/1995	-	1998/2004	2003/2004
	Investments	1995/1995	1994/1995	-	-	-
	Customs	2003/2006	2002/2005	-	-	-
	Extension of credit	2003/2003, 2004/2004, 2005/2005, 2007/2007, 2007/2007, 2008/2008, 2009/2009	-	-	-	-
	Economic cooperation	2007/2008	2005/2006, 2017/2017	2015/2015	2006/2007	2009/2010
Culture, science, education	Places of remembrance	1995/1995	-	-	1993/1993	-
	Culture	1995/1996	-	-	1993/2002	2003/2004
	Science	1995/1996	-	-	1993/2002	2003/2004
	Education	-	2014/2016	-	-	2003/2004
Transport	Air transport	1995/1995	1997/2008	-	-	-
	International road transport	2003/2004	1997/1998	-	2002/2004	-
Other	Friendship and cooperation	1995/1995	-	-	-	-
	Interregional cooperation	1995/1995	-	-	1993/1993	-
	Construction and housing	-	-	-	2004/-	-
	Post and telecommunication	2002/2002	-	-	-	-
	Aid credit	2003/2003	-	-	2014/2014	-
	Tourism	-	2007/2007	-	1998/1999	2012/2013
	Agriculture	-	2016/2017	-	-	-
Readmission of persons	-	2016/2017	-	-	-	



The Political Dimension – Official Visits

- Presidential visits, but only with Kazakhstan and Uzbekistan
 - Aleksander Kwaśniewski (Kazakhstan, 1999; Uzbekistan, 2002), Lech Kaczyński (Kazakhstan, 2007), Andrzej Duda (Kazakhstan, 2017)
 - Nursultan Nazarbayev (1997, 2002, 2016)
- Visits of senior governmental officials (vice-minister) in other countries





The Political Dimension – the Dynamics

- Poland recognizes the importance of Central Asia...
- ... but Poland does not have a coherent strategy for the region, and its political actions toward it are of an ad hoc nature.
- Moreover, Kazakhstan almost monopolizes Poland's political (and economic) relations with Central Asia.
- Reasons:
 - Geographic and cultural distance
 - Partially divergent geopolitical vectors (e.g. Russia)
 - Other priorities, in particular the Eastern Partnership

The Political Dimension – „The Good Is the Enemy of the Better”

DISCOVER THE EASTERN PARTNERSHIP



The Eastern Partnership (EaP)

