



Globalizing CENTRAL Asia

GEOPOLITICS AND THE CHALLENGES OF ECONOMIC DEVELOPMENT



MARLENE LARUELLE AND SEBASTIEN PEYROUSE

Central Asia, as it emerges from a political and economic system that was closed until the end of the twentieth century, is a textbook case for globalization. Its entry into the global arena must be understood not only through Central Asian states' interaction with numerous external players, but also in geo-economic terms. The region's natural resources compel the attention of rivalrous great powers and ambitious internal factions. Russia and China dominate the horizon, with other global players close behind. The local regimes are caught between the need for international collaborations to valorize their resources and the need to maintain control over them in the interest of state sovereignty. Local patterns of development thus become a key driver of external actors' involvement and shape the mechanisms by which the Central Asian states are forging a place for themselves in the globalized world.

This pathbreaking introduction to Central Asia in contemporary international economic and political context answers the needs of both academic and professional audiences.

This page intentionally left blank

Globalizing CENTRAL Asia

**Geopolitics AND THE CHALLENGES of
Economic Development**

MARLENE LARUELLE AND SEBASTIEN PEYROUSE

 **Routledge**
Taylor & Francis Group
LONDON AND NEW YORK

First published 2013 by M.E. Sharpe

Published 2015 by Routledge

2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

711 Third Avenue, New York, NY 10017, USA

Routledge is an imprint of the Taylor & Francis Group, an informa business

Copyright © 2013 Taylor & Francis. All rights reserved.

No part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Notices

No responsibility is assumed by the publisher for any injury and/or damage to persons or property as a matter of products liability, negligence or otherwise, or from any use of operation of any methods, products, instructions or ideas contained in the material herein.

Practitioners and researchers must always rely on their own experience and knowledge in evaluating and using any information, methods, compounds, or experiments described herein. In using such information or methods they should be mindful of their own safety and the safety of others, including parties for whom they have a professional responsibility.

Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

Library of Congress Cataloging-in-Publication Data

Laruelle, Marlene.

Globalizing Central Asia : geopolitics and the challenges of economic development / by Marlene Laruelle and Sebastien Peyrouse.

p. cm.

Includes bibliographical references and index.

ISBN 978-0-7656-3504-4 (hardcover : alk. paper)—ISBN 978-0-7656-3505-1 (pbk. : alk. paper)

1. Economic development—Asia, Central. 2. Geopolitics—Asia, Central. 3. Asia, Central—Foreign economic relations. 4. Globalization—Asia, Central. I. Peyrouse, Sibastien. II. Title.

HC420.3.L374 2012

338.958—dc23

2012011121

ISBN 13: 9780765635051 (pbk)

ISBN 13: 9780765635044 (hbk)



Contents

List of Maps, Figures, and Tables	ix
Introduction	xiii
Part I. “Great Games” and “Small Games”: The Strategies and Outcomes of External Actors	3
1. Russia in Central Asia: Old Patterns, New Challenges	9
The Ebb and Flow of Russian Influence in Central Asia	10
Russia’s Obsession with Security on Its Southern Borders	14
Russia’s Economic Involvement: Hydrocarbons and Integrated Space	17
Prospects for Russia’s Long-Term Success in Central Asia	19
2. China: The Newcomer That Made a Difference	27
Central Asia on the Chinese Global Radar	27
Settled Border Disputes, but Contentious Issues Remain	29
China’s Building of Strategic and Political Legitimacy	32
Chinese Inroads in Central Asia: Trade and Investments	34
3. The United States: The Too Distant, but Unavoidable Partner	43
Shifting US Agendas Toward Central Asia	44
Security as the Main Driver of US Involvement	47
Multilateral and Bilateral Strategic Cooperation	50
The Economic Rationales of US Involvement	52
4. The European Union: Soft Power or <i>Realpolitik</i>?	58
A Double Challenge: Elaborating Strategies, Delivering Messages	58
A Growing Focus on Security Matters	62
Bureaucratic Complexities and Limited Effectiveness	63
Fostering European Commitment Through the Economy?	65
Member States as the Bearers of Europe’s Business Image	68

