

# COMMENTARY



## The European Union and Central Asia: Bridging the Digital Divide

*By Alouddin Komilov*

Digital transformation has become a major topic in international donors' development agendas. The rapid spread of digital technologies and services has far-reaching global effects, offering new opportunities for sustainable development and inclusive economic growth, but, at the same time, creating new risks and challenges. At the end of 2022, the European Union (EU) announced the launch of a Team Europe Initiative on Digital Connectivity in Central Asia as part of the Global Gateway, a €300-billion flagship strategy (2021-2027) that seeks to establish more resilient and sustainable connections across the globe on a range of topics. Whereas this initiative presents an opportunity to bridge the digital gap between Europe and Central Asia, there are also risks, particularly related to the diverging interests of other external actors and the region's poor governance performance.

The Digital Connectivity initiative intends to reduce digital divides within the region and promote inclusive digital services to improve Central Asian citizens' and businesses' access to a more secure global internet via trusted satellite connectivity. In this regard, the EU plans to build infrastructure, known as 'Earth stations', with integrated Internet Exchange Points and Green Data Centers throughout Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. In addition, the EU aims to provide technical assistance for the development of inclusive digital governance in various sectors, including telecommunications, cybersecurity, privacy, and personal data protection, in line with the EU's recently developed Digital Diplomacy.

In November 2022, when the EU introduced the Digital Connectivity initiative at a conference in Samarkand, Uzbekistan, it announced that it would integrate Central Asia into digital-focused programmes with EU member states, while earmarking €40 million for the initiative. Presumably, the new initiative will be linked to the earlier developed Digital4Development Hub branch for Asia-Pacific. However, Brussels has yet to put forward concrete plans, for instance on coordination mechanisms and schemes for additional financial contributions from Team Europe, meaning EU Member States – including their implementing agencies and public development banks – as well as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).

Prior to embarking onto the new initiative, the EU had been actively engaged in the digitalisation of Central Asia's academic and research communities. Building on the work of the NATO-funded 'Virtual Silk Highway', also known as the Silk Road Projects, which established the first regional research and education network in Eurasia, the EU initiated the three-phase Central Asian Research and Education project (CAREN). The CAREN network planned for the 2009-2019 cycle played a role in overcoming capacity issues in the region and setting up a high-capacity broadband internet network for research and scholarship. Moreover, it also assisted in expanding collaboration, communication and information exchange among universities and research centres, and granted Central Asia access to the European and global community of researchers via an interconnection to GÉANT.

Central Asian countries have drawn attention to digital technologies and services due to their potential to modernise national economies and society. Yet, the global covid-19 pandemic impelled Central Asian governments to accelerate the implementation of their information and communications technology (ICT) projects to integrate their economies into the global economy, ensure digital upgrades, and address major hurdles in building an information society during the post-pandemic recovery period. Kazakhstan, Kyrgyzstan, and Uzbekistan have strategies on digitalisation – 'Digital Kazakhstan' (2018-2022), 'Digital Kyrgyzstan' (2019-2023), and 'Digital Uzbekistan-2030'. For instance, Tashkent intends to attain 100 per cent broadband internet coverage by 2030, whereas Bishkek plans to rise in international IT rankings – currently from 95th to 70th in Network Readiness Index and 96th in Information Society Index – by the end of 2023. Meanwhile, Tajikistan and Turkmenistan have integrated their digitalisation programmes in the context of a broader national development strategy.

Although Central Asian countries have different digitalisation ambitions and approaches, they face similar challenges. The most conspicuous are digital divides at national and regional levels, resource-related financial, technical and infrastructural hurdles, internet insufficiency in terms of cost and speed, a low degree of digital literacy, scarcity of qualified IT specialists, and a low level of public trust in online platforms and personal data protection. These matters also featured on the E-Government Survey, published by the UN Department of Economic and Social Affairs in 2022. In fact, these are matters that the EU encounters 'at home', to some degree, but which it will also need to take on board when promoting digitalisation in Central Asia.

In terms of benefits, two matters speak clearly in favour of EU engagement on digitalisation with Central Asia. *First*, it can strengthen the 'hard' digital infrastructure of the region by means of reliable end-to-end satellite links, complementing existing national fibre broadband infrastructure projects. Recent studies (International Telecommunication Union 2020 and World Bank 2004, for example) show that economies with solid connectivity infrastructure can reduce by about half the negative economic impacts deriving from the covid-19 pandemic, or offer projections like how a 1 per cent increase of internet users can boost exports by over 4 per cent. In this sense, the initiative could not only help Central Asian countries have a viable solution to provide access to remote areas and territories and bridge the digital divides at both national and regional levels, but it could also have a transformative effect on fields such as agriculture, health, education, industry and finance, and increase the attractiveness of the region for private-sector investors. According to the EU, all this would strengthen Central Asia's digital sovereignty.

*Second*, the initiative can help Central Asian countries in setting up their 'soft' digital connectivity systems through technical assistance, including regulatory and legal capacity-building and financial support to private, public or public-private partnership beneficiaries. The EU is eager to share its best practices and standards on secure and reliable connectivity, green data centres, cybersecurity and the protection of personal data, and respect for human rights, in which it is recognised as a global leader (including by international standard-setting bodies, such as the International Organisation for Standardisation, the International Electrotechnical Commission, and the International Telecommunication Union).

Knowledge transfer and cooperation would help build human-centric regulatory frameworks for an inclusive digital transformation in Central Asia.

While there is a positive rationale for support in digitalisation, there are also substantial risks that the EU should consider. *First*, China's Digital Silk Road that was launched in 2015 as a multi-billion component of the Belt and Road Initiative poses a serious challenge to the EU, as Brussels is not only a digital latecomer, but Beijing also offers Central Asian countries competitively priced digital products and services without substantial conditions. As a result, the region has largely used affordable Chinese standard equipment to build hard-digital infrastructure, even though recent findings have shown that Chinese equipment is vulnerable to espionage and financing traps. Taking this into account, the EU should adopt clear plans on how it will deal with Chinese influence and equipment in its own digitalisation initiative with Central Asia. Here it should seek to make use as much as possible of European standard equipment, while developing Earth stations with integrated Internet Exchange Points and Green Data Centers.

*Second*, the initiative risks producing negative effects given that digital connectivity is a relatively new field of action for the EU worldwide and an entirely new one in Central Asia. The Central Asian states present a challenging context as they lack the democratic mechanisms to embed digital connectivity. The EU will need to develop an effective policy coordination mechanism geared towards its human-centric regulatory frameworks and reforms on inclusive digital governance. In the 1990s during the period of transition to a market economy, the partial and selective adoption of neoliberal reforms has resulted in divergent outcomes in Central Asia (and elsewhere). In a similar way, the partial adoption of legislative frameworks and reforms on digital governance can bring about unexpected negative consequences, which might mask digital nationalism, and in extreme cases, might look like digital authoritarianism. To prevent this kind of potential reverse effects, Brussels should be well-prepared through a comprehensive coordination mechanism that takes into consideration the specific characteristics of each country in the region.

The Team Europe Initiative on Digital Connectivity comes across as a concrete investment in Central Asia that offers opportunities but also presents grave risks. The EU plans to fund both the hard and soft digital connectivity infrastructure to reduce digital divides, promote inclusive services, and integrate countries in the region into EU programmes. Besides the objective of EU-Central Asia connectivity, the effort can also be seen as an effort to develop the EU's geopolitical ambitions with Central Asia in going around Russia and competing with China. All in all, the EU has found an area on which Central Asia is keen to cooperate, but where the EU should be well-prepared to avoid the negative consequences of digitalisation.

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