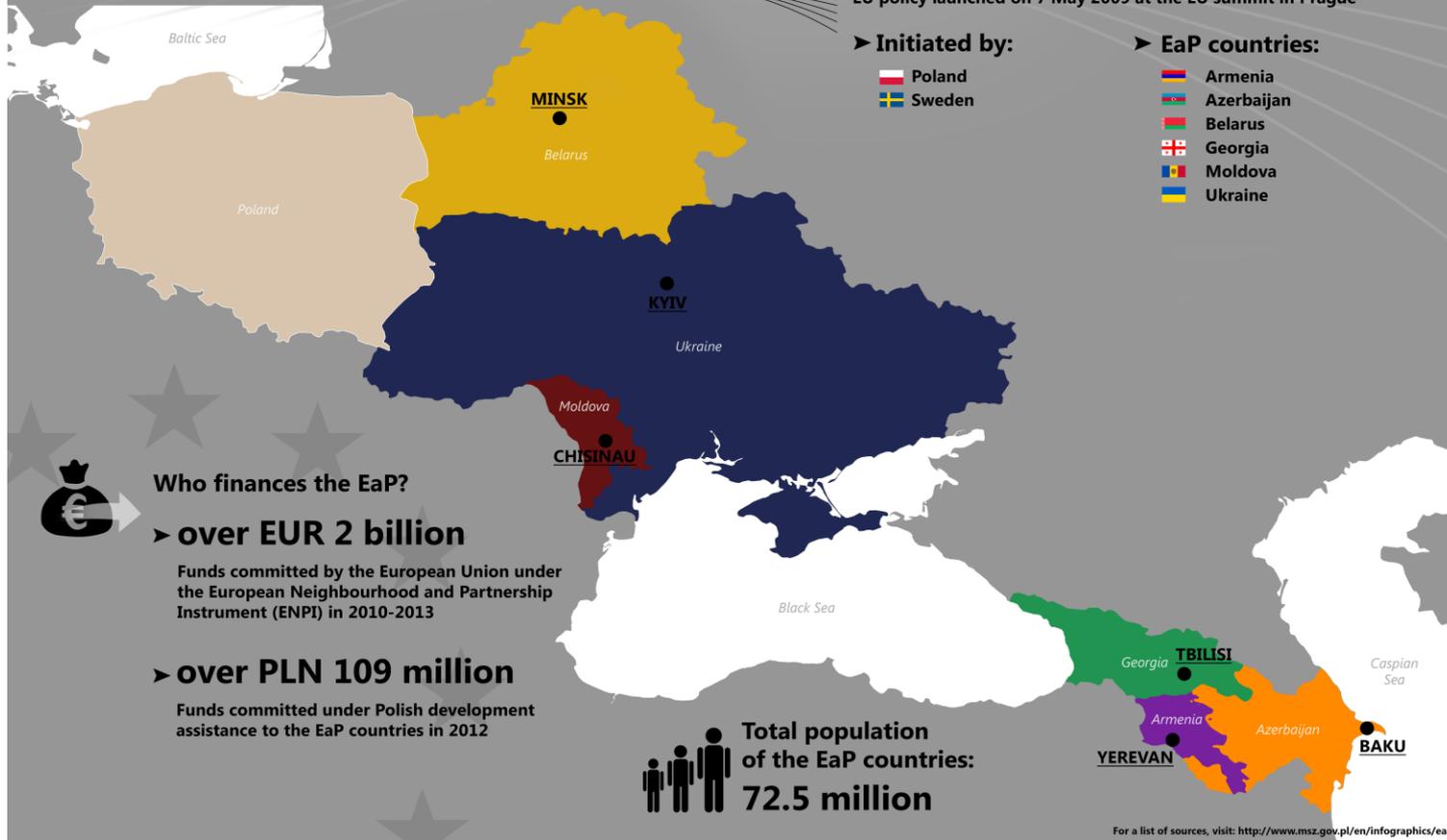
EU policy launched on 7 May 2009 at the EU summit in Prague

► Initiated by:

-  Poland
-  Sweden

► EaP countries:

-  Armenia
-  Azerbaijan
-  Belarus
-  Georgia
-  Moldova
-  Ukraine



Who finances the EaP?

► **over EUR 2 billion**

Funds committed by the European Union under the European Neighbourhood and Partnership Instrument (ENPI) in 2010-2013

► **over PLN 109 million**

Funds committed under Polish development assistance to the EaP countries in 2012



Total population of the EaP countries:
72.5 million

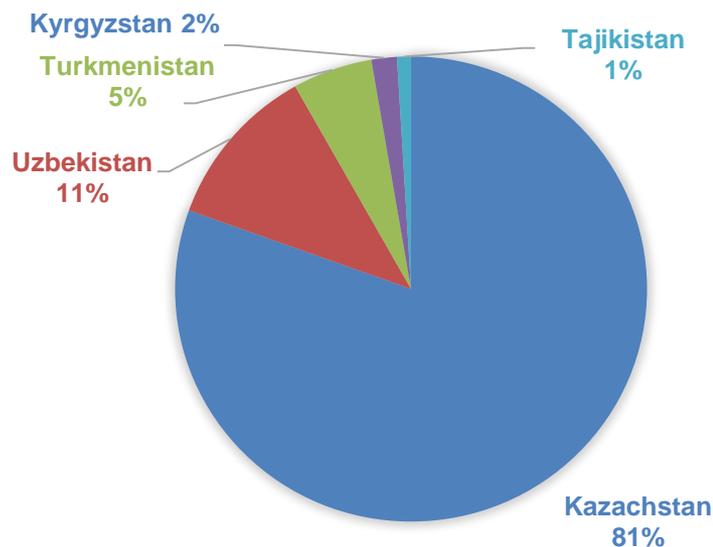


The Economic Dimension – Basic Facts

- Kazakhstan is by far Poland's largest trade partner in Central Asia
- Kazakhstan is also the only country in Central Asia with which Poland has a negative balance of trade
- Poland's trade with Uzbekistan, Turkmenistan, Kyrgyzstan, and Tajikistan is marginal

Polish trade with the five Central Asian states (EUR thousand, 2016)

