

## GEOPOLITICAL LANDMARKS: CENTRAL ASIA TODAY

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The year 2007 was a time of geopolitical changes for the region, some of which remained latent but completely analyzable. The geoeconomic factors and the worldwide financial crisis (a crisis of liquidity and defaults as well as instability in the international financial markets), the rising prices for basic commodities such as energy resources and foodstuffs, the economic growth in Russia, China, and India, and the rising importance of the energy security issue, etc. inevitably affected the situation in Central Asia.

The 2007-2008 crisis began in the mortgage system of the United States and spread like wildfire to the global banking and financial systems. It caused an economic decline in the United States and, by the end of 2007, reached the euro zone. Depreciation of the world's main currency has hit the global economy; the value of dollar savings is steadily decreasing while export incomes converted into national currencies are losing their value. Transborder investment projects are at risk.

Strange as it may seem the states with currencies that could run the risk of gaining value have the largest dollar reserves. This fully applies to the tenge of Kazakhstan. Today, there is the danger of an uncontrollable and highly uncertain situation developing in the global economy that could continue for a long time to come. Countries and regions are exposed to considerable cumulative effects in the political or even military-political spheres. What is going on in the world today may hit the Kazakhstani economy either in the financial or the real sector: a financial shock spreads faster than a shock in the consumer sphere, which politicians should also take into account.

The United States is steadily losing control over its own national currency; it is no longer able to keep down inflation without raising the interest rate. The latter invites liquidity but interferes with

economic growth. Translated into terms of the global financial order, this means that the dollar is on the verge of losing its anchor currency status. This may happen much earlier than expected. The rest of the world will be hit: the universal currency served all and helped maintain international stability.

Deprived of a peg currency, the global financial system might slide into a crisis. It is commonly believed that the euro may serve as an adequate alternative to the dollar, but its survival is not guaranteed: even the lowest global inflation might cause serious problems. This has already created geopolitical tension, which, along with U.S. protectionism, might undermine the world economy and provoke a global recession.

In the changing global economic context the list of major geopolitical actors involved in Central Asia remained the same, even though they readjusted their preferences and involvement. They are the West (represented by the United States, the European Union, and Japan), Russia, China, and the Islamic world. India has been demonstrating its mounting interest in the region for some time. The West (America and the EU) is changing its strategies in Central Asia because of the growing importance of the energy issue heated up by the rising oil and gas prices, its rapidly increasing shortage of fuel, and just as rapidly unfolding competition over resources and transportation routes. The West is working toward making Central Asia and the Caucasus part of its system of diversified fuel transportation. Japan's interest in the uranium industry of Kazakhstan and other Central Asian republics is mounting by the hour.

In the security sphere NATO is developing into an important factor in Central Asia. The Bucharest NATO Summit clearly demonstrated that the North Atlantic Alliance has never let Eurasia out of its sight despite the temporary setback experienced by Georgia and Ukraine. While Moscow and the others were watching Kiev and Tbilisi, few noticed that Kazakhstan had moved closer to MAP, which means that it is not far behind these two republics. In the near future the opposing sides will clash over Kazakhstan in an effort to push it toward or away from NATO. On the whole NATO will remain highly visible in the region's geopolitical destiny and in ensuring its security.

The NATO Summit of April 2008 in Budapest convincingly demonstrated that security in the Atlantic Alliance and in Eurasia is interconnected. Even though Georgia and Ukraine were not invited to join the line it became abundantly clear that NATO affects, to the strongest extent, the security system in Central Eurasia. In view of the Afghan factor this role looks even more important, especially in Central Asia. Sooner or later the consistent penetration of the Western security structures into the continent's interior will raise the question of cooperation between the Alliance and two regional structures (the CSTO and SCO).

Western strategists have not yet sorted the SCO out: it remains to be seen whether it is an economic alliance, a military-political bloc, or something else. The extent to which its aims are realizable is still unclear. The West is even more concerned about whether the SCO (or, rather, the Russia-China tandem) threatens the sovereignty and independence of the Central Asian states. Translated into clear terms this reads: To what extent do the Central Asian countries make independent decisions within the SCO? Evan Feigenbaum, Deputy Assistant Secretary for South and Central Asian Affairs, was much more direct: "What exactly is the relationship between two huge continental powers—Russia and China—and the Shanghai Cooperation Organization's smaller, but nonetheless fiercely proud and independent, Central Asian members?"<sup>1</sup>

Recently, the West has hinted that it knows the SCO is not an anti-NATO structure. This is explained not only by concern over the future of the Central Asian countries but also by a clear understanding that being involved in the SCO the Central Asian members cannot accept either Russian or Chinese domination and will never agree to part with even a few of their sovereignties. Seen from

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<sup>1</sup> E. Feigenbaum, *The Shanghai Cooperation Organization and the Future of Central Asia*, The Nixon Center, Washington, D.C., 6 September, 2007.

Central Asia the West and its institutions look like an alternative. This is how the Western strategists argue. Washington does not want the SCO to acquire an anti-American element: America is fighting in Afghanistan, the SCO's backyard.