5. Middle Eastern and Gulf Countries Seeking a Role in Central Asia	75
Turkey: From Cultural Strategy to Trade Pragmatism	75
Iran: A Promising Partnership Hampered by Geopolitical Issues	80
Alternative Partners: The Gulf Emirates and Israel	86
6. Central Asia Looking East: The Search for Asian Dynamism	96
India's Involvement: Hopes and Disillusionment	96
Pakistan: Dashed Hope, Political Suspicion	102
Japan's Policy in Central Asia: From Idealism to Realism	103
South Korea: A Discreet but Growing Presence	108
The Malaysian Model Emulated in Central Asia	110
7. The Regional Market: Economic Weaknesses and Political Blockades	117
Preserving CIS Links: Ukraine, Belarus, and Central Asia	117
A Failed Caspian Unity? Central Asia and the South Caucasus	120
Growing Connectivity: Central Asian Businesses in Afghanistan	123
Central Asian Cooperation: Interstate Failure, Bazaar Economies	125
Uzbek-Kazakh Competition for Regional Leadership	128
Part II. Facing Globalization: Strengths and Weaknesses of Central Asia's Economies	135
8. The Weight of the Soil: The Agriculture Sector	143
Structural Trends in the Agricultural Sector	144
Cotton or Food Self-Sufficiency: A False Dilemma?	146
The Mixed Results of Land Reforms	154
Political and Social Stakes in the Agrarian Sector	156
9. Hydrocarbons: At the Core of Central Asia's International Strategies	165
Reserves and National Companies' Strategies	166
Existing Distribution Routes	172
Energy Geopolitics: Are the Great Powers Dominating the Game?	177
Hedging Geopolitics? Transformation Industries and New Technologies	183
10. Mineral Wealth: Export Strategies Versus State Sovereignty	190
Kazakhstan's Mineral Eldorado and Its Oligarchs	190
Rare Earth Metals: Will Kyrgyzstan and Kazakhstan Compete with China?	195
Central Asia's Gold Riches	199
Uranium: Resources, Extraction, and Transformation Factories	203
International Partners and Central Asian Uranium: A Shift Toward Asia?	207

11. A Driver of Development: The Electricity Sector	218
Wavering Central Asian Cooperation	218
A Difficult Balance Between Production and Consumption	221
Management Bodies, Transmission Networks, and Export Strategies	224
The Challenges of Developing Hydroelectricity	229
Does Central Asia Have a Geopolitics of Electricity?	234
12. Landlocked: The Transport Challenge	242
State of the Road, Rail, and Air Networks	242
The International Community's Focus on Transcontinental Transport Corridors	250
Beyond Geopolitical Grand Narratives: The Reality of Transport	254
13. A Structurally Weakened Industrial Base	264
The Soviet Legacy: The Chemical and Pharmaceutical Industries	264
The Revival of the Military-Industrial Complex	267
One of the Last Mechanical Industries: The Uzbek Automobile Sector	269
Is the Potential of the Textile Industry Still Unexploited?	270
The Construction Market Boom: Changes in Political Architecture and Real Estate	273
Sectors of the Future: Agribusiness and Distribution	277
14. The Future of the Services Sector	285
Building the Banking System from Scratch	286
Kazakhstan's Success Story: Central Asia's Rising Financial Center	289
A Booming Mobile Telecommunications Market	293
Kazakhstan and New Technologies	296
The Potential for Tourism	298
Conclusion	306
Bibliography	313
Index	333
About the Authors	355

This page intentionally left blank

List of Maps, Figures, and Tables

Maps

Political Map of Central Asia	4
Gas and Oil Pipelines in Central Asia	174
Kazakhstan Mineral Resources	193
Mineral Resources in Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan	198
CAREC Transportation Corridors	256

Figures

8.1 Livestock by Country and Year (Cattle, Sheep, and Pigs)	153
9.1 Gas Production in Kazakhstan, Turkmenistan, and Uzbekistan, 1999–2009	171
10.1 Main World Producers of Uranium	204

Tables

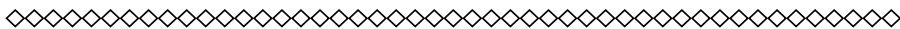
Part 1.1 Main Economic Partners of Central Asia by Rank, Value of Trade, and Percentage in 2010	7
1.1 Russia's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	18
2.1 China's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	36
3.1 Distribution of US Aid to Central Asia per Country and Program in 2011	46
3.2 The United States' Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	53
4.1 The EU's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	66
5.1 Turkey's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	79
5.2 Iran's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	84
5.3 The UAE's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	88
5.4 Israel's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	90

