

Central Asia: Making Use of a Historic Opportunity

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December 2023

With support from the DGRIS (Directorate General for International Relations and Strategy, Ministry of the Armed Forces), under “Russia, Eastern Europe, Caucasus and Central Asia Observatory”. (Ifri)

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Abstract

This report analyzes the economic and geopolitical situation in Central Asia. It explores the history of Western economic and political involvement in the region in the wake of the dissolution of the Soviet Union, and assesses Russian and Chinese current aspirations concerning the Central Asian states, as well as steps these two powers have taken to assert their influence. Concrete measures are proposed that could be taken to strengthen the Western presence in this crucial region, highlighting Central Asia's potential to complement and at least partially replace Russia as the source of energy resources and commodities that Europe lacks due to the disrupted supply chains caused by the Kremlin's war in Ukraine.

This report not only focuses on the commodity crunch incentivizing much of the contemporary engagement with Central Asia. It also outlines opportunities stemming from the introduction of sanctions against Russian businesses, emerging new transportation corridors and links in Eurasia that can complement or compete with China-led projects, the efforts of local governments to combat terrorism and extremism, and local economic and social reforms aimed at boosting human capital.

Addressing Central Asia is extremely timely since the region is undergoing a geopolitical and geoeconomic transformation at the same time as its powerful neighbors, Russia and China, are in relatively weak positions. While Russia is preoccupied with its war with Ukraine and China with its economic malaise, compounded by the relative failures of the first iteration of the Belt and Road Initiative, this is the time to comprehensively engage with Central Asia.

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Introduction

The path of the independent nations of Central Asia has been chaotic from the start. Before the Soviet collapse, most of them supported President Gorbachev, who tried to reconfigure the Soviet Union, and, in December 1991, President Boris Yeltsin of Russia, President Leonid Kravchuk of Ukraine and Chairman Stanislav Shushkevich of Belarus effectively dissolved the Union with neither President Nursultan Nazarbayev of Kazakhstan nor any of the other leaders of Central Asia present at the Belovezha summit.¹

The emerging states were constrained as to what domestic reforms could be undertaken. Historically and culturally, the Central Asian states remained linked to a declining Russia. Geopolitically, they tried to pursue authoritarian modernization, involving a top-down, infrastructure-centric approach, with increasing ties to China. Economically, they sought Western investment, developmental aid and financial support. Since 1992, being left without protection of a superpower after the USSR imploded, the region's two major states—Kazakhstan and Uzbekistan—came to rely on a multi-vector foreign policy. Kazakhstan clearly led the way, both conceptually, as it was Nazarbayev who first proposed the “multi-vector” policy as the way forward for his country,² and practically; by the early 2000s it had attracted more foreign direct investment per capita than any other post-Soviet nation except Estonia.³

Kazakhstan accomplished this through a mix of economic reforms and diplomatic initiatives. Even before the official declaration of independence, President Nazarbayev closed the Semipalatinsk nuclear testing site, and later signed the Lisbon Protocol, opening the way to nuclear-free status.⁴ At the same time, Kazakhstan, along with most of its neighbors, joined the Russia-dominated Commonwealth of Independent States as well as the Collective Security Treaty Organization and the China-led Shanghai

1. See “Poslednij den' SSSR” [Union of Soviet Socialist Republics' Last Day], *Ogoniok*, December 8, 1996, available at: www.kommersant.ru.

2. See N. Nazarbayev, “Strategiâ stanovleniâ i razvitiâ Kazahstana kak neuvažimogo gosudarstva” [Strategy for the Formation and Development of Kazakhstan as an Independent State], *Zakon.kz*, May 16, 1992, available at: <https://online.zakon.kz>, and N. Nazarbayev, “Address of the President Nursultan Nazarbayev to the People of Kazakhstan”, *Akorda*, February 28, 2007, available at: www.akorda.kz/ru.

3. See K. Kalotay, “FDI in the Former Soviet Periphery in Six Charts”, *AIB Insights*, vol. 13, No. 4, pp. 8-12, January 14, 2014, available at: <https://papers.ssrn.com>.

4. See for more detail, “Otkaz âdernogo oružîâ—pervyj šag Kazahstana v bor'be za âdernuû bezopasnost'” [Refusal of Nuclear Weapons is Kazakhstan's First Step in the Fight for Nuclear Safety], *Kazinform*, August 28, 2021, available at: www.inform.kz.

Cooperation Organization. It also took part in other regional initiatives and became the only Central Asian state to set up a new regional group, the Conference on Interaction and Confidence-Building Measures in Asia, which had been proposed by President Nazarbayev back in 1992 and which has grown into an influential organization that brings together 28 members and 9 observer states.⁵

As the global system returned to great-power competition, the “multi-vector” strategy became complicated to pursue, particularly for the region boxed in by China, Afghanistan, Iran and Russia. The Russian-orchestrated Eurasian Union appeared to be an instrument for projecting Moscow’s economic power rather than an EU-like alliance of equals. China’s Belt and Road Initiative was seen by some as an indication that Kazakhstan’s capital Astana might be irreparably drawn into Beijing’s orbit. However, cooperation with the West remained the most reliable option.

By 2008, Kazakhstan had become the largest land-locked economy, sending more than half of its exports to the EU.⁶ Western investments into Kazakhstan, Uzbekistan and Kyrgyzstan accounted for 60% of these countries’ total accumulated foreign direct investment, which dispelled fears that China was about to buy the region wholesale. While the ongoing war in Ukraine has provided an excellent example of the failure of a multi-vector foreign policy pursued by an “in-between” country,⁷ this should not be used to dismiss it as a diplomatic strategy. For Central Asia after the Soviet collapse, the multi-vector approach was indispensable, as ties with both Russia and China were counterbalanced by sustained and purposeful economic engagement with the West. The Kremlin tolerated these economic ties because it could still claim political dominance, while the West pragmatically identified the difficulties in integrating Central Asia and instead leaned into its core competency, economic engagement.

Now, with Russia caught in a self-imposed quagmire in Ukraine and China’s economic growth slowing, this calculus has changed. The biting effects of Western sanctions and the political defiance these have spurred have made both Moscow and Beijing more suspicious of economic ties between the Central Asian nations and the West—but these circumstances open new options for the Western powers, which now have a rare opportunity to develop a major strategic stronghold reaching from Russia’s southern underbelly to China’s vulnerable Xinjiang border.

5. See “Conference on Interaction and Confidence Building Measures in Asia: Member States”, CICA, October 20, 2023, available at: www.s-cica.org.

6. See T. Tokaev. “Sotrudnichestvo Respubliki Kazahstan s Evropejskim Soûzom” [Cooperation Between the Republic of Kazakhstan and the EU], *Vestnik RUDN*, International Relations Series, 2010, No. 1, p. 66, March 28, 2010, available at: <https://cyberleninka.ru>.

7. See S. Charap and T. Colton, *Everyone Loses: The Ukraine Crisis and the Ruinous Contest for Post-Soviet Eurasia*, New York: Routledge, 2017.

Looking for Alternatives

The first decade of Central Asian independence was ruinous. The collapse of the centralized Soviet economy caused economic disarray, dragging regional GDP down by at least 35% by 1995.⁸ Concurrently, nation/identity-building difficulties led to a series of intrastate conflicts, including a bloody civil war in Tajikistan in 1992-1994.⁹ Thankfully, the post-Soviet international rapprochement provided something of a remedy for local actors. Steps toward international cooperation between Russia and the West, combined with a fascination with all types of globalization—economic, social, and even political—created a window for Central Asian engagement with the West as a means of recovery.