Washington has been aware for some time that each of the SCO members is pursuing a balanced and friendly, or at least not hostile, policy on the bilateral level. This is true of Moscow and Beijing and means that Washington can expect similar behavior from the organization as a whole. It argues that since the United States is requested to give certain guarantees related to its policies in the region, the U.S., in turn, can expect similar guarantees for itself.

It should be said, however, that the United States looks at the region through the prism of its presence in Afghanistan and has to pattern its policies on it. At the same time certain developments around the SCO cannot but cause concern; this is true, first and foremost, of Iran's efforts to join the organization as a full-fledged member. The West does not like the attempts to present the SCO as an energy club of sorts, which hints at the structure's cartel future.

Today, new overtones can be detected in how the American strategists assess the regional situation: China is gaining weight in the region and in Kazakhstan, which cannot but breed concern that could rapidly develop into strategic apprehension.<sup>2</sup> If this concern moves even higher, to the conceptual level, the United States might revise its attitude toward China's role in Central Asia. This will affect, in the most radical way, the entire range of American policies in the region (Russia, the SCO, and in other respects). We cannot exclude the so far vague ideas about America's SCO membership.

The American analytical community says the following about the relations between Central Asia and Afghanistan: since the republics regard balanced relations with all large powers as their strategic aim they should be interested in America's success in Afghanistan. In turn, the United States, which is trying to stabilize Afghanistan and push it toward economic revival, needs the region's states and their businesses as economic partners and sponsors of Afghanistan. The United States is placing its stakes on wider regional cooperation in which Kabul should also be involved.

So far, Afghanistan remains one of the key factors of Central Asia's military-political security. Today relative stabilization is alternating with intensified hostilities; Afghanistan is the world's largest producer of hard drugs, the bulk of which is moved across the Central Asian states.

This is forcing NATO to build up its military presence, widen the zone of fighting, and cooperate with Russia and the CIS in transportation of its cargoes to Afghanistan, which takes the problem outside the region and affects security and the strategic situation inside the CIS as well as relations among its members.

The April 2008 NATO Summit in Bucharest and public statements of Western leaders attracted attention to the current situation in Afghanistan. The NATO members and particularly the United States know that radical changes are overdue. America is probably getting ready to launch a new offensive at the Taliban; much is being done to strengthen the Afghan army to use it as the pillar of the state's political system. In the next five or six months Washington will launch a wide-scale operation in the southern and eastern provinces and in the Southern Waziristan Province of Pakistan. This is what the new strategy of the Western coalition in Afghanistan suggests. It has been underway since late 2007 and was officially approved by the latest NATO summit.

Today nobody expects Hamid Karzai to tighten his grip on the country and put an end to the political instability, therefore Kabul has to increase its armed forces many times over within the shortest time possible to turn the army into the state-forming element. In the future, however, the newly acquired might of a country that has no hydro- and energy resources to speak of might develop into a regional threat.

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<sup>2</sup> For more detail, see: A. Cohen, "After the G-8 Summit: China and the Shanghai Cooperation Organization," *The China and Eurasia Forum Quarterly*, Vol. 4, No. 3, February 2006, pp. 51-64.

Washington is helping Afghanistan to build up its army in every way possible. The U.S. and the other Western states that failed to live up to their promises to reconstruct post-Taliban Afghanistan are trying to fill the gap by encouraging integration with the region's north; they have already offered several projects in the expectation that the Central Asian republics will help Afghanistan or even integrate with it. In view of the already obvious factors and trends this might have been dangerous for the Central Asian states. At the same time, they would like NATO to stay in Afghanistan to serve as the key factor of military security.

Today, there are two opposite opinions about how the conflict in Afghanistan should be resolved: either all foreign forces should be removed to let the local people sort things out in order to achieve peace or the Taliban should be completely routed to achieve peace and stabilization. The Pentagon intends to make its military bases in Afghanistan a permanent feature in order to secure the officially declared aims (democracy and liquidation of international terrorism and drug production). Political analysts point to other, less visible aims: opposition to the influence of Russia, China, and India, bringing more pressure to bear on Iran, and creating a toehold to expand access to the Caspian energy sources.

It should be said that the interests of the major world actors (America, China, and Russia), which have little in common on the global level, completely coincide when it comes to the situation in Afghanistan: they need stability at all costs. Kazakhstan and the Central Asian republics would like to see NATO in Afghanistan for a long time to come in order to stabilize the situation. In the future, however, the West will inevitably invite the Central Asian countries to take part in reconstruction, which will develop into a difficult political and economic dilemma for them.

The Central Asian republics want the territory of the former Northern Alliance turned into a security belt to which they and Russia should particularly extend their assistance. A large-scale U.S. military operation will not be limited to Afghanistan—it will spread to Pakistan and tip the military-strategic balance in Southern and Central Asia. These developments will inevitably affect the interests of India, China, and Russia. In fact, the present intention of the Pentagon to set up a large and strong National Army of Afghanistan might produce unexpected results. The regional balance of forces will be tipped in favor of Kabul, which might use its newly acquired force to impose its conditions on its neighbors, including the Central Asian states.

The American analyst community is convinced that the time has come for the Central Asian states and their elites to independently formulate their national interests, new initiatives in the sphere of regional integration and, on the whole, show much more boldness when it comes to defending their sovereignty and ambitions on the international arena (this relates first and foremost to their relations with Russia and China). In this case American support is guaranteed.