x LIST OF MAPS, FIGURES AND TABLES

6.1	India's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	100
6.2	Pakistan's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	103
6.3	Japan's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	107
6.4.	South Korea's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	110
6.5	Malaysia's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	111
7.1	Belarus' Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	119
7.2	Ukraine's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	120
7.3	Azerbaijan's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	122
7.4	Afghanistan's Place in Imports, Exports, and the Trade Total of Central Asian States in 2010	124
7.5	Central Asia's Internal Trade in 2010	127
Part 2.1	GDP Purchasing Power Parity per Central Asian Country in 2011	136
Part 2.2	Global Economic Structure of Central Asian Countries in 2011	137
Part 2.3	Budget Revenues, Expenditures, External Debt, and FDI for the Central Asian Countries in 2011	139
Part 2.4	Main Index of Business Grading of Central Asian States for 2011 by Rank	140
Part 2.5	Corruption, Freedom, and Human Development Index by Central Asian Countries in 2010–2011	141
8.1	Arable Lands, Irrigated Lands, Agriculture in GDP Share and Percentage of the Population	145
8.2	Cottonseed Production in Central Asia and as a Share of Global Production	147
8.3	Wheat Production in Central Asia and as a Share of Global Production	150
8.4	Rice Production in Central Asia and as a Share of Global Production	152
9.1	The Oil Sector in Central Asia in 2010	168
9.2	The Gas Sector in Central Asia in 2010	169
10.1	Main Mines in Central Asia, their Owners, Production, and World Ranking in 2010–2011	196
10.2	World Rankings of Producer Countries of Uranium	204
11.1	Electricity Production, Consumption, Import, and Export in Central Asia in 2011	222

11.2	Hydroelectric Potential of the Countries of Central Asia	230
11.3	Main Hydroelectric Power Stations and their Production on the Naryn River	231
11.4	Main Hydroelectric Power Stations and their Production in Tajikistan	233
12.1	Airports, Railroads, Roads, and Waterways in 2011	249
14.1	Mobile Phones and Internet Users in Central Asia in 2011	294

This page intentionally left blank



Introduction

Globalization is now one of the most used words in the media, politics, and academia. This multifaceted concept has become a catchall into which anyone can read whatever he or she wants—often with a heavy dose of ideology. Advocates of complete deregulation of the economy may argue that the state has lost its regulatory role in a global era; some resist globalization on protectionist and nationalistic grounds; still others advocate alternative globalizations, whether based on “world citizenship” or on environmental or “degrowth” theories. In the end, however, when we separate the reality from the hype, we see that the history of man is a history of globalization: large population migrations in prehistoric and ancient times; the dissemination of culture through medieval scholars, world religions, or great voyages of discovery and colonial conquest; the establishment of international organizations such as the Red Cross or the League of Nations; the rise of communism as the first major ideology to transcend national boundaries. Contemporary globalization has therefore a long lineage.

Another exaggeration is the idea that globalization abolishes space and time. In actuality, only capital markets are truly globalized, transcending physical borders. Information, too, is immediate—at least some of it—although it is not yet borderless. But many other aspects of human life are still marked by time and space, and in most senses, the borders of nation-states continue to be as relevant—especially in some parts of the globe—as ever. The vast majority of the world’s people never leave the territory where they were born; they may be able to connect to the wider world via Facebook, but their everyday experiences are still demarcated by space and bounded by access to transportation. The new interactions that arise between states, consumers, transnational corporations, and civil society entities do not mean the end of the state; the state is still the only formal political space in which the civil rights of individuals are expressed, or for which we fight.

Nor does globalization spell the end of geography. Economic activities—outside of finance—are still geographically located. The old geography of production, distribution, and consumption still functions, but it is being transformed. In Peter Dicken’s description, economic globalization is characterized by “an increasingly complex geography of production, distribution and consumption whose scale has become, if not totally global, at least vastly more extensive, and whose choreography has be-

come increasingly intricate.”¹ The historic patterns of trade between Europe, North America, and Japan—with intensive commercial and financial flows and dense networks of transport and communications—are increasingly challenged by China, the Asian “tigers” and “dragons,” and individual countries like Brazil or South Africa. Of course, there are still persistent peripheries: sub-Saharan Africa, a large part of Latin America, and Central Eurasia. Core–periphery geography is evolving dramatically, and the societies that are in the process of catching up are quite changed by the time they enter the globalized world. The Chinese workforce, for instance, will soon be too expensive for Chinese strategies of producing cheap goods, and sub-Saharan African countries attract Chinese businesses.

Globalization is also multi-scale. It impacts not only global flows, but also the events of everyday life, and it has a regional dimension. Archipelago economies are forming, focused on one or more economic powers that drive an entire region: the United States in North America; the European Union for Europe, the Mediterranean region, and Russia; and China for the Asia-Pacific. China, India, Brazil, and South Africa are the main emergent powers, grouped under the BRICS acronym. Russia is conventionally included in this group, but its membership is questionable. The Russian economy experienced significant growth in the beginning of the twenty-first century compared to its collapse in the previous decade, but on a longer scale Russia’s economy compared to the Soviet one can be read as in decline. In many respects Russia is a former power; it is not emergent, but rather in a phase of withdrawal, like Europe.

This rise of “regionness” is an important aspect of globalization, not only in economic terms, but also increasingly in strategic and cultural ones. It is accompanied by a narrative that evokes a multipolar world in which the so-called American superpower is relegated to being a power among others. The phenomenon of regionness thus implies a potential geopolitical pluralism, which the BRICS countries promote loudly in international fora. It calls into question the “eurocentrism” of international relations, and it suggests that foreign policy is impacted by the cultures of international actors. Globalization is therefore not a teleological process that will result in uniform governance or some kind of world harmony.