The cooperation with Moscow remained crucial for all regional states until the end of the 1990s—with the only exception of Turkmenistan, which opted for an isolationist policy. Technical credits from Russia were of immense importance for the newly independent states. For the first seven months of 1993, they represented 23.9% of gross national product in Kyrgyzstan, 40.9% in Tajikistan, 48.8% in Kazakhstan and 52.8% in Uzbekistan.¹⁰ So, almost immediately after becoming independent, all the Central Asian countries, except Turkmenistan, signed a Collective Security Treaty with Russia¹¹—and ever since military cooperation with Russia has remained strong. The ties were so crucial that President Nazarbayev, speaking in Moscow in March 1994, proposed to foster the cross-domain Eurasian integration, economic, political and social.¹² Russia, on its part, has never tried to limit the movement of people between itself and the region; no visa requirements have been introduced in the last thirty years.

However, at the same time, the dependency fears and the search for additional sources for growth forced the Central Asian nations to look for other partners to secure their development. All regional economies during the Soviet times were developed as highly specialized industrial

8. Calculated from World Bank data, see: “GDP Growth (annual percent)”, The World Bank, October 1, 2023, available at: <https://data.worldbank.org>.

9. See B. Sobiri, “The Long Echo of Tajikistan’s Civil War”, *OpenDemocracy*, June 23, 2017, available at: www.opendemocracy.net.

10. See K. Syroezhkin, “The Policy of Russia in Central Asia: a Perspective from Kazakhstan”, *SIPRI*, available at: www.sipri.org.

11. See “Rossiâ i organizaciâ dogovora kollektivnoj bezopasnosti” [Russia and the Collective Security Treaty Organization], *Foreign Ministry of the Russian Federation*, July 19, 2005, available at: www.mid.ru.

12. See “Tekst reči N. A. Nazarbaeva 29 marta 1994 goda v Moskovskom gosudarstvennom universitete” [Text of the Speech by N. A. Nazarbayev on March 29, 1994 at Moscow State University], *Qazaqstan Tarihi*, April 28, 2014, available at: <https://e-history.kz>.

supplements to the Russian/Ukrainian/Belarussian manufacturing sectors; they had little or no independent value outside the Soviet-engineered supply chains. After what Putin called the “greatest geopolitical catastrophe of the 20th century”,¹³ the entire system quickly became nonviable in the face of the precipitous decline of Russian industrial output.

Russia’s increasing reliance in the 1990s on commodity exports not only diminished the demand for Central Asian exports but also drove down commodity prices. Furthermore, the natural resource base of the Central Asian nations only began to be developed in late Soviet times and was considered as an auxiliary source of commodities that Russia was already rich in. Russia’s rapid transformation from reliable buyer to powerful competitor incentivized the Central Asian states to prioritize prospecting and the discovery of new mineral deposits, as well to look for new partners in exploration. This initial foray into a “non-Russia-centric” economic strategy bolstered Eurasian economic activity and helped convince the region’s leaders that they should not team up with Moscow, as Russia’s resource sector contracted deeply (natural gas production declined by 7.9% between 1990 and 1996, and oil production by 41.3%).¹⁴

Since its independence, Kazakhstan has pursued a well-balanced economic strategy developed by the Nazarbayev administration. Although the “power vertical” approach was often criticized for being too authoritarian, it was conjoined with a liberal economic regime focused on almost unrestricted cooperation with foreign investors. During the first two post-Soviet years, when Russia and many other nations were trying to reassessing their former socialist era laws, Kazakhstan implemented dozens of new laws that constituted its new institutional framework—one suitable for a modern, open and market-oriented economy.¹⁵ While in Russia the major political reforms were motivated by not allowing President Boris Yeltsin’s opponents to seize power, in Kazakhstan the need to establish an investor-friendly legal order was considered a most important one, and it enabled the development of non-personalist institutions and established the basis for the rule of law. In comparison, Astana’s neighbors barely succeeded in developing modern state administrative systems in the 1990s; some of them became either hereditary “monarchies” like Turkmenistan or (quite probably) Tajikistan, or went through a series of coups and revolutions, as happened in Kyrgyzstan. Being secured by its modern legal system, Kazakhstan, unlike much more “democratic” post-Soviet nations,

13. V. Putin, “Poslanie Prezidenta Federal’nomu Sobraniû Rossijskoj Federacii” [Address of the President to the Federal Assembly of the Russian Federation], *Kremlin.ru*, April 25, 2005, available at: <http://kremlin.ru>.

14. See “2023 Statistical Review of World Energy”, *The Energy Institute*, June 28, 2023, available at: www.energyinst.org.

15. See for more details, H. Hoen and F. Irnazarov, “Market Reform and Institutional Change in Kazakhstan and Uzbekistan” in J. Ahrens (ed.), *Institutional Reform in Central Asia: Politico-economic challenges*, New York: Routledge, 2012, pp. 21-42.

including Ukraine, almost immediately allowed foreign investors to take control over “strategic” enterprises in oil and natural gas production, uranium exploration, and infrastructure. In 1993, the first joint oil production venture of the post-Soviet era, Tengizchevroil, was created in which Western partners enjoy total shareholder control. Chevron and Exxon Mobil own 75%, and Kazakhstan’s holding company, Kazmunaygaz, owns 20%. This venture alone, given exclusive 40-year rights by the Kazakh government, has brought more than \$70 billion in foreign direct investment to the country and increased oil production from 930,000 tons in 1993 to 30 million tons in 2019.¹⁶

The initial success resulted in a surge of interest in Kazakhstan’s oil and gas. In 1997 at a ceremony attended by President Nazarbayev and Vice-President Al Gore of the United States, six oil majors—Agip, British Petroleum, Mobil, Shell, Statoil and Total, together with KazakhstanCaspiShelf signed a North Caspian Sea Production Sharing Agreement in Washington.¹⁷ This partnership was essential to the development in 2000 of the Kashagan deposit, with up to 6 billion tons of oil, that became operational in 2008.¹⁸ As noted earlier, in the years immediately following the end of the USSR, Russia exercised enormous leverage over the Central Asian states by controlling export routes. This dependency endures; 80% of Central Asian oil exports is still routed through Russia, including two-thirds of Kazakhstan’s oil. However, the Kremlin no longer enjoys a total monopoly. The successes of other countries in the Caspian basin began to challenge geopolitics in the post-Soviet sphere, with an accord for constructing a Baku-Tbilisi-Ceyhan oil pipeline signed in October 1998 in Ankara by the leaders of Turkey, Azerbaijan, Georgia, Kazakhstan and Uzbekistan.¹⁹ This entire story looks like a perfect example of how the desire for an economic breakthrough may facilitate the creation of a law-based order.

The economic drift toward the West led to its first political consequence for Central Asia in 1999, when Uzbekistan left the Collective Security Treaty Organization and joined GUAM—a bloc created by Georgia, Ukraine, Azerbaijan and Moldova aiming for more intensive cooperation with the major Western powers. Although this came at a time when Russia’s relations with the United States had started to deteriorate, Moscow was preoccupied with another war with breakaway Chechnya and the presidential transition in Moscow from Boris Yeltsin to Vladimir Putin.

16. See “Tengizchevroil: The Company’s History”, *Tenzischevroil*, January 28, 2023, available at: www.tengizchevroil.com.

17. See “North Caspian Project Major Milestones”, North Caspian Operation Company, July 20, 2023, available at: www.ncoc.kz.

18. See “Neft’ Kaşagana. Kak vse načinalos” [Kashagan’s oil: how it all started], *Kazinform*, November 28, 2016, available at: www.inform.kz.