The European Union has radically revised its Central Asian policy and the way it cooperates with the regional structures (including the SCO). A recent document—*The EU and Central Asia: Strategy for a New Partnership for the Years 2007-2013*—dated 31 May, 2007 identified the following aims (1) stability and security of the regional countries; (2) lower poverty level and higher standard of living within the Millennium Development Goals; and (3) stronger regional cooperation among the local states and between them and the EU, especially in the energy, transportation, higher education, and environmental protection spheres.<sup>3</sup> The document points out that Central Asia, which serves as the link that keeps Europe and Asia together, belongs to the OSCE (that is, to the European political expanse). The European Union and the Central Asian countries have the common aims—maintaining stability and enjoying prosperity. It says that the member states will support a regular regional political dialog at the foreign minister level; start a European Education Initiative; start an EU Rule of Law Initiative; establish a regular, result-oriented human rights dialog with each of the Central Asian states;

<sup>3</sup> For more detail, see: *The EU and Central Asia: Strategy for a New Partnership*, PRC, Brussels, 2007, 20 pp.

and conduct a regular energy dialog with Central Asian states. The EU's intention to enter into an open and constructive dialog with regional organizations and to establish regular ad hoc contacts with the EURASEC, SCO, CICA, CSTO, and CAREC is equally important.<sup>4</sup>

In its relations with the European Union Kazakhstan should take into account that the EU might lose its position as the main economic center of Eurasia; the EU countries are developing into magnets of migration that brings about deep-cutting changes in their social makeup and their industrial structure. At the same time the European Union will depend on Eurasian energy resources for a long time to come.

The European neighborhood policy and the EU strategy in relation to the Central Asian republics should be treated as an independent issue. Just like Russia and the United States, Brussels is sparing no effort to strengthen its position in Central Asia. Its strategy in the region is related to the energy sphere, oil and gas production and transportation, and energy security for the European Union. It feels free, at the same time, to discuss democracy and human rights issues; this means that the new strategy follows the old line which was expected to give the West certain advantages over the post-Soviet states and arm it with instruments of pressure.

The EU's stronger regional positions might help the Central Asian republics to shed some of America's and Russia's political influence and establish much stronger economic relations. Outside the CIS the European Union is the largest importer of Central Asian energy products; unification of the energy systems will permit the regional energy exporters to reach, in the mid-term perspective, a stable energy market.

Some Western analysts argue that the EU has secured none of its strategic aims of the 1990s: poverty is still the region's outstanding feature; there is still a lot of resistance to the reforms in Uzbekistan and Turkmenistan; the human rights issue and the inadequate level of democracy remain on the agenda while the EU's energy interests are still vulnerable. No progress was registered in the security sphere either. The inference is obvious: to regain the "region's confidence," the EU should change its strategy. In the security sphere it should assume the role of a strong force rather than of a "toothless paper tiger"; in the energy sphere Europe should demonstrate more confidence, while in the sphere of democracy it should exercise realist approaches. The European Union is advised to coordinate its strategy with other international actors, meaning NATO and the OSCE. On the whole, the EU's foreign policy, strategy, and methods are failing in Central Asia and elsewhere for the simple reason that this complicated geopolitical and geoeconomic mechanism lacks a single decision-making center.<sup>5</sup>

All sorts of geoeconomic projects, related mostly to the transportation routes of energy resources, figured prominently in the geopolitical maneuvering around Central Asia. Today American policy and strategy in this sphere are habitually demonized, yet impartial consideration of the geoeconomic and geopolitical realities accepts them as the demand of the times. If the Soviet Union had survived it would have been pushing similar projects and would not have been shy to use force. It would have been especially active in gaining control over the markets and transit routes in Turkey, Iran, Afghanistan (if it still retained its grip on the country), and South Asia.

The Caspian pipeline project is stalling mainly because there is another pipeline project on the table, the so-called Trans-Caspian pipeline, going across the Caspian via the South Caucasian states to Turkey and Europe. Ashgabad is using it for haggling over gas prices for Russia and lower transportation tariffs across its potential partners for itself.

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<sup>4</sup> For more detail, see: A.J.K. Bailes, "The Shanghai Cooperation Organization and Europe," *The China and Eurasia Forum Quarterly*, Vol. 5, No. 3, 2007, pp. 13-18.

<sup>5</sup> For more detail, see: A. Warkotsch, *Die Zentralasiatische Politik der Europäischen Union: Interessen, Strukturen und Reformoptionen*, Peter Lang, Frankfurt a.M., 2006, 253 pp.

Today it has become abundantly clear that the importance of hydrocarbon fuel will rise and Kazakhstan can profit from this. The republic, however, should start producing its own nuclear energy in cooperation with the Russian Federation and its Central Asian neighbors, encourage hydropower in the region, and introduce energy-saving technologies.

