



INCREASING ECONOMIC CAPABILITY: ECONOMIC PERFORMANCE STRATEGY IN UYGHUR

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Abstract

A comprehensive economic performance strategy to address the dual hurdles of countries such as Uyghur, encompassing structural transformations and market imperfections. Upon scrutinizing the conditions that slow development in Uyghur, we can make a series of fundamental changes with regards to the local value chain as well the overall economy. The outcome of this study is the recommendations on how to increase the economic capability as well as formulating economic performance strategy in Uyghur. The recommendations are: (1) Improving government efficiency by improving decision making, (2) Regulating an open and favorable trade environment which enhances capabilities in international markets, (3) improving productivity, (4) Improving educational systems to offer quality education, (5) Encouraging human development strategies by reducing poverty and inequality, reduces unemployment rates, fostering growth through domestic entrepreneurship. Hence, transforming economies in Uyghur must involve the improvement of local capabilities throughout international value chains, institutional reforms, innovations in human capital formation, also well as effective redistribution of resources.

Keywords: *Economic Capability; Economic Performance; Strategy; Uyghur*

1. Introduction

The Uyghur condition today is a pressing human rights issue that has garnered significant international attention in recent years. Located in the Xinjiang Uyghur Autonomous Region (XUAR) in northwestern China, the Uyghur people have been subject to cultural suppression, economic marginalization, and human rights abuses at the hands of the Chinese government (Babar, 2022). Since 2014, China's ongoing "Strike Hard Campaign" targeting the Uyghur Muslim population has led to widespread human rights abuses, including mass detentions, forced labor, and restrictions on religious and cultural practices (HRW, 2022). It is estimated that more than one million Uyghurs have been detained in "re-education" camps, where they are subjected to forced labor, ideological education, and other forms of psychological and physical abuse (Human Rights Watch, 2021).

Furthermore, the economic marginalization of Uyghurs in the region has also contributed to their deteriorating conditions. Traditionally, Uyghurs were engaged in industries such as silk weaving, carpet production, and agriculture, but the Chinese government has promoted Han Chinese migration to the region, leading to job competition and further economic underdevelopment (Babar, 2022). This has exacerbated existing social and economic disparities between the Uyghur and Han Chinese populations, further exacerbating tensions within the region (Yan, 2019).

The Uyghur population in the Xinjiang Uyghur Autonomous Region of China has faced significant economic challenges due to the region's political tensions and restricted economic opportunities. Historically, the region has been the primary focus of China's agricultural production, particularly in wheat, cotton, and other staple crops (Xinjiang Statistics Bureau, 2020). However, the

economic conditions in the region significantly deteriorated after 2000, marked by high poverty rates, unemployment, and restricted economic freedom (Jiang, 2018). Studies have shown that the economic situation for Uyghurs worsened following the introduction of China's "Belt and Road Initiative" (BRI) in 2013 (Harms, 2018). The BRI focused predominantly on large-scale infrastructure development, such as transportation networks and energy production, in order to increase trade with Central Asia. While the project created temporary employment opportunities for some Uyghurs, it primarily benefited migrant workers from more prosperous regions in China (Zha, 2018). Moreover, Uyghur businesses were often excluded from large-scale government sponsored projects due to government concerns about the region's stability and separatism risks (Dillon, 2017). This restricted Uyghur economic opportunities, further exacerbating the region's high poverty rates.

Research conducted by the United Nations Development Programme estimated that Uyghurs reside in some of the poorest communities within the Xinjiang Uyghur Autonomous Region (Kynge & Henderson, 2014). Additionally, while the Chinese government emphasizes the shift towards a market-based economy in Xinjiang, research suggests that Uyghur enterprises are often forced to rely heavily on state-backed subsidies and credit lines. State-led business initiatives also dominate the market, creating uneven competition for Uyghur businesses and increasing the likelihood of bankruptcy (Pilsudski, 2016). Recent analyses indicate that these economic challenges are further amplified by human rights abuses, ongoing mass detentions in both internment camps and lesser-known 'psychological rehabilitation centers,' which discourage individuals from participating in business or holding more prestigious jobs (Feldman & Zayyad, 2019). Consequently, the economic situation remains bleak for many Uyghurs, with job opportunities extremely limited and the ability to own businesses significantly restricted. In conclusion, Uyghur economic conditions in the Xinjiang Uyghur Autonomous Region of China have been confronted with significant challenges due to government policies, market dominance by state-led enterprises, restricted business opportunities, and pervasive government human rights abuses. This study will formulate the strategy for increasing economic performance for Uyghur as a recommendation.

2. Method

This study was conducted by utilizing an applied action research approach with qualitative methods. The study was executed according to the pre-established research design and three rounds of data collection through semi-structured in-depth interviews with the case organization's team. First, existing knowledge was reviewed on core concepts including data. Second, the current condition of economic in Uyghur was analysed. Third, the strategy of economic performance will formulated.