19. See “The Main Transport Routes of Energy Resources”, October 1, 2023, available at: <https://azerbaijan.az>.

After the 9/11 terror attack, Russia declared itself an ally of the US and other Western nations in the “War on Terror”. The Karshi-Khanabad military airbase in Uzbekistan and the Manas airbase in Kyrgyzstan became homes for US military air operations in late 2001 and played an important role in assisting multinational forces fighting Islamic extremists in Afghanistan.

The early 2000s saw Nazarbayev’s “multi-vector policy” bearing fruit. By 2003, Central Asia had established strong economic ties with the West, significantly reorienting its foreign trade from Russia to Europe. It was also part of a visa-free zone with the Russian Federation and (mostly) part of a Russia-led defense alliance. It began developing strong relations with China, assisting Beijing in penetrating the Russian market; Kyrgyzstan became one of the largest importers of Chinese goods in the post-Soviet space. And this yielded excellent results: by 2005, oil and gas production in Kazakhstan had risen by 2.4 and 3.8 times, respectively, compared to 1990 levels, and in Uzbekistan by 1.5 and 2.0 times, while in Russia they stood at 8.0% and 2.1% below that threshold.²⁰ But more challenging times were still ahead.

20. See footnote 14.

Moscow's Attempt to Rebuild Eurasian Hegemony

The mid-2000s were a crucial time for the post-Soviet space in general and for Central Asia in particular. In less than two years—from early 2003 to late 2004—relations between Russia and the West deteriorated swiftly, with friction developing between Moscow and Washington over the US-led operation against Iraq. Then came the Orange Revolution in Ukraine of 2004/05, which was supported by both the Europeans and Americans but considered by the Kremlin as interference in Russia's sphere of interest.

In Central Asia, this period saw an Islamist-led anti-government uprising in Andijan violently suppressed by the Uzbek authorities, who accused “outside forces” of masterminding events. As a result, both the EU and the US imposed sanctions on Uzbekistan that lasted until 2009.²¹ Almost immediately after the revolt, President Islam Karimov rushed to Beijing to conclude a Treaty of Friendship and Cooperation between Uzbekistan and China, withdrew from GUAM, and asked the United States to evacuate the Karshi-Khanabad military airbase within six months.²² The Shanghai Cooperation Organization condemned the revolt and recommended that member states deny refugee status to its participants, as Uzbekistan returned to the Collective Security Treaty Organization led by Russia.²³

All these developments changed Russia's plans considerably, attracting greater Kremlin attention to Central Asia. Before 2005, Moscow envisioned the creation of a kind of Common Market uniting all the four largest post-Soviet economies—Russia, Ukraine, Kazakhstan and Belarus—as a way of balancing its outreach both to Europe and Asia. The project, known as the “Common Eurasian Economic Space”, was “in principle” agreed in Yalta in late 2003,²⁴ but it broke down after Ukraine withdrew from the enterprise in 2005. The Kremlin then focused on the “Eurasian Economic Community”—a bloc that, in addition to Russia, included primarily Central

21. See “EU Imposes Sanctions on Uzbekistan Over Massacre”, HRW, October 2, 2005, available at: www.hrw.org.

22. See “Last US Plane Leaves Uzbek Base”, *BBC*, November 21, 2005, available at: <http://news.bbc.co.uk>.

23. See “Uzbekistan vernulsâ v ODKB” [Uzbekistan Returns to the Collective Security Treaty Organization], *Lenta.ru*, June 23, 2006, available at: <https://lenta.ru>.

24. See “Soglašenie o formirovanii Edinogo èkonomičeskogo prostranstva” [Agreement on the Formation of the Common Economic Space], *Kremlin.ru*, September 19, 2003, available at: www.kremlin.ru.

Asian nations. It has been a rather weak structure since it was formally established in Astana in 2000,²⁵ but, due to this shift, President Nazarbayev gained stature as a prominent advocate of post-Soviet economic integration, proposing a Eurasian Economic Union in the *Izvestia* newspaper in 2011 and delivering a speech at Moscow State University in 2014.²⁶

However, while the Kremlin leadership reiterated that the Eurasian Economic Union was all about economics, and not politics, Russia represents the lion's share of the Union's combined GDP. When the Treaty on the Eurasian Economic Union (EAEU) was finally concluded in May 2014, the Russian Federation accounted for 85.9%, while, Germany, for example, the European Union's largest economy, contributed just around 20.8% of the EU's GDP at that time.²⁷ Additionally, the EAEU's major economies, Russia and Kazakhstan, both fuel and commodities producers, remained competitors. Integration offered little to no mutual complementarity,²⁸ but the project progressed from 2005 until 2013, when Ukraine began negotiating an Association Agreement with the EU, and friction with Kyiv forced the Russian leadership to work harder to deliver tangible results in Eurasian integration.

After Vladimir Putin's "Münich Speech" of 2007, his quarrels with the leaders of NATO member states in Bucharest in 2008, and the Russian invasion of Georgia that same year, there was little doubt that Moscow was set on building a Russia-centered bloc as a counterweight to the Western alliances. This became one of the main topics of then-Prime Minister Putin's 2012 presidential campaign. After announcing his bid, Russia's "national leader" published several articles, including "A new integration project for Eurasia: the future that comes into life today".²⁹ The text clearly indicated that Moscow still viewed the post-Soviet space as a single economic and, even more importantly, a single "humanitarian" domain.

25. See "Dogovor ob učreždenii Evrazijskogo èkonomičeskogo Soobščestva" [The Treaty establishing the Eurasian Economic Community], *Kremlin.ru*, October 9, 2000, available at: www.kremlin.ru.

26. See N. Nazarbaev, "Evrazijskij soŭz: ot idei k istorii buduščego" [The Eurasian Union: From an Idea to the Story of the Future], *Izvestia*, October 25, 2011, available at: <https://iz.ru/news>, and N. Nazarbayev, "Vystuplenie v Moskovskom gosudarstvennom universitete" [Speech at the Moscow State University], *Akorda*, April 28, 2014, available at: www.akorda.kz.

27. See "Social'no-èkonomičeskoe položenie gosudarstv-členov Tamožennogo soŭza i edinogo èkonomičeskogo prostranstva v 2014 godu" [Socio-economic Situation in the Member States of the Customs Union and the Common Economic Space in 2014], *Eurasian Economic Commission*, no date, available at: www.eurasiancommission.org and "GDP and Main Components (output, expenditure and income)", Eurostat, no date, available at: <https://ec.europa.eu>.

28. See V. Inozemcev, "Čto ne tak s evrazijskoj integraciej?" [What's Wrong with the Eurasian Integration?], *RBC*, February 12, 2019, available at: www.rbc.ru.

29. V. Putin, "Novyj integracionnyj proekt dlâ Evrazii—buduščee, kotoroe roždaetsâ segodnâ" [A New Integration Project for Eurasia—the Future that Comes into Life Today], *Izvestia*, October 4, 2011; link deleted at newspaper's website—available at: <https://russiaeu.ru>.

Russia was not very important for the region either as a leading foreign investor or as an indispensable trading partner, but it played a vital role in several other spheres. On the one hand, it remained crucial for the region's largest economy, Kazakhstan, as a transit country for its exports and imports; almost all Kazakhstani oil was shipped to its destinations via Russian ports or pipelines, and up to 35% of the nation's imports were delivered either from Russia or using Russian transit corridors.³⁰ On the other hand, three of the five Central Asian nations—Uzbekistan, Kyrgyzstan and Tajikistan—had become dependent on Russia as a major destination for their migrant workers; in 2013, more than 4.5 million Uzbek, Tajik and Kyrgyz nationals resided in Russia as guestworkers³¹, with Tajikistan and Kyrgyzstan holding the world's record for the volume of remittances, at 48% and 31% of their GDP, respectively.³² The Russia-proposed Eurasian Economic Union, providing equal labor rights for all members' citizens, was of vital importance for Kyrgyzstan and Tajikistan. Unsurprisingly, it finally came into existence in 2014, with many experts in Russia expressing great enthusiasm about the prospects for the enterprise.