Very much as usual, S.F. Starr of the Central Asia-Caucasus Institute (the John Hopkins University) has offered bold ideas about the role the United States can play to change, in the most radical way, the configuration of Eurasian cooperation and its nature. He admits that the new transportation projects promise local and transnational partners new and tempting financial advantages. It is not surprising that the project head insistently suggests that the U.S. State Department institute the post of ambassador for trade with Greater Central Asia. S.F. Starr asks the logical question: If the idea of inner-continental trade is good why does it remain unrealized? And answers: first, the project depends on too many disjointed elements (by this he means legal, tax, organizational, banking, managerial, technological, and human—personnel—problems as well as security and communication issues). There are too many participants (by this he means transit countries) with varied, if not contradicting, state, trade, and economic policies that have very little in common with the accepted standards and rules. In this context China has already demonstrated its much greater flexibility and readiness to accept the required norms than highly centralized Russia.<sup>6</sup>

The American author does not question his country's responsibility for the Eurasian system of transportation corridors and believes it should be involved in it by all means. He is convinced that Washington should support such projects mainly because they contribute to the Greater Central Asian countries' independence in the interests of the United States. Stronger trade contacts within the continent will help resolve the old conflicts (the one in Kashmir, for example) and stabilize Afghanistan.

Russia, as the key geopolitical actor in Central Asia, deserves closer attention. So far it has not been easy to analyze its politics because of its political diarchy. It should be said, however, that Dmitry Medvedev demonstrated to one and all that his policy in relation to Kazakhstan follows the course laid by Putin. This is true in many other respects. It can be said that on the whole Vladimir Putin's descendant is continuing his line on the international arena and Central Asia as its part: a balancing trick on the brink of another Cold War (the Kosovo issues, ABM system, and the non-recognized states); bitter rivalry over pipeline transportation routes; and fierce resistance to NATO expansion.

In Eurasia the Russian Federation still attracts at least some of the states: Belarus, Ukraine, Kazakhstan and, to a lesser extent, Uzbekistan. The core that consists of these states and Russia creates a field of attraction for smaller European (Moldova) and Central Asian states (Kyrgyzstan, Turkmenistan, and Tajikistan). In an effort to integrate within the existing trade structure with other countries (former Soviet republics), Russia is pushing the energy sector to the forefront. So far, it cannot be transformed into a driving force behind interstate cooperation for several reasons, primarily because of the gap between domestic prices and prices beyond the Russian borders.

Moscow has abandoned its efforts to reintegrate the post-Soviet expanse on the basis of universal principles as having no future. While cementing bilateral relations Russia tried to pool corrective efforts in order to address the most urgent of tasks. Such are the CIS Antiterrorist Center and the Collective Rapid Deployment Forces, as well as triple cooperation among Russia, Kazakhstan, and Azerbaijan on the Caspian issue.

The expert community believes that today Russia's agenda in Central Asia consists of three points: "soft power" (cultural influence and the continued presence of the Russian language); the Russian and

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<sup>6</sup> For more detail, see: *The New Silk Roads: Transport and Trade in Greater Central Asia*, ed. by S.F. Starr, Central Asia-Caucasus Institute & Silk Road Studies, Washington, D.C., 2007, 510 pp.

Russian-speaking diaspora, and migration. On the whole the Russian political elite, which is disunited on many other issues, tends to regard Russia's presence (domination) in Central Asia as a positive and indispensable factor: each of the political groups has reasons of its own to support it.<sup>7</sup>

In Central Asia Russia has concentrated its efforts on Kazakhstan, which was fully confirmed by the fact that Dmitry Medvedev, as the newly elected president, paid his first visit to Astana. It seems that under the pressure of domestic and foreign political factors Russia will shift the weight of its geopolitical efforts to the West (the European part of the CIS and Europe) for the simple reason that it has close economic contacts with it and its security and modernization depend on it to a great extent. Subjectively, this bias might be promoted by the personality of the new Russian president. We should expect, therefore, that Moscow will pay relatively less geopolitical attention to its eastern policies (which include China, the APR, the SCO, Southern and Central Asia).

The response from the other key geopolitical player is easy to predict: Beijing will move in to fill the gaps left by Moscow, however the process will not be smooth. China has its own problems which will not remain long on the back burner. Mounting difficulties will affect everything, including China's Central Asian policies. They will be affected by many factors, including China's relations with Russia and the West (with the future U.S. administration in particular), the balance of forces in the SCO, the situation on the energy markets, etc.

So far experts have identified several stumbling blocks in trade and economic relations between China and Central Asia: (1) from the very beginning they have been far from equal, with China's obvious predominance; (2) the border points and their role in promoting trans-border trade are a main problem; and (3) Chinese investments in the regional economy are a cause for worry. China is interested in ferrous and non-ferrous metallurgy, hydropower, the transportation infrastructure, and telecommunications. There is another, fourth problem—relations in the sphere of hydrocarbons. Experts believe this to be one of China's key regional strategies, which suggests several alternatives. There is a commonly shared opinion that China will play the decisive role in the future of Central Asia, a landlocked region. In fact, in the 21st century China will play the role Russia played in the 19th and 20th centuries.<sup>8</sup>

Beijing is steadily building up its economic presence in Central Asia by carrying out all sorts of projects (pipeline, transport and communication, trade, economic, construction, and investment) with each of the Central Asian states. Its involvement is clashing, to an increasing extent, with the interests of Russia and the United States in the context of rivalry over resources and the main pipelines.