Central Eurasia—defined as the immense area that spans from Siberia to Russia’s Pacific coast, the three South Caucasus countries (Armenia, Georgia, Azerbaijan), the five Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan), Mongolia, Afghanistan, Xinjiang, and Kashmir—is one of the world’s persistent peripheries. This is immediately apparent if one looks at the Northern Corridor of Modern Activity (NCMA), which shows a dense belt circling the earth, tracing the flows of telecommunications activities during one twenty-four-hour period in the late 1990s. In it, Central Eurasia presents itself as an immense blank space—a Modern Activity Gap (MAG)—in which communications between Asia and the Atlantic vanish as if in a black hole.²

Central Eurasia has been home to centers of civilization for brief periods in history, in ancient and medieval times. In modern times, it has always been part of the periphery, whether of the Russian, Ottoman, Persian, British, or Chinese empire.

It has remained sparsely populated compared to the large concentrations of people nearby (the Mediterranean Basin, India, and China) and lacking in political unity. Historically, the region was a transit area for people, goods, and ideas—as successive “empires of the steppes” invaded Europe from the Altaic homelands, and to the south when the Silk Road trade linked China to the Mediterranean. These overland routes lost their *raison d’être* after the great maritime discoveries of the fifteenth century and as a result of changes to the local context, such as Iran’s passing under Safavid domination. The disappearance of the Silk Roads preceded and cannot be explained by the colonial powers’ “Great Game.” By the seventeenth and eighteenth centuries, the Uzbek khanates, at the geographical heart of Central Eurasia, had been relegated to the distant peripheries of the Russian, British, and Chinese empires. Subsequently, Russian commercial domination, and then the imposition of the Soviet regime, almost entirely redirected the trade flows toward the north. Central Asia—with the South Caucasus and the Russian Far East—became a sort of cul-de-sac of the Soviet Union, closed off to trade with its southern neighbors. The rest of Central Eurasia was transformed into buffer states (Afghanistan, Mongolia) or marginalized regions with a peripheral status (Xinjiang, Kashmir). The twentieth century saw the erecting of new barriers, territorial and ideological, which profoundly altered the social fabric, bringing to an end the last elements of unity of this vast area.

For Central Asia this persistent peripheral status is not solely a product of tsarist imperial policy or the Soviet regime, but more one of history and geography. The region’s extreme continental climate limits the potential for exploitation of the land and for human settlement. The landscape is either arid—from the sandy desert of Turkmenistan, which forms part of the Aralo-Caspian Depression, to the grassy steppes of Kazakhstan leading to Mongolia—or mountainous, with the Pamirs, the Tian-Shan, and the northern foothills of the Himalayas. The Karakum Desert covers 80 percent of Turkmen territory and the Kyzylkum a large part of Uzbekistan, while nearly half of Kyrgyzstan and Tajikistan is at an altitude of more than 3,000 meters. The Ferghana Valley is the main exception: its fertile soil and good provision of water make it the region’s “garden.”

Central Asia’s population density has always been relatively low. The city-states of early antiquity developed in desert oases or the deltas of its great rivers, the Amu Darya and the Syr Darya. These city-states were linked by a system of caravan routes that enabled the circulation of commodities, people, and ideas between relatively isolated settlements. Even in the most prosperous eras, people were one of the region’s most precious commodities precisely because they were so scarce. Today the total number of inhabitants for the five Central Asian states is only about 60 million.³ However, despite its generally low human density, the region is heavily overpopulated in its agrarian zones.⁴ In Turkmenistan, there are at most only 0.5 hectares of arable land per inhabitant (as compared with an average of 2.3 hectares for the rest of the former Soviet Union). The situation is particularly acute in the Ferghana Valley, with more than 10 million inhabitants (20 percent of the Central Asian population), and levels of human density reaching 559 persons per km² around Andijan.⁵

Although food has always been produced locally, Central Asian societies have historically been very dependent upon production from abroad. Artisanship remained limited (carpets, jewels, ceramics, pottery, textiles, objects made of iron, etc.), so that nearly all finished products (as well as tea, salt, and spices) had to be imported, principally from China, Iran, and India, via the famous Silk Roads. From the second half of the eighteenth century onward, imports came mainly from the north, from Russia. The tsarist authorities set up similar mechanisms to those that the Western powers used in Africa and Asia: they dispatched administrators and finished products, and they extracted primary products, thereby reinforcing local economic patterns.⁶ From the end of the nineteenth century onward, Central Asia became one of the main zones of cotton production for Russia, while some mining extraction industries operated in the Kazakh steppes. The Soviet economic planning regime intensified this specialization in primary products: cotton in Uzbekistan and Turkmenistan, coal and all types of minerals in Kazakhstan, uranium in Uzbekistan, gold in Kyrgyzstan, and so on. The significant population flows generated by the Soviet system—with large European populations migrating to the region and “punished peoples” being forcibly resettled there—responded to the development of industrial complexes and the large cotton and sugar collective farms.⁷