However, the Eurasian Union has not become as successful as was envisioned. Sanctions imposed on Russia because of its annexation of Crimea in 2014 had little impact on the Eurasian integration. The most important sources of its failure were quite different. One has already been mentioned: since the economies of all the bloc's members were quite similar, overall trade inside the alliance remained unchanged in 2021 compared to 2012, at around \$72 billion.³³ The Russian leadership, having happily announced that the EAEU had come into force, became much less enthusiastic about the collective management of the new alliance. The common market still does not exist because the major market, that of oil and energy, has not yet been liberalized,³⁴—mostly because of the difference in energy prices and taxes between member states (as of September 2023, one liter of unleaded gasoline is marketed at around 1 Euro in Belarus versus 42 eurocents in Kazakhstan).³⁵ Decision-making inside the Union is critically dependent on Russia, which tries to impose its own regulations on major economic sectors, which provokes discontent right across the bloc. In

30. See O. Tonkonog, "Import v Kazakhstan iz EAES snizilsâ, a iz drugih stran—vyros na dve treti" [Imports to Kazakhstan from the EAEU Decreased, and From Other Countries Increased by Two Thirds], *Kursiv.kz*, August 15, 2023, available at: <https://kz.kursiv.media>.

31. See Ū. Florinskaâ, "Masštaby trudovoj migracii v Rossii" [The Scale of Labor Migration to Russia], *Russian International Affairs Council*, September 13, 2013, available at: <https://russiancouncil.ru>.

32. See "Migrants from developing countries to send home \$414 billion in earnings in 2013", The World Bank, October 2, 2013, available at: www.worldbank.org.

33. See *Eurasian Union Statistical Yearbooks* for 2015 and 2022, Eurasian Economic Commission, no date, available at: <https://eec.eaeunion.org> and www.eurasiancommission.org.

34. See E. Alifirova, "Logistika i obšie rynki ènergoresursov [Logistics and Common Energy Markets], *Neftegaz.ru*, May 25, 2023, available at: <https://neftegaz.ru>.

35. For Belarus, see: <https://take-profit.org>. For Kazakhstan, see: <https://take-profit.org>.

addition, the Russian market of government procurement, to which companies within the EAEU should have equal access, remains restricted for non-Russian companies. With the Kremlin's aggression against Ukraine and massive sanctions imposed on Moscow, economic cooperation with Russia has become toxic, but intra-Union trade started to profit from the so-called "parallel imports" aimed at helping Russian companies to bypass the sanctions. This attracts more and more attention from the West (as it was mentioned during German Chancellor Olaf Scholz's summit with Central Asian leaders, a significant part of pre-war German exports to Russia are now sent through former Soviet nations, including the Central Asian ones).³⁶

However, what should also be noted here is that, during all these years, Russia has been the main military and political force in the region. The Russian military has been operating several bases and installations in Tajikistan where the 201st Motor Rifle Division (transformed into the 201st Military Base in 2004) has been stationed since the first days of Tajik independence;³⁷ in 2012, the Russian government signed a treaty with Kyrgyzstan transforming an airbase in Kant, with all the regiments and services based there, into a "united military base" for 15 years, and the term might be extended.³⁸ The Russian military closely monitored the violence that erupted in Kyrgyzstan in 2010 but did not intervene as the government had not requested this. In January 2022, the stability of the Kazakh government was jeopardized by the unrest that spread to many Kazakh cities. This time, military forces from almost all the member states of the Collective Security Treaty Organization (CSTO) were sent to the country.³⁹ They refrained from engaging in direct confrontation with protestors, but it was a significant show of strength for the CSTO and a powerful demonstration of Russia's continued presence in the region.

It should be mentioned that the military forces in the region seem outdated and unprepared for new challenges. The events of early 2022 proved that the Kazakh army—which has fewer than 100,000 military personnel, is equipped almost entirely with Soviet- or Russia-manufactured armaments and relies on a smaller defense budget than that of the Czech Republic—was unprepared to deal with domestic terrorist threats, let alone

36. See M. Popławski and L. Gibadło, "The 'Central Asian Five' in Berlin: Time for a Strategic Partnership", Warsaw Center for Eastern Studies, October 5, 2023, available at: www.osw.waw.pl.

37. See "201-â Rossijskaâ voennaâ baza" [201st Russian military base], Embassy of the Russian Federation in Tajikistan, no date, available at: <https://dushanbe.mid.ru>.

38. See Ū. Gavrilov, "Ob"edinennaâ voennaâ baza RF v Kirgizii polučila oficial'nyj status" [Russia's Joint Military Base in Kyrgyzstan Receives Official Status], *Rossijskaâ Gazeta*, January 29, 2017, available at: <https://rg.ru>.

39. See "Mirotvorčeskaâ missiâ ODKB v Kazahstane: pervâ i uspešnaâ" [CSTO Peacekeeping Mission in Kazakhstan: First and Successful], *Sputnik Kazakhstan*, January 19, 2022, available at: <https://ru.sputnik.kz>.

a foreign invasion.⁴⁰ These shortcomings can be explained by the fact that Kazakhstan's defense spending has rarely exceeded 1% of its GDP, while 84% of all weapons and ammunition purchased in the 2010s came from Russia⁴¹ with Moscow granting Astana substantial discounts on Russian military supplies. The same might be said about Uzbekistan, which has a tiny military of 55,000 personnel, also equipped with Soviet-made armaments and therefore fully dependent on Russia for their servicing and refurbishing.⁴² Central Asia's military and technological dependence on Russia is not limited to the pure presence of Russian military; it is based on the fact that senior defense and security officials in the region all went to military colleges and academies in Russia, and this tradition continues to this day. These are truly the ties that bind, and, unlike in the business and economic sphere, the Central Asian states have failed to break loose from their dependence on the Soviet and Russian military and security paradigms. And, since relations between Russia and the Central Asian countries are not always serene (many cases have been recorded of Russian officials expressing doubts whether Kazakhstan fits into a category of independent state or whether it should still execute control over its northern provinces inhabited predominantly by Russians⁴³), the military dependence on Russia may still serve as a guarantor of Moscow's grip over the region being at least as important as an economic dependence.

Overall, the Russian "integrationist" project that has evolved from the early 2000s up to the early 2020s looks ineffective in many aspects. Moscow invested much effort in trying to turn it into a success story that might compensate for its longtime failures in and around Ukraine. In 2011, Prime Minister Putin argued that the Eurasian Economic Union must replicate the EU in many aspects and develop the same kind of alliance, but in a faster and more efficient manner.⁴⁴ Some policymakers in Russia dreamed about the EU-EAEU forming a common trading zone.⁴⁵ However, the EAEU became a mere substitute for real achievements, and, in recent years even the strongest link that brought its members together—the flow of migrant labor—started to dry up as the Russian economy faced a war-

40. See "2023 Kazakhstan Military Strength", Global Firepower, July 10, 2023, available at: www.globalfirepower.com.

41. See A. Malcev, "Dos'e: Novaâ programma oboronnogo sotrudničestva Rossii i Kazakhstana" [Dossier: A New Program of Russia-Kazakhstan Defense Cooperation], Eurasia Expert, February 22, 2022, available at: <https://eurasia.expert>.

42. See "2023 Uzbekistan's Military Strength", Global Firepower, July 10, 2023, available at: www.globalfirepower.com.

43. See for example, "Život na russkikh zemlâh: territoriâ nynešnego Kazakhstana—ëto podarok Rossii?" ["They Are Living on Russian Lands": Is the Territory of Present-day Kazakhstan a Gift from Russia?], *Business-Gazeta*, December 20, 2020, available at: www.business-gazeta.ru.