The Chinese economy is rapidly acquiring global dimensions, the results of which are still hard to predict. In fact, an economic superpower is being born before our eyes. In its relations with China as a future economic superpower Kazakhstan has to take into account the fact that China is not merely the largest exporter but also a market for Kazakhstani commodities and investments. This means that in the future, when Kazakhstan accumulates enough money, China might become for Kazakhstan what the United States is for Canada, the EU countries, and Australia: an attractive investment market.

What is going on inside the region? The accumulating changes will gradually cause qualitative shifts. Kazakhstan will remain the leader even though the current financial storms make this harder. Uzbekistan is openly (and other republics latently) opposed to Astana's efforts to resume regional integration (cooperation) processes.

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<sup>7</sup> For more detail, see: M. Laruelle, *Russia's Central Asia Policy and the Role of Russian Nationalism*, A Joint Transatlantic Research and Policy Center, Johns Hopkins University-SAIS, Washington, D.C., 2008, 79 pp.

<sup>8</sup> For more detail, see: S. Peyrouse, *The Economic Aspects of the Chinese-Central Asia Rapprochement*, Central Asia-Caucasus Institute & Silk Road Studies, Washington, D.C., 2008, 73 pp.

Kazakhstan, as one of the driving forces behind the integration processes across the post-Soviet expanse and because of its geostrategic importance, is Russia's key strategic partner in Central Asia. Its energy, transport, transit, and military potential, as well as potential in other spheres, has not yet been fully tapped in the interests of both countries. It should be borne in mind that in the present geopolitical situation in Central Asia Russia will have to work harder than before to maintain and develop its allied and partner relations with Kazakhstan.

The relations between Kazakhstan and Russia are different from Russia's relations with the other Central Asian and CIS countries. On the one hand, Kazakhstan is one of the most loyal and reliable Russia's partners in the post-Soviet expanse; it is involved in all the integration processes. On the other hand, Astana's policies demonstrate that it has its own national interests, its own ideas about the international developments, and its own foreign policy priorities.<sup>9</sup>

The Russian Federation has been and will remain the main partner and ally of Kazakhstan for a long time to come, although a real mechanism for their integration has not yet been set up. It is needed to set up effective customs, trade, and economic unions, common financial institutions, vertical economic ties, etc. The political element of the two countries' integration remains vague.

In recent years Uzbekistan's political and economic situation has changed radically even though Islam Karimov remains its president. The country's leaders have started the very much needed financial and economic reforms; the national currency has reached the convertibility stage; and market mechanisms are operating in the countryside. Industry and agriculture have rid themselves of the extremes, and the government has moved further away from interfering in economic processes.

At home President Karimov has finally reduced the pressure of the clans and regional and departmental groups on central power. The main elite groups have reached a consensus and achieved a balance, albeit shaky. Social unrest was partly quenched and the threat of destabilization removed, while the Islamist movement was driven underground.

Likewise, the republic's international situation has changed to a great extent: Tashkent abandoned its one-sided orientation toward the West to move back to post-Soviet integration. This improved relations with Russia: today Tashkent depends much more on Moscow and Beijing. Its foreign policy revision took Tashkent farther than intended: its relations with the West are worse than at any other period, while the country has found itself in what can be described as international semi-isolation. At the same time the rapport between Russia and Uzbekistan that goes back to 2004 cannot be described as completely reliable: Uzbek foreign policy is known for its instability.

Tashkent is slowly but steadily erecting obstacles in the path of Russian businesses wishing to operate in Uzbekistan—at the early stages of the newly found cooperation these intentions were hailed. Uzbekistan's relations with its neighbors (especially with Kyrgyzstan and Tajikistan) cannot be described as simple. At the same time Tashkent and post-Niyazov Ashgabad seem to have found common interests: the former is interested in large-scale oil and gas as well as transport and communication projects.

In the context of bad, or very bad, relations with the West Tashkent is actively developing multi-sided (mainly economic) cooperation with China. The republic, in fact, is developing into China's key Central Asian trade, economic, and political partner. It, however, still depends on Kazakhstan in the trade and labor market spheres. Its non-existent relations with the West are forcing Uzbekistan to adjust its foreign policy to Russia and the regional structures it patronizes. The country is very much interested in the planned gas pipeline from Turkmenistan to China.

The European Union, meanwhile, changed its tactics: it abandoned confrontation for the sake of cooperation expected to improve Uzbekistan's domestic climate even though it ignored the de-

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<sup>9</sup> For more detail, see: R. Weitz, *Kazakhstan and the New International Politics of Eurasia*, Central Asia-Caucasus Institute & Silk Road Studies, Washington, D.C., 2008, 189 pp.



mand of the EU to start an international investigation of the Andijan events. Tashkent's firm stand, its determination to defend its sovereignty, and its opposition to an open diktat of others brought fruit.

Since 2004 Tashkent has been developing its relations with the Soviet successor-states in line with its orientation toward Russia. The importance of its contacts with China, Kyrgyzstan, Kazakhstan, and especially Turkmenistan (from which gas will be moved across Uzbekistan) cannot be overestimated; on top of this Uzbekistan is campaigning to become the transit state for the main railways and highways that will connect China and the Middle East.