Upon the collapse of Soviet Union at the end of 1991, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan acquired political independence. Today they share many common patterns and features: the same cultural and political legacy; weak governance; loss of the economic linkages between Soviet republics; the logic of “transition” from planned to market economy; and limited connectivity to world markets. In economic terms, all have the advantage of being geographically at the crossroads of some of the world’s fastest-growing economies, but they are landlocked (and in the case of Uzbekistan, doubly so). They are endowed with large reserves of oil (Kazakhstan); gas (Turkmenistan, and to a lesser extent Uzbekistan and Kazakhstan); potential hydropower (Tajikistan, Kyrgyzstan); uranium, precious minerals, and rare earths (mainly Kazakhstan), and gold (mainly in Uzbekistan); they also produce cotton (Uzbekistan and Turkmenistan, to a lesser extent Kazakhstan and Tajikistan). In addition, unlike many third world countries, they benefited from the advantages of the Soviet regime—a literacy rate of almost 100 percent and universal healthcare systems, both of which are now in decline due to lack of investments in human capital and citizens’ well-being.

The region’s unity stops here. Each of the Central Asian countries has elaborated its own exit from the Soviet system in terms of political regime, economic policies, opening to the world, cultural and social trends, and conceptions of nationhood. The key stakes they have to face are related to demography (generational changes and developmental prospects for societies with large youth populations like Uzbekistan and Tajikistan); economic development capacities (subsoil resources, transit and trade opportunities, workforce migrations); and the regional environment (proximity to three of the BRICS countries, drug routes, and Islamic insurgencies). Each country also has its own specific problems to resolve: energy, water, and food crises (Tajikistan,

Kyrgyzstan); fear of political Islam (Uzbekistan, Tajikistan); potential interethnic tensions (Kyrgyzstan, Kazakhstan); youth unemployment (Uzbekistan, Turkmenistan); and massive labor migrations (Tajikistan, Uzbekistan, Kyrgyzstan). Their degree of integration with the world is also very different. Turkmenistan is one of the world's most closed countries after North Korea, and has maintained both political and economic isolation; Kyrgyzstan has sought to be the most politically, socially, and economically open, and was the first country in the Commonwealth of Independent States (CIS) to join the World Trade Organization (WTO), in 1998.

The states are all members of major international organizations, except Turkmenistan, which pursues isolationist policies under a status of "permanent neutrality."⁸ They enjoy the benefits offered by European banking institutions (the European Bank for Reconstruction and Development) as well as the Asian Development Bank and the Islamic Development Bank. That said, international financial institutions (IFIs) such as the World Bank and the International Monetary Fund (IMF) have difficulty working in Central Asia, especially in Turkmenistan and Uzbekistan, as do United Nations (UN) agencies. They are also members of many regional organizations, but these are rarely effective. Only those headed by Moscow or Beijing (the Eurasian Economic Community and the Customs Union, the Shanghai Cooperation Organization) can impact on local economic realities, while others (the Economic Cooperation Organization, Conference on Interaction and Confidence Building Measures in Asia, Organization of Islamic Cooperation, and so on) are essentially forums for discussion and international visibility, with no efficacy on the ground. In addition, regional cooperation between Central Asian states is impeded by multiple tensions between political leaders, border issues, and contradictory geopolitical and economic orientations, allowing external actors to play one country against another and reducing the ability of local governments to advance their own interests.

With independence came a return of the narrative about Central Asia as a crossroads, promulgated by the local governments as well as by international donors and external actors. But the geographical centrality that seems so obvious on the map bears little resemblance to the economic and cultural realities. "Only rarely do [geographically] central locations coincide with [actual] centers; very often, they are 'internal peripheries.'"⁹ The fact remains that Central Asia continues to be a persistent periphery, poorly connected to the rest of the world in terms of trade statistics, communication and transport networks, and business and investment environment.¹⁰ Nonetheless, Kazakhstan is the world's foremost uranium producer, the second-largest exporter of flour, and will become one of the ten largest exporters of petroleum in the next decade; Turkmenistan has the fourth or fifth largest reserves of gas in the world; Uzbekistan is the world's second-largest exporter of cotton and is globally well placed in exports of gold and uranium. Moreover, typical globalizing mechanisms are emerging there. The investment strategies of some of the large Kazakh metallurgical firms in sub-Saharan Africa, and the structure of the Kazakh sovereign wealth fund Samruk-Kazyna, exemplify the global trends of south-south investments and new developmental "state capitalism."

