

博士論文

**An approach for the assessment of potential decision-making
of the political leader in Kazakhstan and Uzbekistan regarding
regional power sector cooperation in Central Asia**

*中央アジア電力セクターの地域連携に関するカザフスタンおよび
ウズベキスタンの政治リーダーによる意思決定の評価手法*

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March 2013

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Extended Abstract

In Central Asia, namely Kazakhstan, Uzbekistan, Kyrgyz Republic, and Tajikistan, regional power cooperation – cross-border electricity exchanges that optimize the use of resources unevenly distributed throughout the region – is economically beneficial and technically available for all the countries to meet their domestic power needs (World Bank 2004, CAREC 2010). Before the break-up of Soviet Union, the republics were well connected and centrally controlled by Moscow, including with respect to the power sector. However, after the break-up of the Soviet Union in 1991, each country started to seek its own way of achieving full independence, which resulted in conflicts over resources and in a lack of regional cooperation among those countries. It seems “other” factors (non-technical and non-economic reasons), such as political intentions of each country, are the one of the biggest reasons for disputes among Central Asian countries.

However, seasonal or geographical power supply shortages are a serious issue in the region. Although various foreign donors have been involved in developing power sector in Central Asia and presented various technical and economic evaluation of regional power cooperation, they are facing difficulties encouraging such cooperation that are beneficial for all the Central Asian countries. In order to efficiently achieve the development goals of these partner countries, donors need to incorporate knowledge on Central Asian countries also from a political perspective into their project designs and funding strategies. There seems to be the tendency to treat as taboo even the mere consideration or discussion of political aspects of projects within these agencies.

This research, therefore, first builds the structured knowledge base that organizes and explains knowledge on each leader’s decision-making, especially regarding Central Asia regional power cooperation (Objective a)). The research focuses on the decision-making of leaders in Kazakhstan and Uzbekistan, whose presidents have significant authority to make major decisions in their countries, taking power cooperation between these two and Kyrgyzstan into consideration. It describes the details and present connections among knowledge concerned; such as the results and context of decision-making as well as the major values of the leader. This research then proposes an approach utilizing a developed structured knowledge base to assess potential decision-making of those leaders in the future (Objective b)). It then discusses how the proposed approach can be potentially applied to actual project design and implementation by donor agencies.

The development of the structured knowledge base is first conducted by collecting basic information and knowledge through literature reviews and interviews, followed by reviewing the major activities and strategies taken by leader in the past. The literature reviews include various studies from political science and regional studies, as well as media and journalist reports. Interviews are conducted with stakeholders or practitioners working with the Central Asia power sector. This included personnel in Kazakhstan from the Ministry of Industry and New Technologies, KEGOC, a private-sector energy company, and USAID

program. Informal interviews were also conducted with experts working for ADB, World Bank, and USAID.

The knowledge base included basic information on the country such as its ethnic structure, its resource position, and its surrounding geo-politics as well as even the information such as the leader's personal history. Major activities reviewed included decisions made for both domestic and international affairs by each leader, such as decision-making to join newly developed regional cooperation frameworks or to change constitution to allow its own re-election. Then, decision-making analysis was conducted to explain the example cases of a given leader's decision-making. The case of decision-making specifically on regional power cooperation issue has been chosen and analyzed for each country. For Kazakhstan, the decision-making to stay in the Central Asia parallel operation in early 2012, despite earlier warnings that it might withdraw, was chosen for analysis. The research investigates why Kazakhstan indicated that it might withdraw from the parallel operation and what caused it to finally decide to stay. For Uzbekistan, the case of decision-making to officially import power from Kyrgyzstan in late 2011 is studied. This case is especially interesting, since Uzbekistan has been reluctant to officially buy power from neighboring countries in past years (due to sovereignty concerns). The research studies why, despite these concerns, Uzbekistan recently decided to import a significant amount of power from Kyrgyzstan. From this analysis as well as literature reviews and interviews, the substance of decision-making by each leader was summarized in terms of major values of each leader. These major values can explain a variety of decision-making by the leader, including the major events of the country reviewed previously.

Major values of Kazakhstan's leader are to securing economic benefit, regional and national stability, keeping its own political power, and to maintaining the pride of being a regional leader. For Kazakhstan, leading efforts at regional cooperation, which also brings the economic benefit to the country, is viewed as the way to fulfill its pride of being a regional leader. These efforts at regional cooperation also contribute to its own national stability through regional stability, and do not contradict the national sovereignty it seeks. It also means that Nazarbayev's major values are more closely aligned with each other. On the other hand, the major values of Uzbekistan's leader's decision-making are to securing economic benefit, border security, retaining political power, seeking strong sovereignty, and to maintaining the political pride of being the leader of the country. For Uzbekistan, cooperation is not acceptable, especially in the power sector, since it violates the sovereignty that the country seeks. Uzbekistan perceives regional cooperation as implying the country's weakness, which hurts its political pride. Instead of regional agreements, the country prefers bilateral negotiations to clarify and secure its leverage.

Major difference between the leaders of Kazakhstan and Uzbekistan exist in the meaning of and actions they take to secure the political pride and the sovereignty each seeks. At the same time, by considering the contexts of their decision-making and by analyzing when certain values are prioritized more than others, it can be shown that for both countries, as long as political pride has not been affected negatively or can be presented as if it has been secured, then the leader makes decisions based on the benefits perceived in terms of other major values.