The Andijan riot, which Tashkent accused Bishkek of indirectly instigating, caused a lot of strain in the relations between the two countries; later, in 2006, many of the former contradictions were removed. Relations with Tajikistan, on the other hand, remained the same throughout 2006 and 2007: Tashkent is convinced that the Republic of Tajikistan is unable or unwilling to take adequate measures to suppress radical Islamism, which has remained a very obvious threat since the late 1990s. Uzbekistan is jealous of Tajikistan, which is moving toward domestic hydropower and increased aluminum production. In the fall of 2006 this put a strain on their bilateral relations; the border guard services of both countries accused each other of violating the principles of good neighborly relations.

Islamist extremism keeps Uzbekistan on the alert: the republic is forced to tighten its border, customs, and migration regimes—measures that badly hit the Fergana population. It should be said that recently Uzbekistan chose to stay away from the summits of the Turkic-speaking states: it not merely ignored the kindred Turkic states, it also ignored the important foreign policy resource for the sake of demonstrating its independence.

For this reason Tashkent and Ashgabad pooled their pragmatic interests for the sake of ambitious regional fuel and energy projects: the Caspian gas pipeline is expected to hug the Caspian eastern coast across Turkmenistan and Kazakhstan to double Central Asian (including Uzbek) gas supplies to Russia.

This is the context in which Uzbekistan's post-Western foreign policy is taking shape determined, first and foremost, by the shortage of domestic resources and limited maneuverability on the international scene. Hence the main principles: orientation toward Russia and China and confrontation with the West; a wait-and-see policy when dealing with the West, which (Tashkent is convinced) needs Uzbekistan more than Uzbekistan needs the West; avoidance of too close relations with and overdependence on Moscow; wider cooperation with China in pursuance its own interests in the trade, economic, and investment spheres; preventing Tajikistan's too close relations either with the West or with Russia while helping Dushanbe fight the Islamist extremism, and flexible relations with Kazakhstan by formally accepting its leadership.

Kazakhstan, in turn, wants domestic stability in Uzbekistan more than anything else; much depends on whether the regime change in Uzbekistan will be smooth. On the whole, sober assessment of the situation and the now obvious trends demand that we should be prepared to see Uzbekistan a poor but ambitious and influential state. By that time Kazakhstan should have already acquired the levers needed to guide Central Asian development, manipulate the local processes and relations with the great powers and prevent Uzbekistan's diktat for the sake of geopolitical stability in the region.

Uzbekistan, in turn, is looking for new foreign trade and foreign policy partners in the East: South Korea, Pakistan, Japan, Iran, and even Afghanistan. President Karimov placed the stakes on contacts with China to balance out Russia's influence. This means that in recent years President Karimov has achieved a metamorphosis: Uzbekistan has Russia on its side as an influential patron on the international arena while Russia, by the same token, confirmed its regional status in Central Asia. In short, Uzbekistan has found its niche in Vladimir Putin's strategy.

There is the opinion in the West that the local regimes, naturally unwilling to risk their stability in the face of double pressure (from the Islamists and the West and its democratization thesis), opted for regional cooperation, the SCO being the most graphic example of this.<sup>10</sup> The local regimes are regarded as semi-autocratic, or “sultanic.” Three of the local states—Kyrgyzstan, Uzbekistan, and Turkmenistan—are seen as more autocratic than the others. They have, indeed, to maintain stability at any price as the bedrock of their legitimacy. Western authors are convinced that fear of any domestic changes or reforms able to erode or even bring down the regime is the local rulers’ main problem.

Kyrgyzstan is present in practically all the Central Asian integration projects—CSTO, EurAsEC, CAEC, and SCO. In recent years its leaders, who in the past few years have been preserving strategic cooperation and partnership with Russia, China, and the U.S. as their priorities, have been concentrating on strengthening relations within the SCO and CSTO. Relations with the United States, the third strategic partner, are clouded by the clash of financial advantages with respect to the continued presence of American troops in the republic and Washington’s mounting desire to export democracy and support the opposition.

On the whole, its relations with the West follow the pattern obvious in Central Asia, the Caucasus, and most of the other Soviet successor-states. On the one hand, the expectations of Western financial and economic assistance are very much inflated; on the other, this and investments should be repaid by military-strategic cooperation while the West indulges itself in criticism of the human rights and democratization records. When the negative aspects reach a certain level these countries turn to Russia to resume their habitual political flirting. Under any scenario the West will try to preserve its influence and military-strategic presence in Kyrgyzstan, at least at the present level.

In recent years Bishkek has displayed an interest in all sorts of transportation and communication projects designed to connect Central Asia with the outside world; Kyrgyzstan wants to be included in all of them as a transit country. It would also like to see Central Asia as a single economic expanse.

While looking at Russia for foreign policy guidance Bishkek counts on its economic assistance; it is placing its stakes on luring Russian business into expensive projects with which the republic cannot cope single-handedly. Its foreign policy confirms that no country with a weak and shaky leadership, stagnating economy, and domestic instability is capable of conducting a strong foreign policy course. Kurmanbek Bakiev tried to maneuver in the steadily narrowing field of political options when seeking the support of Russia and China (in particular) and close neighbors to strengthen his position as the second legal president and to heal the domestic economy.