44. See V. Putin, "Evrazijskij Soûz—put' k uspehu i процветaniû" [Eurasian Union is a Path to Success and Prosperity], *United Russia*, October 4, 2011, available at: <https://er.ru>.

45. See S. Glazyev, "EAËS—ËS: perspektivy vseob"emlûšego èkonomičeskogo soglašeniâ" [Eurasian Union and European Union: Perspectives for a Comprehensive Economic Agreement], *Eurasian Integration: Economics, Law, Politics*, 2019, No. 4, pp. 11-14, available at: www.eijournal.ru.

time crisis, the ruble depreciated against the dollar, and the Russian authorities attempted to mobilize migrants for the war against Ukraine.⁴⁶ As of today, there is no doubt that integration with Russia looks more like a phantom than it does a powerful force for shaping the economic and political future of the region. Retrospectively, it can be seen that the combination of weak economic integration, hollow political cooperation and Russian cultural chauvinism created a poisonous cocktail for the Kremlin's ambitions, one that the West is suited to exploit.

46. See M. Baranovskaâ, "Ugrozy, obman, obešaniâ: kak migrantov v Rossii verbuût v armiu" [Threats, Deception, Promises: How Migrants in the Russian Federation are Recruited into the Army], *Deutsche Welle*, September 7, 2023, available at: www.dw.com.

China Enters the Fray

Awareness of the Chinese presence in Central Asia is not new. For centuries, China exercised influence in the region through a series of commercial and political lynchpins along the Silk Road. Repeated conflicts between local actors and various Chinese dynasties, lasting until China's "Age of Humiliation" in the 19th and 20th centuries, imprinted a strong cultural impression, laced with fear and skepticism of Chinese influence in the region. After the collapse of the Soviet Union, China quickly recognized the sovereignty of the Central Asian states. Nevertheless, relations progressed quite slowly—on the one hand because the economic potential of the Central Asian nations was quite low and the Chinese leadership underestimated its needs in hydrocarbons; on the other hand, because Beijing did not take account of the West's interests in the region.⁴⁷ All this has changed as economic growth in the region accelerated and the US presence started to grow due to the "War on Terror". The Friendship and Cooperation Treaty between China and Kazakhstan was concluded in 2002, and the treaties with its neighbors followed suit, outweighing any awareness that the region is close to China's uneasy Xinjiang province, populated with trans-border minorities from the post-Soviet countries, including Kazakhs and Uyghurs.

Sino-Central Asian cooperation is not based only on security issues. Economics has played a large part as well. Beijing's energy needs in the region do not always directly compete with the West's, and Beijing pursues different suppliers. Turkmenistan, rather than Kazakhstan, is of primary importance, so China invested heavily in its gas industry while Turkmen-Russian relations began to deteriorate due to Moscow's view of Turkmenistan as a gas competitor. While in 1996 65% of Turkmenistan's gas was sold to Ukraine,⁴⁸ by 2009 50% of it went to China, and by 2017 the share reached 94%.⁴⁹ Contrary to Russia's focus on integration projects, China preferred bilateral cooperation focused primarily on state-backed contracts in infrastructure and transport. Since the mid-2000s, Chinese companies have constructed and modernized roads and energy

47. See E. Markova, "Politika Kitaâ v Central'noj Azii (konec 20-go i načalo 21-go veka) [China's Policy towards Central Asia in the 1990s and early 21st Century], *Problems of Post-Soviet Area*, 2022, No. 9, pp. 121-129, available at: www.postsovietarea.com.

48. See G. Lûta, "Na Aşhabadskom napravlenii" [On the Ashgabat Course], *Weekly Mirror*, June 28, 1996, available at: <https://zn.ua> and "2023 Statistical Review of World Energy", *Energy Institute*, June 28, 2023, available at: www.energyinst.org.

49. See A. Forbes, "Turkmenistan Sees Light at the End of the Tunnel", *Petroleum Economist*, June 10, 2019, available at: www.petroleum-economist.com.

infrastructure around the region, providing state-backed loans to cover such works; as a result, today China is Tajikistan's and Kyrgyzstan's largest lender, controlling 60% and up to 50% of their foreign debt, respectively.⁵⁰

Nevertheless, Beijing was quite cautious about asserting itself in Central Asia for at least some time, reiterating that it had no intention of competing with Moscow. With Chairman Xi Jinping's accession to power, Beijing adopted a new, economically expansionist strategy, announced in Xi's 2013 landmark "One Belt, One Road" speech delivered at Nazarbayev University in Astana.⁵¹

Over the next ten years, China paid great attention to the region, focusing on its largest economies—most notably on Kazakhstan and Uzbekistan. Unsurprisingly, Chinese investment and trade were focused almost exclusively on the resource sector, which has in-built limitations. Approximately 70% of all Chinese money goes to oil, gas, ores and other natural resources projects, as well as to agricultural development.⁵² The latter has at times provoked serious concerns among local people, as many believe that China wants to buy out large amounts of arable land and thus "take over" the new states. Such suspicions caused widespread protests against the proposed land reform in Kazakhstan in 2016.⁵³

From the mid-2010s onwards, Beijing became frustrated with Russia's inability to complete the project of a landline link between Europe and Asia, which would have been an attractive route for Chinese products if Russia had been able to accomplish it.⁵⁴ Kazakhstan was seen as a good alternative to this route, and numerous attempts were made to modernize border checkpoints and enhance Kazakhstan's transport infrastructure to allow Chinese goods to bypass Russia on their way to Europe.⁵⁵ Moreover, both Uzbekistan and Kazakhstan underwent transitions of power in 2016 and 2019, with new leaders attempting to modernize,⁵⁶ making China's

50. See V. Alejandro Sanchez, "Can Central Asia Escape China's Debt Trap?", *NE Global*, August 20, 2023, available at: www.neglobal.eu.

51. See W. Jiao and Z. Yunbi, "Xi Proposes a 'New Silk Road' with Central Asia", *China Daily*, September 8, 2013, available at: www.chinadaily.com.cn.

52. See K. Bapiev, "Vysokij uroven' vzaimnogo doveriâ. Kak razvivaûtsâ otnošeníâ Kazahstana i Kitaâ" [High Level of Mutual Trust. How Relations Between Kazakhstan and China are Developing], *Kursiv.kz*, May 3, 2023, available at: <https://kz.kursiv.media>.

53. See for example, "Protesty v Kazahstane širâtsâ, brosaâ vyzov prezidentu-avtokratu" [Protests Widen in Kazakhstan, Challenging Autocratic President], *Reuters*, April 27, 2016, available at: www.reuters.com.

54. See for greater detail, W. Inosemzew, "Der Traum vom großen Transitgeschäft", *Internationale Politik*, 2013, No. 2 (March-April), pp. 84–93, available at: <https://internationalepolitik.de>.

55. The turnover of this Trans-Caspian Transit Route Increased by 27 times in 2022. See "Iz Kitaâ—čerez Kazahstan" [From China—via Kazakhstan], *Kommersant*, November 15, 2022, available at: www.kommersant.ru.

56. See "Tokaev zâvil o vstuplenii Kazahstana v novyj ètap modernizacii" [Tokayev Announced Kazakhstan's Entry into a New Stage of Modernization], *TASS*, December 15, 2022, available at: <https://tass.ru>.

experience of catch-up development particularly necessary throughout Central Asia.