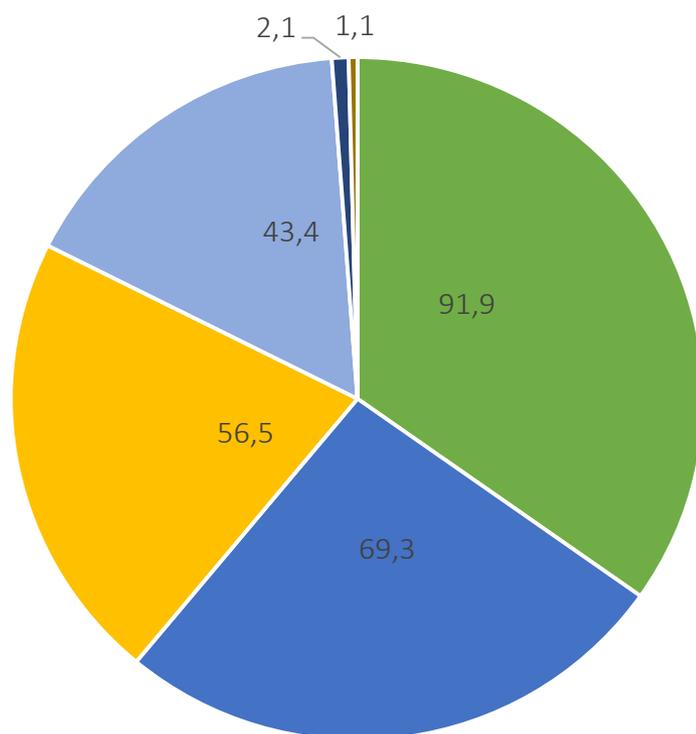
	Total trade	Share in Polish foreign trade	Exports	Imports	Balance of trade
Kazakhstan	779,292	0.213%	293,593	485,699	-192,106
Uzbekistan	109,802	0.03%	78,443	31,359	+47,084
Turkmenistan	52,989	0.014%	49,088	3,901	+45,187
Kyrgyzstan	16,895	0.005%	1,653	15,242	+13,589
Tajikistan	9,215	0.003%	8,956	259	+8,697





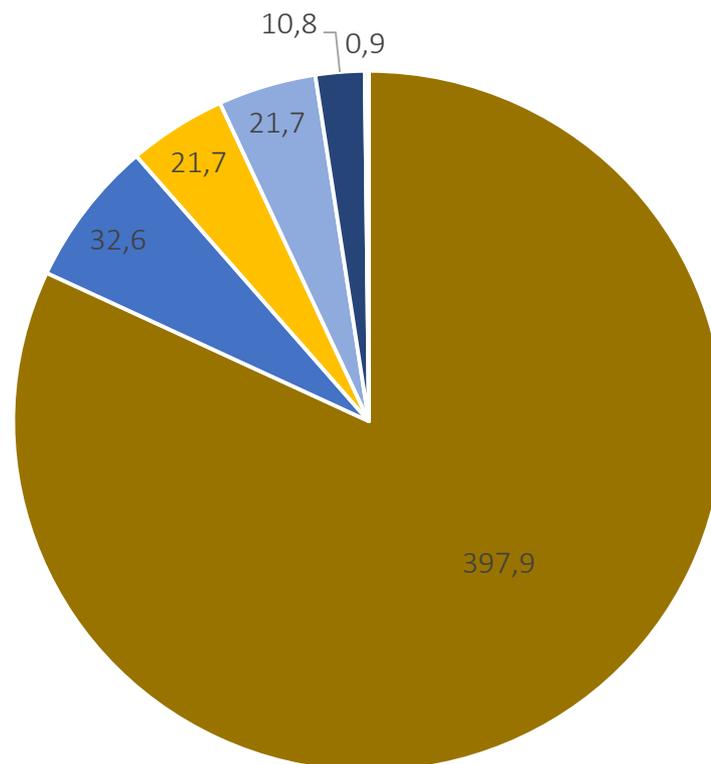
The Economic Dimension – Structure of Trade with Kazakhstan

Polish exports to Kazakhstan
(EUR million, 2016)



- Machinery and transport equipment
- Manufactured goods classified chiefly by material
- Crude materials, inedible, except fuels

Kazakh exports to Poland
(EUR million, 2016)



- Chemicals and related products
- Food and live animals
- Mineral fuels, lubricants and related materials