The new leaders of Turkmenistan with their ideas about the country’s foreign policies boldly moved onto the international arena. President Berdymukhammedov has accepted the rules of the game and feels at home on the geopolitical scene, especially where the Caspian issue is concerned: so far he has been successfully balancing among Russia, the West, China, and Iran. He is lavishing promises right and left and seems to be ready to join any of the gas pipeline projects even though this is very much at variance with the republic’s gas reserves.

The dramatic events triggered by the sudden death of Saparmurad Niyazov and G. Berdymukhammedov’s advent to power stirred up intrigues around Ashgabad: the West is luring Turkmenistan into alternative gas projects while Russia is fighting for its continued monopoly on the transportation of Turkmen gas to the foreign markets.

Meanwhile Turkmenistan is steadily opening up to the world. This is true, first and foremost, of its contacts with the West through which it hopes to prevent destabilization of the new regime by means

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<sup>10</sup> For more detail, see: *Machtmosaik Zentralasien. Traditionen, Restriktionen, Aspirationen*, M. Sapper, V. Weichsel, A. Huterer (Hrsg.), BPB, Bonn, 2007, 648 pp.

of an outside force; neutralize the negative impact on the region of the U.S.-IRI confrontation; maintain acceptable prices for exported Turkmen gas; and achieve division of the Caspian in full accordance with its interests and better relations with its neighbors, Uzbekistan in particular.

The West, in turn, is trying to elbow Russia out of Turkmenistan, potentially the best chance of delivering Europe and pro-Western CIS republics from their dependence on Russian gas. Turkmenistan has been working in two directions: first, it is selling its gas to its usual customers (Russia, Ukraine, Azerbaijan, Georgia, and Armenia) and settling the payment issues. Second, it is looking for new markets and new transportation routes.

Its relations with China and within large pipeline projects will never leave the republic isolated. The latest moves of President Berdymukhammedov testify that he is following in the footsteps of his predecessor: he is maneuvering between Russia and the West on the main gas pipeline issue. Having sided with Russia and Kazakhstan on the Caspian project, the president of Turkmenistan later publicly supported the Trans-Caspian pipeline actively lobbied by the European Union, America, and Turkey. Recently there was progress on the division of the Caspian. It looks as if Ashghabad has finally accepted the fact that Niyazov's uncompromising stand had no future and is prepared to meet other CIS countries halfway.

Today, Russia's policy in relation to Turkmenistan is free from the desire to invite the country into the SCO or any other CIS structures. Moscow wants to remain in control over its gas policies: the agreements of Turkmenbashi's time should remain in force while Gazprom should retain its monopoly on the export of Turkmenian energy resources. This makes China, which wants Turkmen gas for itself, Russia's rival, which threatens its gas interests. In these conditions China could have used the SCO to bring pressure on Turkmenistan by trying to impose SCO membership on it. This would leave Russia with no choice but to support the country's present neutrality.

The expert community is of the opinion that Ashghabad's chances within Nabucco are preferable. The project expected to move gas from Iran and other Caspian states to Southern, Central, and Western Europe and North Africa has been discussed for some years now. The U.S. and EU both want to detach Turkmenistan from its dependence on the Russian Central Asia-Center gas pipeline to encourage Ashghabad to look at new export and transit projects. Turkmenistan's intention to diversify the gas export routes might be undermined by Gazprom, Russia's gas monopolist, and the lack of transparency in the Turkmen gas sector. In June 2007 President Berdymukhammedov began establishing relations with Iran.

The new pipeline routes will be determined not only by international competition over the oil and gas resources of Turkmenistan but also by the domestic balance of forces. The new export routes will depend on the place and influence of the clans in the new structures of power.

The Turkmen leaders selected Kazakhstan as their Central Asian priority: they are very interested in the second oil pipeline to China Kazakhstan is building, in the fact that it gave Japanese companies access to its uranium mines, and in its talks with China and Japan, as well as with France, on building the first atomic power station in Kazakhstan.

The new president and his closest circle have identified their foreign policy priorities as preserving the republic's neutrality, continuing the course of the previous leader in the export of fuel, settling the Caspian's status, and lowering the risks of being involved in the American-Iranian conflict. Legitimization of the post-Niyazov regime in the eyes of the world community is the most urgent of the foreign policy tasks.

The weak economy, which suffered a lot in the civil war, the undeveloped production forces, and the geographic location, which can hardly be described as favorable, do not prevent Tajikistan from being involved in nearly all the integration structures (CSTO, EurAsEC, CACE and SCO). Recently the country has been seeking new foreign policy partners more actively than before (while strengthening its traditional relations with Russia). The new foreign policy trends were born through

a great deal of dissatisfaction with the far from successful experience of cooperation with Russia's big business.

There are objective reasons behind this as well: in recent years foreign investors have been showing more interest in the republic for geopolitical rather than economic reasons. The West is very much concerned with the frequent visits of top political figures and businessmen from Russia, Iran, and China to Tajikistan and the ever widening flow of investments into its economy. The West, particularly the United States, cannot allow Iran to strengthen its position in the region and gain access to its strategic resources (particularly Tajikistan's uranium, aluminum, and cotton).