It is no coincidence that in recent years Beijing has announced several economic initiatives aimed at enhancing cooperation with the Central Asian states, culminating in the China–Central Asia summit in Xian in May 2023. Beijing announced several initiatives for the region, with a combined value of \$3.8 billion in loans and grants,⁵⁷ and much larger sums promised for bilateral cooperation programs. With these steps, China signaled it's on track to becoming both Central Asia's largest investor and trade partner, overtaking the “collective West” and replacing Russia as a major security guarantor, calling for “brotherhood” and a “harmonious Central Asia” in the face of threats from terrorism and “color revolutions”,⁵⁸ under the framework of its “Global Security Initiative” promulgated since early this year.⁵⁹

However, Beijing's growing influence in the region should not be seen as irreversible. First, China has been viewed with growing suspicion in Central Asia for decades. It is culturally alien and seems too influential and assertive to be a convenient partner. Many ordinary people and political actors in the region see involvement with China more as a threat than an opportunity. Additionally, the story of China's cooperation with countries outside the region fuels concerns about Beijing's hegemonic ambitions. Sri Lanka, Vanuatu, Laos, Ethiopia and a host of instances showcase how Chinese loans and “development assistance” can lead to political claims and pull smaller nations into the Chinese sphere of influence.⁶⁰ This does not fit the plans of the Central Asian elites.

There are signs of growing resistance to China's plans. The “Belt and Road” initiative, which has not been a great success,⁶¹ is now competing with the concept of an east-west corridor linking India to Europe via the Middle East. Although this project may be hampered by the current conflict between Israel and Hamas, and by India's frequent clashes with Muslim states, it could still be pushed forward by the Europeans.⁶² Moreover, China's slow recovery from the COVID crisis, as well as its

57. See A. Hayley, “China's Xi Unveils Grand Development Plan for Central Asia”, *Reuters*, May 19, 2023, available at: www.reuters.com.

58. See C. Freeman, G. Helf and A. McFarland, “China Looks to Fill a Void in Central Asia”, *U.S. Institute of Peace*, May 25, 2023, available at: www.usip.org.

59. See “The Global Security Initiative Concept Paper”, *Foreign Ministry of the People's Republic of China*, February 21, 2023, available at: www.fmprc.gov.cn.

60. See A. Behsudi, “The ‘Rift is there’: China vs. the World on Global Debt”, *Politico*, April 11, 2023, available at: www.politico.com.

61. See Ch. Lu, “China's Belt and Road to Nowhere”, *Foreign Policy*, February 13, 2023, available at: <https://foreignpolicy.com/>.

62. See A. F., Alias, “Israel Highlights Fragility of New Trade Corridors”, *Reuters*, October 10, 2023, available at: www.reuters.com.

mounting debt and insolvency problems,⁶³ are raising fears of a possible economic slowdown in Asia. This could result in both a reduction in demand for Central Asian products on the Chinese market and a drop in investment activity by Chinese companies.

63. See, for greater detail, A. Lee, “How China’s Hidden Debt Risk ‘Comes from its System’, and Why Local Governments are Beholden to Beijing”, *South China Morning Post*, July 30, 2023, available at: www.scmp.com.

The Case for Western Engagement

By the end of 2023, a completely new situation had developed in Central Asia, owing to several recent geopolitical and economic tectonic shifts.

The single most important trend is the “return of history”⁶⁴ embodied in both Russia and China becoming the West’s global contenders, if not to say enemies.⁶⁵ This, together with the failure of American attempts to pacify and democratize Afghanistan, makes Central Asia a territory bordering three crucial regions, Russia, China, and the Islamic world, all three of which are engaged in anti-Western narratives and postures. In these circumstances, the Central Asian nations are perfect partners for the West, not with regard to developing a model for democratic transition and free market economics, but for gaining a pragmatic hold in a region considered crucial to the designs of all major challengers to the West. Having said that, Kazakhstan’s reforms under President Kassym-Jomart Tokayev and Uzbekistani President Shavkat Mirziyoyev’s early economic liberalization are both promising.

The second obvious point is the changing geopolitics of energy. Europe is now resolute about ridding itself of dependence on Russian energy, although the reorientation has come at a price and is not yet finalized. Germany, for example, is buying Russian oil from India.⁶⁶ Therefore, it is crucial that the West find new energy sources. The Central Asian countries are the most rational choice (especially Kazakhstan, the world’s largest uranium producer, ranking third in titanium production, seventh for zinc, eighth for lead, and eleventh for gold, and possessing the world’s largest chromite ore deposits, second-largest manganese ore reserves and eighth-largest reserves of oil).⁶⁷ Up to now, Central Asian oil and gas has been reaching Europe by transiting through Russian territory; this dependence is felt in Astana quite strongly as Kazakhstan shipped 97% of its export oil

64. See a perfect prediction of the current events in R. Kagan, *The Return of History and the End of Dreams*, New York: Alfred A. Knopf, 2008.

65. See “National Security Strategy, October 2022”, The White House, October 12, 2022, available at: www.whitehouse.gov.

66. See C. Hacking and M. Brächer, “Deutschland importiert offenbar russisches Öl über Indien”, *Der Spiegel*, September 12, 2023, available at: www.spiegel.de.

67. See “Kazakhstan: Mining Equipment and Services”, International Trade Administration, September 2, 2022, available at: www.trade.gov.

flows through Russian territory in 2022.⁶⁸ The Russian authorities ordered the Caspian Pipeline Consortium to be blocked several times—most probably in response to Kazakhstan’s readiness to observe Western sanction policies. Working with Kazakhstan and other Central Asian countries to establish alternative routes to the European market through Kazakhstan, the Caspian Sea, Azerbaijan, Georgia and Turkey would help alleviate this problem in the medium and long term.

The third point is the West’s transformative power, which could be put to work in the region. The Central Asian nations are secular states that fear the rising tide of Islamic fundamentalism, especially from neighboring Afghanistan, and look to the West for how to modernize their economies. By 2022, both Europe and the United States consolidated their positions as the largest investors in the area, with more than \$100 billion pumped into different sectors of the regional economy since the start of the 21st century, predominantly in the oil and gas industry, finance, infrastructure projects, telecoms, and service industries.⁶⁹ Kazakhstan, which of all the Central Asian countries attained the most advanced degree of economic development and progress toward the rule of law and political reforms, first under President Nazarbayev and now under President Tokayev, might well be worked with and encouraged to take these trends further if presented with opportunities for greater Western investment and involvement.

Cooperation with the West could offer the Central Asian business elites direct engagement in the global economy, while cooperation with either Russia or China generally denies them access. The Western powers should be interested in positively influencing these remote nations, which could in turn furnish secularized, progressive models for the rest of the Islamic world. It should be mentioned that Kazakhstan is not alone in desiring cooperation with the West. Uzbekistan under the leadership of President Mirziyoyev has largely dismantled the old personalist autocratic regime and forced labor system created by his predecessor, the late President Karimov, and is now courting Western manufacturing, attempting to emulate its neighbor by creating a set of business-friendly institutions.

These factors argue in favor of it being worthwhile to pay closer attention to developments in the region, as well as for diversified action plans to be promulgated by EU institutions and individual EU members aimed at increasing the degree of Western influence in Central Asia. However, there are at least two central issues that could prevent this from happening.

68. See E. Akkenženov, “Neftegaz i obšie rynki ènergoresursov: pobedât li diversifikaciâ i doverie?” [Oil and Gas Sector and Common Energy Markets: will Diversification and Trust Win?], *National Association of Oil and Gas Services*, September 28, 2023, available at: <https://nangs.org>.

69. See L. Abdymonunova, et al., “Investicii v Central’nuû Aziû” [Investment into the Central Asia], *Boston Consulting Group*, December 2018, available at: <https://web-assets.bcg.com>.