The Economic Dimension – Structure of Trade with Kazakhstan

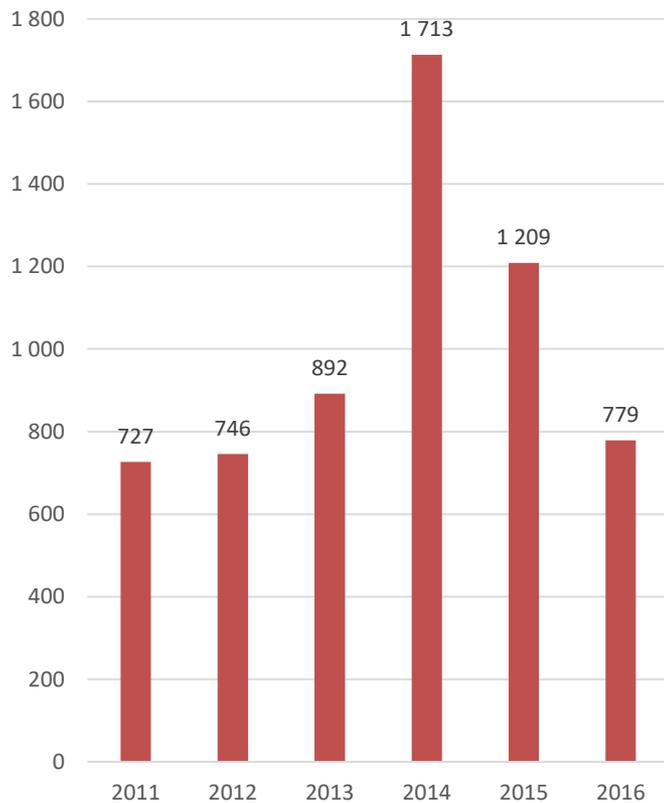
Take-aways:

- Poland exports to Kazakhstan a diversified selection of goods, mainly processed ones.
- Kazakhstan exports to Poland mainly hydrocarbons.
- Poland ships similar goods to Kazakhstan as it does to other countries; Kazakhstan ships similar goods to Poland as it does to other countries.



The Economic Dimension – Trade With Kazakhstan Over Time

Polish trade with Kazakhstan (EUR million, 2011-2016)



Source: Główny Urząd Statystyczny (2017)

Explanation of the trend:

- Falling prices of hydrocarbons



Source: www.macrotrends.net

- Depreciation of the tenge



Source: www.xe.com



The Economic Dimension – Polish firms in Kazakhstan



- 190 companies with Polish capital registered in Central Asia as of 2016 (five times more than fifteen years earlier)
- Poland is among 36 countries identified by the Kazakh government as strategic sources of investment



The Economic Dimension – V4 Doing Business in Central Asia: SWOT

<p>Strengths:</p> <ul style="list-style-type: none">• Price-competitive, high-quality products	<p>Weaknesses:</p> <ul style="list-style-type: none">• Limited range of own technologies, limited innovativeness and know-how
<p>Opportunities:</p> <ul style="list-style-type: none">• 70 million of potential consumers• Pro-investment policy, e.g. tax incentives (Kazakhstan)• Ease of doing business (Kazakhstan)• Low costs of labor• Low taxes• Privatization• Proximity to China• Access to Russia (boycott; EEU)	<p>Threats:</p> <ul style="list-style-type: none">• Logistics• Corruption• Political risk



The Social Dimension – Development Aid

Recipients:

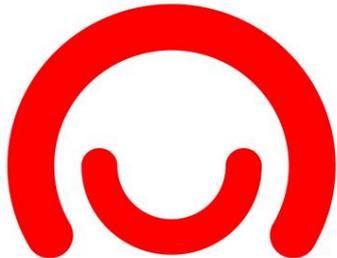
- Tajikistan (a priority country in 2013-2015)
- Kyrgyzstan (a priority country in 2013-2015)
- Other Central Asian countries (scholarships only)

Main areas:

- Water management (e.g cleaning water wells in the Fergana Valley)
- Social activation
 - Labor market activities
- Scholarships

Size of aid (2013-2015):