In addition, Central Asia can be considered well integrated into the world economy if one takes alternative criteria into account. Labor migration flows place Tajikistan and Kyrgyzstan above Central America in terms of dependence on remittances. Mafia-type networks, largely related to drug-trafficking and prostitution, link Central Asia, Europe and the Mediterranean, and the Gulf states. Groups of young Central Asian men in search of Islamic knowledge travel to Malaysia and Mecca and other destinations in a globalized Islamic world. Corrupt ruling elites stow millions of dollars in offshore havens like Cyprus, the Cayman Islands, and the British Virgin Islands, and acquire real estate in Switzerland or the French Riviera, in preparation for a comfortable retirement or sudden exile. The Central Asian states are thus in the process of strengthening their statehood in symbolic, political, and territorial terms, while at the same time their economies and societies follow some globalizing, sometimes denationalizing, trends.

Emerging from a political and economic system that was closed until the end of the twentieth century, Central Asia could be a “textbook case” for globalization, as the region adapts to a highly competitive world where the criteria for success are changing rapidly. The new states must manage the tensions between being formally independent and needing to be “open” to outsiders, whether states, investors, individuals, or legal norms. Globalization is thus reshaping statehood; it has increased the weight of the exogenous demands imposed on the elites and has profoundly transformed the normative definition of the state.¹¹ Yet most publications on contemporary Central Asia ignore this globalization question, focusing only on the geopolitical stakes to which the region is subject, with particular emphasis on the classic strategic balance among the major powers and their conflicting pressures on local governments. Questions of economic development are rarely correlated with geopolitical dimensions, except for the export of hydrocarbons. However, by shifting the focus onto the primary economic realities of Central Asia—the predominance of the agricultural sector, the overspecialization in primary resources, difficulties of access to energy, excessively landlocked character, and weak capabilities for a service-based economy—it becomes possible to better understand the mechanisms by which the Central Asian states are forging a place for themselves in the globalized world.

In the 1990s, analysts tended to see Central Asia in terms of geopolitical theories, especially the classic balance between the global maritime power (the United States) and the continental power (Russia); in the early twenty-first century, the emphasis has shifted toward economics. For the external actors in Central Asia, economic and political interests are intrinsically interlinked. Defense of their geopolitical interests (influence on local elites, strategic cooperation, and containment of competitors) is combined with promotion of their economic interests through multiple means, ranging from “good neighbor” policies (China) to aid and assistance (the European Union, United States, and Japan) and contracts for their state-run and private firms. For the Central Asian states, the major challenge is balancing external actors, and linking geopolitics and economic development. Moving beyond their 1990s quest for international recognition, they have reformulated their interests in more pragmatic terms

and anchored their international positioning on the logics of access to resources and economic specialization. Local economic potentials, but also limitations, have worked to cement the balance in favor of China, and to a lesser extent, Russia; to give a larger role to Europe, and to partially dampen the influence of the major actors of the 1990s, namely the United States, Turkey, and Iran.

Western observers are accustomed to seeing Central Asia through the prism of the “Great Game,” with too many actors competing over the region, but the Central Asian governments see things quite differently. There may be many players, but few of them are able to go beyond mere talk; numerous development projects are still waiting for a generous donor undeterred by investment conditions that are difficult and insecure. Over the course of twenty years of independence, the Central Asian states have been disappointed by most of the external actors on which they pinned their greatest hopes, namely, the United States, Europe, India, and Japan. They have limited the influence of other actors for reasons having more to do with perceived Islamist threats (Turkey, Iran, Pakistan, and the Gulf countries). Only one country, China, has not disappointed them in these ways, but it provokes anxieties concerning the sustainability of their long-term sovereignty toward their big neighbor.

The aim of this book is to provide keys to understanding Central Asia in an era of globalization by analyzing both the strategies of external actors and the local patterns of development. Topics that will not be explored here include the strategic balance of power, the legal frameworks in which the local economies are developing, the shadow economy, or the cultural globalization that is occurring in Central Asia via migration or the education of young people abroad.

In Part 1 of the book, we inquire into the place held by the various external actors on the Central Asian scene, their multiple “little games,” and their economic presence in the region. In Part 2, we look at the economic realities of Central Asia and the main sectors of production and services. With this analytical framework we hope to highlight elements through which the Central Asian states are charting their political construction, their international place, and their development strategies in a globalized world. We are deeply grateful to all those who have helped us realize this project, especially Michelle Marie Smith, Alec Forss, Steve Corcoran, Gaël Raballand, Patricia Kolb, Ana Erlic, and Marlyn Miller.

Notes

1. P. Dicken, *Global Shift: Mapping the Changing Contours of the World Economy* (New York: Guilford Press, 2011), 3.

2. S. Benson, *The MAGATTM Construct and the Northern Distribution Network* (Washington, DC: Center for Strategic and International Studies, November 2009), 3–4.