While the Central Asian nations are largely complying with sanctions, due to their membership in the Eurasian Union, more of the local companies have become a well-established passage for Western goods delivered to Russia under “parallel imports” schemes,⁷⁰ with shipments in many positions skyrocketing in volume by hundreds of percent, leading to an acute shortage of storage and logistics facilities all over the post-Soviet countries.⁷¹ The inflow of thousands of Russians fleeing their country after the start of the Ukraine war also resulted in local banks being used to bypass the sanctions and park billions of dollars in private funds. These issues have been continuously addressed by Western policymakers, but with mixed success, although concerns over these loopholes did inspire a quick intervention in Kazakhstan with the local Sberbank, a major state-owned Russian bank, which was rapidly privatized and its links with Russia severed.⁷² Briefly, the choice here comes down to whether to secure Europe’s geopolitical interests in Eurasia’s most crucial region or keep trying to pursue the imports sanctions policy, which now looks largely ineffective.

It should be noted, however, that there are many alternative methods of fighting the bypassing of sanctions which do not require strong pressure on the countries that facilitate it. Neither in Kazakhstan nor in other Central Asian states is the illegal (or, better, the shadow) trade with the Russian Federation a part of government policy; on the contrary, President Tokayev recently voiced his country’s commitment to respecting all the restrictions adopted by the Western powers.⁷³ A much more efficient lever would be to sanction the banks involved in financing the illegal trade; this was the method that terminated the servicing of payment cards issued by the Russian “Mir” payment system, in Turkey and in several post-Soviet countries.⁷⁴ Shifting the responsibility for enforcement from the public institutions to financial ones might help to ease the pressure on the Central Asian governments and allow for a broader strategic dialogue with them. In line with this, human rights issues, considering their importance, would be better addressed not as a prerequisite for developing political and economic

70. In 2022 alone, Russia got almost 2.4 million tons of different goods valued at more than \$20 billion, via “parallel imports”, See “V Rossiû po parallel’nomu importu vvezli tovarov na 20 milliardov dollarov” [\$20 Billion Worth of Goods were Imported into Russia through Parallel Imports], *RBC*, 19 December 2022, available at: www.rbc.ru.

71. See S. Mingazov, “Parallel’nomu importu v Rossiû mozet pomešat’ nehvalka skladov u sosedej po SNG” [Parallel Imports to Russia May be Hampered by a Lack of Warehouses in CIS neighbor states], *Forbes Russia*, 10 April 2023, available at: www.forbes.ru/biznes.

72. See “Sberbank prodal «dočku» v Kazahstane” [Sberbank Sells its Daughter Bank in Kazakhstan], *Vedomosti*, 2 September 2022, available at: www.vedomosti.ru.

73. See “Tokaev zaveril, što Kazahstan budet soblûdat’ sankcii v ontošenii Rossii” [Tokaev Assured that Kazakhstan will Comply with Sanctions Against Russia], *Interfax*, 28 September 2023, available at: www.interfax.ru.

74. See V. Safronova, “Mir’ terâet partnerov. Kakie strany perestali obsluživat’ rossijskie karty?” [‘Mir’ is Losing Partners. Which Countries have Stopped Servicing Russian cards?], *BBC Russian*, 28 September 2022, available at: www.bbc.com.

relations with the regional authorities, but as a key next step to take as relations become deeper and as continued involvement becomes crucial for the Central Asian governments (as European experts have already noted, “Europe would win no friends [...] if it [progress with regard to democracy and human rights] came with overly critical remarks”).⁷⁵

This is not to say that democratic deficits among the regional powers should be disregarded. None of the Central Asian nations can claim to be a fully free democracy or to have stellar human rights records. Freedom House estimates its scores for Central Asia at between 2 for Tajikistan and 27 for Kyrgyzstan, fitting all of them into the “not free” category.⁷⁶ Human rights advocates and pro-democracy activists regularly condemn local political practices, and Western politicians can and should attend to these issues by addressing them during summits and negotiations with the local leaders.

In fairness to the region’s governments, there has been real progress in democratization, albeit gradual, which warrants consideration and acknowledgement. Following the crackdown on the 2022 protests in Kazakhstan, the authorities condemned excessive police brutality, while more than 200 criminal cases were opened against security service officers accused of using excessive force against protestors.⁷⁷ It is also simply unrealistic, and potentially destabilizing, to press for rapid and radical democratization in every sphere of life for formerly Soviet-ruled Muslim societies that have little practical experience with either democratic practices or values. Insisting on instant solutions could well lead to reaction and instability, perhaps even to chaos and violence.

Active Western engagement with the Central Asian nations is a necessity for both the regional actors and the West because of the region’s strategic importance as well as the high risks that Russia and China present to these nations as the two Eurasian superpowers try to radically shift the post-Cold War international order. Today, the West can become the best guarantor for the independence—politically from Russia, and economically from China⁷⁸—of these resource-rich, strategically located regional states. It can also become the strongest supporter of their modernization efforts. For this to be achieved, the West must begin to act as soon as possible. Some signs of its growing interest are confirmed by the first-ever summit US

75. See C. Putz, “Weeks After Russia-Central Asia Leaders’ Meeting, Europe Comes Calling Too”, *The Diplomat*, October 20, 2022, available at: <https://thediplomat.com>.

76. See “Freedom in the World 2022”, Freedom House, available at: <https://freedomhouse.org>.

77. “V Kazahstane devât’ silovikov polučili tûremnye sroki za pytki zaderžannyh vo vremâ ânvarskih sobytij” [In Kazakhstan, nine law enforcement officers were sentenced to prison terms for torturing detainees during the January events.], *Mediazona Central Asia*, April 1, 2023, available at: <https://mediazona.ca>.

78. See for more detail, H. Stoll, “A Case for Greater U.S. Engagement in Central Asia”, *RAND Corporation*, September 11, 2023, available at: www.rand.org.

President Joe Biden held with all five Central Asian leaders,⁷⁹ German Chancellor Olaf Scholz's hosting of them in Berlin,⁸⁰ and France's President Emmanuel Macron's extensive regional tour.⁸¹

79. See "Remarks by President Biden After Central Asia 5 + 1 Meeting", September 19, 2023, available at: <https://www.whitehouse.gov/>.

80. See "Joint Declaration by Heads of State of Central Asia and the Federal Chancellor of Germany", September 29, 2023, available at: <https://www.bundesregierung.de/>.

81. See "Visite stratégique pour Emmanuel Macron au Kazakhstan et en Ouzbékistan", *La Tribune*, November 1, 2023, available at: <https://www.latribune.fr/>.

Some Urgent Steps

There are multiple pragmatic steps the West can and should undertake to substantially augment its role in Central Asia.

Unleash the region's energy resources potential for its use by European countries. This can be achieved by developing a cross-Caspian Middle Corridor linking Central Asia and Azerbaijan with Europe, via either Turkey or the Black Sea, along the lines of the former Nabucco project.⁸² Kazakhstan and Uzbekistan are not the only Central Asian states interested in building alternative export routes bypassing Russia;⁸³ even Turkmenistan seems ready to divert at least some of its exports from China to the West.⁸⁴ With Turkey voicing its intentions to join the European Union,⁸⁵ and with all the technical opportunities to build oil and gas pipelines in the Caspian's shallow waters, Western powers should do their best to connect the energy-rich Central Asian nations with Europe, undermining both the Russian and Chinese monopolies on shipping and/or importing their resources.