Today, Iran is building up its influence in the republic without much ado and is involved in all sorts of economic projects; India and China are also present. Russia's much advertised intention to regain control over the Soviet aluminum giants fell through or, at best, was postponed. The situation in the republic where economic and political problems are intertwined is far from simple, however Dushanbe and Tehran have moved closer in many respects. Iran is gradually moving to the fore as one of the key foreign investors and a potential user of local raw materials. In the near future Tajikistan will still need energy, transport, and communication projects; and it will have to curb the large-scale migration of manpower.

In Uzbekistan the old problems persist. In view of Tashkent's widely advertised position, it should be said that integration in Central Asia failed—today it is very much in vogue to speak of regional cooperation. Contrary to the widespread skepticism, it should be said that integration is going on in latent forms very much different from those in Europe: illegal migration, grey labor market, latent movement of capital, development of the shadow economy, etc.

What factors affect Central Asian security? They have not changed much: Afghanistan and the military-political situation in it; Iran and its nuclear program; the relations between Russia and China; the activity of the West, etc. What will happen next? Central Asia will obviously be drawn into the global processes, but much will depend on integration within the CIS and within the structures Russia has initiated and is promoting. The main actors will remain active; the dynamics of geopolitical processes in the region will depend, to a great extent, on external factors. Inside the region, dynamics will depend on regional factors and domestic policies.

Turkmenistan is the best example of the above: having acquired a new regime and geopolitical landmarks, the country is readjusting its policies and has already joined the geopolitical games. Tajikistan is going along the same road; Kazakhstan has reached a crossroads while Uzbekistan and Kyrgyzstan are following the same paradigm by inertia and for certain objective and subjective reasons. The rapidly changing geopolitical situation in the world and around the region will put an end to the stagnation.

Kazakhstan's future is closely connected with the fact that the world economy is growing more dependent on energy sources. Some time ago China, with its rapidly developing economy, commodities expansion, import of energy fuels and its impact on the environment, demography, and consumption, became a factor to be reckoned with in Kazakhstan. In fact China's proximity is both an advantage and a challenge.

An Alliance of the Central Asian States under the political and economic leadership of Astana is one of the key goals of its Central Asian policy. Today it is becoming increasingly clear that Uzbekistan's opposition is forcing Kazakhstan to draw closer to Kyrgyzstan, the closest Central Asian country in the geographic, cultural, and historical respects. Despite its relatively small political and economic scale Kyrgyzstan is one of the key states as far as Kazakhstan's security is concerned.

The Road to Europe, the republic's strategic course, revealed its geopolitical preferences to the European Union. On the other hand, its relations with the United States are positive; America still regards Kazakhstan as its key regional partner.

In October 2007 the OSCE unanimously confirmed OSCE chairmanship for the Republic of Kazakhstan starting in 2010, which can be described as an important political and diplomatic victory. The future chairmanship, however, is fraught with numerous problems that might complicate the republic's foreign policy context.

The OSCE might go beyond its present responsibility areas (security and humanitarian cooperation); its involvement in what is going on in the Soviet successor-states goes further than domestic issues, namely, to relations with the West as a whole and the EU and European institutions, NATO, and the U.S. in particular. Recently, the organization became involved in what is called energy security for Europe. This places the relations between Kazakhstan and the Central and East European countries in a new context.

OSCE chairmanship is a test for geopolitical maturity since it is related to the fundamental issues of the country's relations with the West, security, geopolitics, and geo-economics. During its chairmanship Kazakhstan will probably try to formulate, along with Russia, the Central Asian republics, and the CIS integration partners, a course to be pursued in relation to the West and OSCE.

The dividing lines inside the organization might be overcome; at the same time Kazakhstan will concentrate on the countries "to the east of Vienna" and their interests, which will give the CIS members a chance to implement their projects. The stress should be probably shifted from democratization on the humanitarian agenda to cultural cooperation, confessional harmony, and inter-civilizational cooperation.

The issues of prime importance for the region (terrorism, drug trafficking, and illegal migration) should probably receive more attention. At the same time the organization should distance itself from the problems of regional conflicts and unrecognized states. Contacts between the European and Asian security systems—the OSCE and CICA—look like a promising perspective. As the OSCE chairman, Kazakhstan will acquire the tools needed to organize a dialog between OSCE and NATO, on the one hand, and the SCO, CSTO and CICA, on the other. It is unlikely that the problem of the adapted CFE Treaty will be resolved by 2010, which means that Astana, as one of the sides, will have a chance to initiate a dialog within the OSCE.

In 2010 Astana should use its OSCE chairmanship to add weight to its international and foreign policy standing for the sake of Central Asian security.

In August 2008 the conflict in South Ossetia complicated the situation and greatly affected Euro-Atlantic and Eurasian security. The SCO summit that met late in August 2008 unanimously supported Russia and its actions in the Caucasus. We can expect similar statements from Moscow's CIS friends at the CIS, EurAsEC, and CSTO summits to be held in the fall of 2008. Central Asian security will undoubtedly be affected by the worsening relations between Russia and the West. The geopolitical game around the region has reached a new phase. The year 2009, when America receives a new administration, will probably dissipate the fog.