3. Result and Discussion

Governments worldwide have long grappled with the challenge of improving their efficiency and effectiveness in delivering public services to citizens. One key aspect of this challenge is the decision-making processes that guide government actions. In the context of the Uyghur region, a focus on enhancing decision-making can unlock significant gains in government efficiency and, in turn, improve outcomes for the local population. The quality of governance, as reflected in the efficiency of the public sector, has been shown to be a crucial determinant of overall societal well-being (Negri & Dincă, 2023). The literature suggests that the implementation of e-government initiatives, which leverage information and communication technologies, can play a vital role in improving government efficiency. (Meydani, 2017)

These technologies can automate processes, reduce costs, and increase time efficiency, leading to more effective and responsive public service delivery. For instance, a study on e-government initiatives in the Kurdistan region of Iraq found that the introduction of such technologies has increased the efficiency of the government in providing better services to its citizens, although a low uptake versus high investment has limited the full optimization of these efforts (Hassan et al., 2016). Similarly, research on e-government implementation in developing countries has highlighted the potential for such initiatives to enhance government effectiveness, promote democratic values, and



improve the quality of life for citizens. (Safeena & Kammani, 2013). So the first strategy is improving government efficiency by improving decision making.

Regulating an open and favorable trade environment is essential for enhancing capacities in international markets, which Uyghur businesses can utilize to promote their products and services was the next strategy to increase the economic capability. This can be achieved by adopting policies that encourage trade practices that promote transparency, predictability, and accessibility. The World Trade Organization (WTO) points to the importance of ensuring a stable and transparent regulatory framework for trade operations (World Trade Organization, 2021). Such regulations enable businesses, including those in Uyghur, to navigate international markets seamlessly, even in the absence of mutual agreements or trade treaties. Enabling public and private stakeholders to participate in decision-making processes is also crucial, thereby increasing their sense of ownership and accountability in the formulation and execution of trade policies (Tanabe & Iwasaki, 2017). Governments that facilitate inclusive trade frameworks can simplify licensing procedures, taxation, and customs clearance procedures to make trade operations more efficient. Ways to regulate a favorable trade environment could include reducing barriers to trade for both domestic and foreign companies and incorporating relevant trade agreements to support multilateral or bilateral trading relationships (Bougrov et al., 2017).

The next important thing to increase the economic performance for Uyghur is improving productivity. Improving productivity is a crucial factor in enhancing economic performance. According to Amable (2013), productivity improvement through effective organizational strategies can have a significant positive impact on a nation's economic performance. Implementing strategies such as employee motivation and job satisfaction can increase productivity, leading to higher economic output and growth. Furthermore, technology advancement can also contribute to productivity improvement by streamlining tasks and increasing efficiency. Research by Ahn, Lee, & Jang (2019) highlights the importance of leveraging technology in enhancing productivity. Additionally, education and training programs are vital in upskilling employees and enhancing their skills, which, in turn, improves productivity and contributes to economic growth. As highlighted by Aiken (2001), employees with the right skills and knowledge are more efficient and productive. Implementing these strategies can significantly contribute to enhancing economic performance.

Improving educational systems to offer quality education will be the next determinants in increasing economic performance for Uyghur. Improving Educational Systems to Foster Economic Growth. To enhance economic performance, a pivotal step is cultivating high-quality educational systems. Studies demonstrate that investing in education can yield substantial long-term dividends (Economist Intelligence Unit, 2013). Quality education equips individuals with the necessary skills to contribute meaningfully to their communities, encouraging innovation and entrepreneurship (Hanushek & Woessmann, 2011). Governments can achieve this by increasing funding for teacher training and incorporating technology-integrated curricula (OECD, 2019). By incorporating rigorous standards and evaluations, educators can continually refine their approaches to ensure students receive optimal outcomes, thus fostering a skilled workforce that propels economic growth and development. Furthermore, encouraging human development strategies by reducing poverty and inequality, reduces unemployment rates, fostering growth through domestic entrepreneurship. Hence, transforming economies in Uyghur must involve the improvement of local capabilities throughout international value chains, institutional reforms, innovations in human capital formation, also well as effective redistribution of resources. This Figure was a systematical process in increasing economic performance in Uyghur.

Figure 1: Systematical Process in Increasing Economic Performance in Uyghur



strategies should be implemented. One crucial strategy is to invest in human capital development. This can be achieved by increasing access to quality education, healthcare, and vocational training programs specifically tailored to meet the needs of local industries. For example, the emergence of the services sector, particularly in the tourism industry, highlights the need for well-trained personnel with skills in hospitality, languages, and cultural practices. Additionally, the development of the region's natural resources, including oil, gas, and coal, is crucial for boosting economic growth. Public-Private Partnerships can facilitate the exploration and exploitation of these resources, ensuring that the benefits are distributed equitably among local communities and contribute to the region's economic prosperity. Furthermore, investments in green infrastructure, such as wind farms and solar power plants, can reduce energy costs and attract international investors to the region.

Addressing the root causes of the ongoing conflict, including ethnic tensions, poverty, and unemployment, is essential for fostering stability and growth in the region. Sustainable peace can be built by promoting inclusive development policies, grassroots organizations, and social services, empowering Uyghur communities to address their needs and foster entrepreneurship. This research study give five recommendations for increasing the economic performance as well as economic capability. The five strategies are: The recommendations are: (1) Improving government efficiency by improving decision making, (2) Regulating an open and favorable trade environment which enhances capabilities in international markets, (3) improving productivity, (4) Improving educational systems to offer quality education, (5) Encouraging human development strategies by reducing poverty and inequality, reduces unemployment rates, fostering growth through domestic entrepreneurship, Hence, transforming economies in Uyghur must involve the improvement of local capabilities throughout international value chains, institutional reforms, innovations in human capital formation, also well as effective redistribution of resources. By implementing these strategies, the Uyghur region can capitalize on its immense potential for growth and emerge as a significant contributor to the Chinese economy.

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