- Kazakhstan: €2.7 million (scholarships)
- Tajikistan: €1 million
- Kyrgyzstan: €600,000
- Turkemistan: €200,000 (scholarships)
- Uzbekistan: €600,000 (scholarships)



polska pomoc



The Social Dimension – Visa Regime and Miscellanea

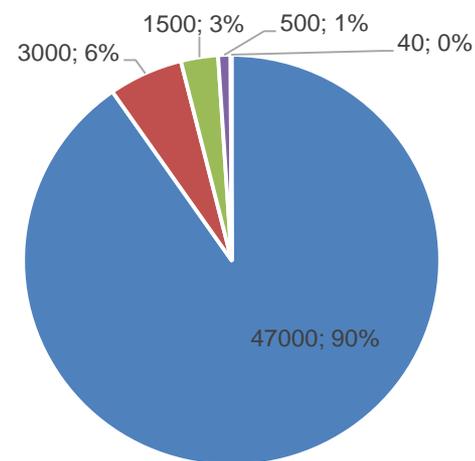
Visa regime between Poland and Central Asia

	Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan
From Poland	No (up to 30 days) Yes (otherwise)	No (up to 60 days) Yes (otherwise)	Yes	Yes	Yes
To Poland	Yes	Yes	Yes	Yes	Yes

- Flights Warsaw-Astana since 2017 on PLL LOT
- Social contacts

Polish minority in Central Asia

- Origins: the „Polish Operation” (part of the Great Purge) in the Ukrainian SSR, 1937-1938
- The largest minority: Kazakhstan
 - 34,000-100,000
 - Mainly rural areas in the north of the country (e.g. Ясная Поляна, Зелёный Гай)
 - Fourteen associations, many media outlets





What Can Poland (V4) Offer to Central Asia?

- 1) Politically: Poland (EU) does not have as vital interests in the region as Russia (geopolitically) or China (economically). This makes it **a more impartial stakeholder** in the region.
- 2) Economically: FDI, know-how, trade.



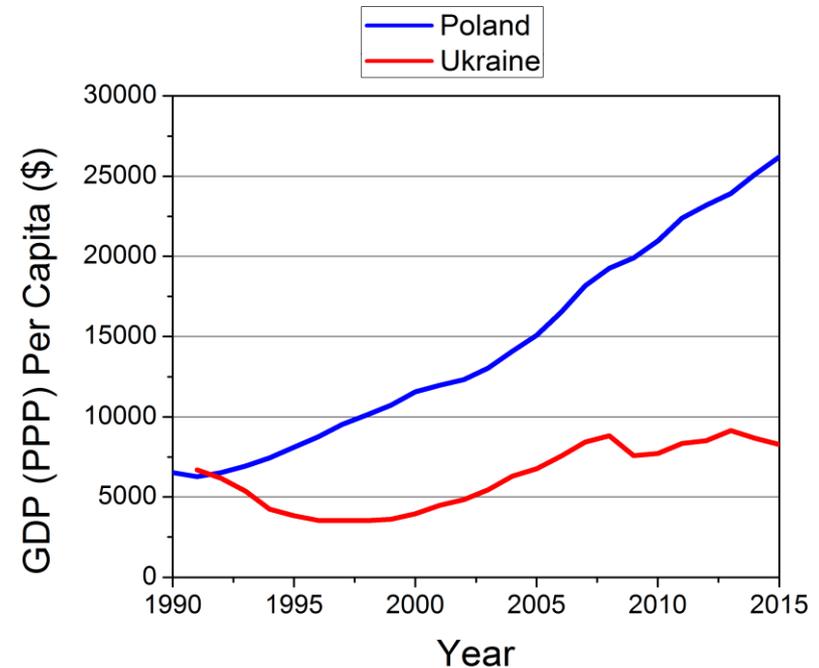


What Can Poland (V4) Offer to Central Asia?

- The crucial question: what makes nations wealthy or poor (in the long run?)

- Answer: institutions (North, Acemoglu, Hartwell)

- Rule of law, legal certainty
- Economic and civic freedoms, property rights
- Checks and balances
- Independent judiciary
- No corruption
- Territorial government
- Informal institutions: civil society, public trust



- 3) Politically, economically, and socially: Poland (V4) can share its experience in developing inclusive institutions with Central Asia when (if) needed (like it does with Ukraine)



What Can Central Asia Offer to Poland (V4)?

1) Economically: business opportunities



2) Security-wise: diversification of resources





Summary

- Opportunities in all areas of cooperation (political, economic, social) and for both sides, but to a different degree
- Targets must be set realistically
 - Limitations must be respected: in resources and in opportunities
 - The long-term perspective should be respected
- Short-term: economic cooperation, social exchange. Long-term: a chance for deeper political cooperation





Thank You

Thank you!



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