3. Uzbekistan, with about 27 million people, has close to half the population of the region; Kazakhstan has about 15 million people. The figures for the three other republics are much smaller: there are about 6 million inhabitants in Kyrgyzstan and in Turkmenistan, and about 7 million in Tajikistan. Uzbekistan’s and Turkmenistan’s demographic data, however, are based on estimates, given the lack of census-taking, not to mention data manipulation by the political authorities.

4. The data show 5.5 inhabitants per km² in Kazakhstan, 10 in Turkmenistan, 28 in Kyrgyzstan, 49 in Tajikistan, and 64 in Uzbekistan; detailed figures per year are available on Sherbrooke University's website: <http://perspective.usherbrooke.ca/bilan/servlet/BMListeStatSpecifique?codetheme=1>.

5. *Chislennost' naseleniia Respubliki Uzbekistan na 1.1.2005* (Tashkent: Goskomstat, 2005), 5–15. We thank Olivier Ferrando for conveying this information to me.

6. S. Becker, *Russia's Protectorates in Central Asia: Bukhara and Khiva, 1865–1924* (London: RoutledgeCurzon, 2004); S. Abashin and S. Gorshenina, eds., *Le Turkestan russe, une colonie pas comme les autres?* (Brussels: Complexes, 2009).

7. I. Ohayon. "La déportation des peuples punis en Asie centrale," in *Le XXe siècle des guerres*, ed. P. Causarano, V. Galimi et al. (Paris: Éd. de l'Atelier, 2004), 172–81.

8. L. Anceschi, *Turkmenistan's Foreign Policy: Positive Neutrality and the Consolidation of the Turkmen Regime* (London: Routledge, 2008).

9. O. Dollfus, *La mondialisation* (Paris: Presses de Sciences Po, 2001), 57.

10. See the introduction to part 2 in this volume.

11. J. Heathershaw, "Tajikistan amidst Globalization: State Failure or State Transformation?" *Central Asian Survey* 30, no. 1 (2011): 147–68.

Globalizing CENTRAL Asia

This page intentionally left blank

Part I

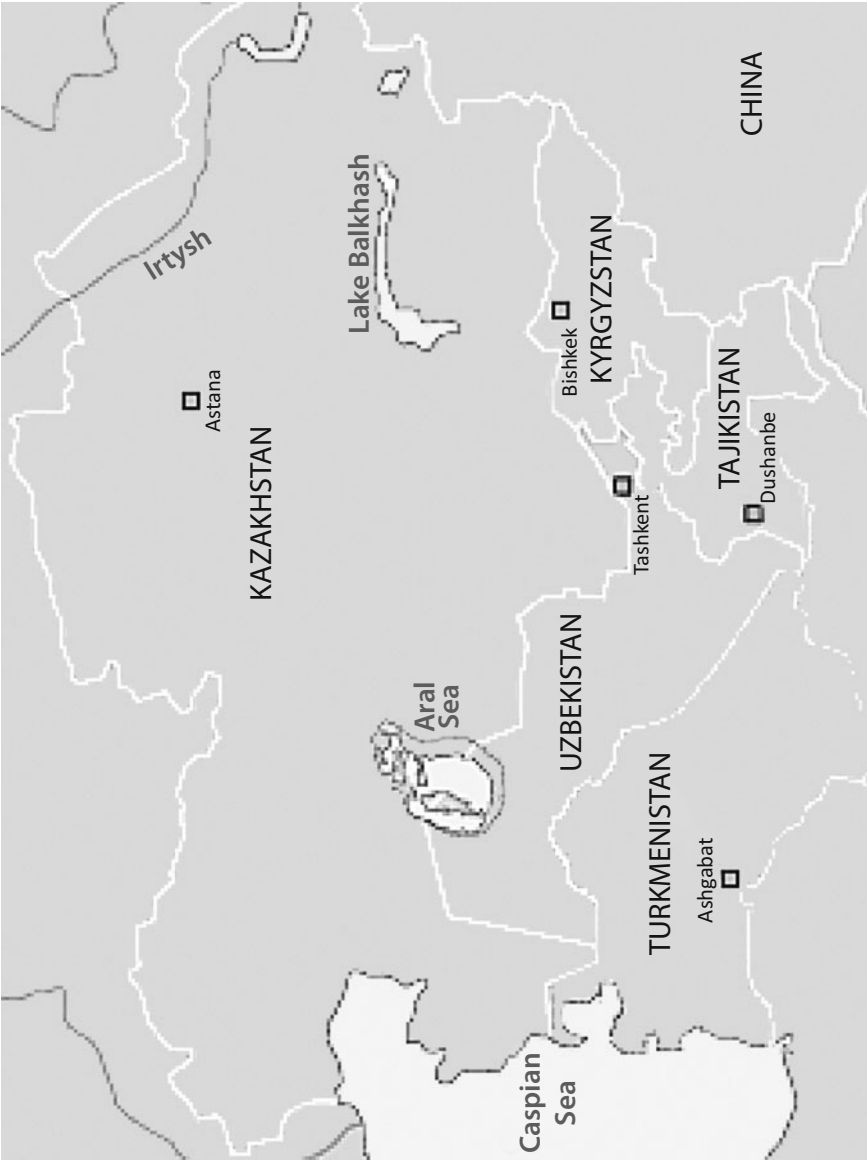
“Great Games” and “Small Games”