Both the European Union and the United States should compete with China to develop the region's infrastructure, based on European world-class engineering and using Western financial resources, which exceed those of the Chinese. International financial institutions, including the United States International Development Finance Corporation (DFC), the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD) and the World Bank, should be more actively involved. In the same manner as the Western powers try to elaborate new routes in the Middle East competing with China's BRI projects,⁸⁶ in Central Asia they should be engaged in building new airports, fiber-optic cables, highways and railroads that can present a viable alternative to those built in Soviet times, connecting the region with Russia. Moreover, it is time to expand and develop the port and maritime facilities on both shores of the Caspian Sea beyond the existing ports of Aktau, Baku,

82. See for example, M. Ozat and H. Nelson, "The Middle Corridor: The Beginning of the End for Russia's Northern Corridor?", Caspian Policy Center, June 30, 2023, available at: www.caspianpolicy.org.

83. See A. Gurkov, "Rossiâ zakručivaet Kazahstanu gajki na neftânoj trube" [Russia is Tightening the Screws on Kazakhstan's Oil Pipeline], *Deutsche Welle*, July 6, 2022, available at: www.dw.com.

84. See D. O'Byrne, "Turkmenistan Signals Major Change in Energy-export Stance", *Eurasianet*, July 1, 2023, available at: <https://eurasianet.org>.

85. See for more detail, J. Valero, "Turkey Says It Wants to Kick-Start Shelved Talks to Join the EU", *Bloomberg*, July 27, 2023, available at: www.bloomberg.com.

86. See for example, N. Ebrahim, "New US-backed India-Middle East Trade Route to Challenge China's ambitions", *CNN*, September 11, 2023, available at: www.cnn.com.

and Turkmenbashi, together with constructing the local shipbuilding and engineering facilities needed to rejuvenate the regional transportation business. This sector has extremely large growth potential and is clearly underdeveloped.

Developing a strategic doctrine of substituting the commodities imports previously arriving in European Union member states from Russia, with commodities originating in Central Asia. Such a strategy could target not only oil and gas. The current European debate on sanctioning the Russian nuclear industry, which has yielded no promising results thus far, highlights the West's miserable dependence on Russia's uranium supplies. Kazakhstan, however, is the world's largest uranium ore producer and the holder of the second-largest uranium reserves. President Macron's attention to the development of new uranium mines in Kazakhstan and France's EDF intention to build the first nuclear power station in Central Asia⁸⁷ are the long-needed steps that might become a game-changer for the entire region.

Establishing an EU/US–Central Asia high-level coordination center that can take over the agendas of the numerous bilateral summits held between Western policymakers and Central Asian leaders, and organize uninterrupted follow-up activities aimed at increasing Western presence in the region, including military cooperation. As the events in Kazakhstan in January 2022 show, the regional military and security structures, organized mainly according to Soviet principles and armed by Russian-made weapons systems, are not ready to meet modern security challenges. Considering the weakened US strategic military presence in the region after the chaotic withdrawal from Afghanistan,⁸⁸ the intensification of strategic security cooperation with the Central Asian nations is an urgent agenda item that might allow the Western powers to gain a foothold in a region that is crucial to success in the competition with both Russia and China. The vital strategic challenges Central Asian actors are facing require a drastic increase in their military budgets, the launch of viable military-industrial production facilities, and expansion of military-technical cooperation with the outside world, including Western Europe. It is time to expand weapons exports to the region, conduct joint training sessions, and offer military education to Central Asian military officers and security personnel—all activities that, currently, are almost exclusively in Russia's hands. The wars between Russia and Ukraine and between Azerbaijan and Armenia-supported Nagorno Karabakh showed very well how superior Western military technologies and Western armaments are compared to the Russian ones.

87. See G. Leali, "Macron Pursues Nuclear Deals in Russia's Back Yard", *Politico.eu*, November 1, 2023, available at: <https://www.politico.eu>.

88. See M. Shear and J. Tankersley, "Biden Defends Afghan Pullout and Declares an End to Nation-Building", *The New York Times*, August 31, 2021, available at: www.nytimes.com.

Increasing the region's presence in global politics. During the entire post-Soviet period, the Central Asian countries, most notably Kazakhstan under Nazarbayev's leadership, put forward prominent foreign policy initiatives, including those focused on nuclear disarmament and non-proliferation, peacebuilding in Syria and across the Middle East, etc.⁸⁹ Today, as Russia turns into a global rule-breaker, tries to ignite more conflicts in Europe and elsewhere, and threatens to resume nuclear testing,⁹⁰ Astana could become a counterweight to Moscow as a post-Soviet nation committed to promoting peace and security. Enhanced cooperation between the Western and regional nations may produce new foreign policy initiatives in the disarmament, peacekeeping and humanitarian domains. The European Union may lead the way here, as many observers emphasize that its interests in Central Asia may well transcend purely economic ones and consist in creating a counterbalance to both Russia and China.⁹¹

Western powers should team up with local authorities to promote modern education and science, technology, economics, law, and other disciplines in Central Asia. The low standards of education and practice in these key fields in the region (possibly with the exception of Kazakhstan) cause a continuous brain drain that hinders economic and social development.⁹² Kazakhstan's initiatives in educating its youth (including the state-financed Bolashak program for sending the most able students to Western colleges and universities, developed by President Nazarbayev), should be promulgated through the entire region. It's time to expand and add outlets of the best European and American universities in Central Asia, especially at a time when its countries might become even more Russia-influenced, with dozens of thousands of Russian professionals flooding the region.⁹³ This would allow students to attain excellence while staying in their own countries. It also would facilitate increasing competition with Russian and, especially, Chinese colleges, which are attracting an ever-larger share of talented youth. A world-class secular education can become a powerful tool for resisting Islamization of the region as the attempts to bolster Muslim educational institutions promoted by Middle Eastern countries and transnational movements become more numerous.

Western countries, and especially chambers of commerce, need to address the needs of local entrepreneurs trying to combat corruption,

89. See F A. Mohamad, "The Astana Process Six Years On: Peace or Deadlock in Syria?", Carnegie Endowment, August 1, 2023, available at: <https://carnegieendowment.org>.

90. See W. Courtney, "Putin Could Escalate with Nuclear Testing", *The Hill*, March 6, 2023, available at: <https://thehill.com>.

91. See "Kazakhstan welcomes France's Macron under Moscow's disapproving gaze", *Reuters*, November 1, 2023, available at: <https://www.reuters.com>.

92. See M. Monteiro-Benson, "Will Kazakhstan's brain drain become a wartime brain gain?", *East Asia Forum*, October 11, 2023, available at: www.eastasiaforum.org.

93. See "Počemu rossiâne edut v Kazahstan i čto o nih dumaût mestnye žiteli" [Why do Russians Go to Kazakhstan and What Do Locals Think About Them?], *Idel' Realii*, May 11, 2023, available at: www.idelreal.org.

strengthen the rule of law, and adopt international business models and standards. Some steps—like the establishment of the Astana International Financial Centre, connecting the economies of Central Asia, the Caucasus, the EAEU, Western China, Mongolia, the Middle East and Europe—have already been taken by national governments, but there is much more left to be done. Western nations can provide the region with state-of-the-art financial technologies, open more direct access to global capital markets for local companies, and, last but not least, transform the region into an alternative base for Russian companies looking for decent jurisdictions while trying to escape President Putin’s oppressive police state.

In Central Asia, the West needs to rapidly adopt a more proactive position. A first step might be a European commitment to initiate another round of enlargement, allowing ten new members to join the European Union by 2030.⁹⁴ But both the European Union and the United States should look further east in response to the growing geopolitical competition, and work out effective means to respond to it. Focusing on Central Asia would be extremely timely since the region has crucially needed economic assets and offers great opportunities and avenues to counter the West’s two most powerful adversaries. Now is the time to step up cooperation with the Central Asian nations. This opportunity should not be lost.

94. See L. Norman, “EU Eyes 2030 Target Date for Enlargement to Ukraine, Balkans”, *The Wall Street Journal*, August 23, 2023, available at: www.wsj.com.



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