The results of the analysis, including major values and explanations of decision-making under specific contexts, are organized and presented descriptively as the structured knowledge base. It has also been visually presented as a knowledge map centered around the major values of each leader.

Then, to demonstrate how the knowledge base created can be utilized, this research conducts assessments of unknown decision-making in the area of regional power cooperation by Kazakhstan and Uzbekistan respectively. The assessment makes descriptive inferences of the potential reasons and results of future decision-makings likely to be made by each leader. The consequences of planned projects from the viewpoint of major values can also be inferred from the assessment. First, it has to set the context(s) of decision-making to be assessed by presuming potential situations that may change the dynamics of the region or the results of decision-making by tapping into the knowledge in the knowledge base. Then, the assessment is conducted by evaluating how each decision-making option (ex. trade or not to trade) affects each of the major values of the leader under the context, and analyzes how the priorities among major values would be made by the leader to conclude the assessment of potential decision-making.

From the list of candidate transmission line projects in Central Asia that have been planned by the governments themselves, the case of building a new transmission line between Kazakhstan and Kyrgyzstan has been chosen for the assessment of Kazakhstan's decision-making. Although this decision has recently been taken by Kazakhstan, the assessment is conducted purely based on the knowledge base developed in order to present the capability of the knowledge base utilization potentially in the future. Regarding Uzbekistan, its future decision-making with regards to whether to keep importing electricity from Kyrgyzstan is examined by utilizing the knowledge base. In addition, considering how the major values of Uzbekistan's leader may be affected when looking at the regional cooperation options after the improvement of domestic transmission network assesses the consequences of domestic power-supply-line projects in Uzbekistan on Central Asia regional power cooperation.

The example assessments indicate how the knowledge base can be utilized to assess the future decision-making of the leader. The research finally discussed the potential application of this approach into the process of project design in donor agencies.

In the project cycle of the ADB and World Bank, for example, although they slightly differ, a country partnership strategy is first developed to clarify the need and priorities of the country to reach their development goals. Through such an analysis, specific projects are identified and enter the preparation stage for detailed project documentations and approval. Once the project is approved, it will be implemented, completed, and then evaluated. Basic identification and assessment of governance risks (such as transparency, regulation, and public management capacity) of the country are included in country partnership strategies, for example. However, consideration of the intentions of political leaders in Central Asian countries, which have significant influence, especially in regional cooperation issues, has not been included nor considered enough into actual identification and prioritization of power sector projects. Therefore, in order to choose and prioritize projects that allow the most efficient path to reach the development goals, the proposal of this research to utilize the knowledge on leader's decision-making in each country should be considered and referred to in the project identifications of the donor agencies. The assessment result of decision-making with regards to regional cooperation by Uzbekistan's leader, as outlined in this research, considering situations with and without domestic transmission projects respectively, presents the possibility of domestic projects contributing to encouraging regional cooperation from the viewpoint of the decision-making of Uzbekistan's leader. Since the technical evaluation conducted by the ADB ranked the priority of the same projects very low by scoring their impact on strengthening regional power exchange the lowest, the example assessment in this research

presents the possibility of the proposed approach becoming a supplementary tool to find the efficient way of achieving regional power cooperation.

In addition, an effective sharing of the knowledge on political realities can also be expected to support practitioners with the smooth implementation of projects. The knowledge base can be utilized as the platform for transforming the implicit knowledge currently held by practitioners into explicit knowledge that can be easily shared and used by others. It can support connecting knowledge acquired through project implementation or even evaluations with the execution of next project identification, preparation, and in implementation. The knowledge base can be continuously enhanced by experts adding their own knowledge, which was previously dispersed and not widely known. The knowledge base may also be of use in contributing to the training of new-comers in the donor agencies as well.

Although the research was conducted for Central Asia power sector, the methodology of developing and utilizing the knowledge base on political leader's decision-making outlined in this work may be applied in other regions or sectors. Potential areas of further application are likely to be particularly relevant for countries whose leader has a significant influence on the country's decision-making (either formally or informally), and on the sectors where foreign relations and cross-border issues are critical. Considering that the proposal is made to donor agencies in this research, the countries targeted would be less developed and could often be in crisis or facing instability (internally or externally), which makes the leaders to take effortful or spontaneous behavior and thus, his/her decision-making becomes even more relevant. Therefore, there are non-trivial opportunities for the proposed approach to be effective as part of the project designs of donor agencies. The structured knowledge base can explain and assess decision-making on rational grounds and ease the process of considering related knowledge that is currently not consolidated, without losing the context or country-specific knowledge. In addition, if used as a supplementary tool for donor agencies internally to prepare for the meetings with partner countries, the proposal approach on leader's decision-making may be able to contribute in avoiding deadly conflict among partner countries and donor agencies.

In this research has created structured knowledge bases for Kazakhstan and Uzbekistan leader. It also explained the political pride of each leader, which is complicated and unique to each. The research then assesses the future decision-making of each leader by utilizing the knowledge base that has been developed. It demonstrates how the knowledge base can be utilized and shows that it can assess leader's decision-making by considering the difference in contexts. The result of example assessments also presents the possibility of domestic power sector projects contributing to fostering regional power cooperation from the viewpoint of the values of the leader. The methodology for creating and utilizing the structured knowledge base regarding political leader's decision-making is proposed to be incorporated in the work of foreign donors. It may contribute to better identification and prioritization of projects that can efficiently achieve the development goals of partner countries by assessing the leader's decision-making. The knowledge base can also become a platform for sharing the knowledge that is essential for donors throughout the project cycle.