The Strategies and Outcomes of External Actors

All parts of the world have given rise to meta-discourses fed by historical and geographical references, but some do so more than others. This is the case for Central Asia, where onlookers embed the realities of daily political, social, economic, and cultural existence in a globalizing narrative that is intended to make sense of contemporary developments. This is not only a sign of lack of knowledge about the region, but also of the lack of interpretative guides to the changes taking place there. Thus, since the collapse of the Soviet Union, Central Asia is variously cast as the “South” of the former Soviet Union, the eastern pole of Washington’s “Greater Middle East,” the new “Far West” of China, a “buffer zone” between continental and maritime powers, a “Greater Central Asia” linked to South Asia through Afghanistan, the “Caspian Basin” as a historical place of conflict between Russia and Iran, and as a “Central Eurasia” where Slavic, Turkic, Persian, and Chinese cultures meet. These familiar interpretations invite external actors to project their international identity on the region, each with their own set of normative principles, arguments in favor of rapprochement with Central Asia, and legitimacy strategies to influence the future of the region.

Among these metanarratives, the “Great Game” is probably the most popular.¹ It recalls the geopolitical competition between the Russian and British empires during the second half of the nineteenth century in the area stretching from the Kazakh and Turkmen steppes to the north of India, and from the Caspian Sea to the foothills of the Himalayas. It led to the birth of Afghanistan and the historic separation between Russian Turkestan and British India.² The current idea of the new “Great Game” is marked by the post–Cold War rediscovery of colonial adventures and revives the Orientalist fashions of the nineteenth century, as well as Romanticism’s attraction to a mystical “East.” The previous “Great Game” was not a typical armed conflict, but rather an indirect competition based on cultural and commercial sway, which used methods of disinformation and discrete struggles for influence, as well as the weapon of scientific knowledge. All these are standard strategies of the twenty-first-century post–Cold War world, hence the tendency to consider both situations similar.³

But the “Great Game” formula causes confusion on multiple levels. The contemporary Central Asian states are independent, legitimate international actors and recognized members of major organizations, which the nineteenth century khanates of Bukhara, Khiva, and Kokand were not. They cannot be reduced to simple objects



Political Map of Central Asia

of rivalry between great powers, and they have not been passive recipients of external influence, either under colonial domination in the nineteenth century, Soviet control in the twentieth century, or post-Cold War geopolitical contests in the twenty-first century. They are actors in their own right, with their own subjectivity and projection of identity on the international stage.

Most importantly, despite a power differential that is not in their favor, they are able to deploy strategies to force regional actors and global powers to compete with one another, and have the capacity to limit the impact of outsiders. Neither Russia nor China nor the United States can impose their rules of the game on Central Asia in a unilateral manner, and any of them may experience sudden losses of influence. Moscow has limited means by which to exert pressure on Turkmenistan or Uzbekistan, and it also has to manage the growing autonomy of Kazakhstan, as well as respond to the bargaining tactics used by Tajikistan and Kyrgyzstan. Beijing has been unable to enforce its own specific set of economic and strategic wishes, and the Central Asian states rejected its proposal to transform the Shanghai Cooperation Organization into a free trade zone. China also found itself at a loss, for example, when confronted with Tashkent's obstruction of the hydroelectric station projects it is financing in Tajikistan. The United States or the European Union cannot influence the nature of Central Asian regimes, which have managed to maintain political isolation when faced with democratizing pressures, and Washington has experienced several significant strategic setbacks in the region.

The notion of the "Great Game" also presupposes a set of binary oppositions whose relevance has not been demonstrated. While Russia and the United States appeared to dominate the Central Asian scene in the 1990s, now China has positioned itself as a new matrix for the region and potentially as a competitor with Russia. US-China competition in the region is not clearly apparent, but it exists. Yet multiple other powers, such as the European Union, Japan, South Korea, Turkey, Iran, India, have also entered the regional arena. Each seeks to project itself as a model for Central Asian development and to frame the legitimacy narratives of the Central Asian states.

Russia's and China's influence has been established over the long term, and both have territorial contiguity with several Central Asian countries. They are the only "total" players in the sense that they are able to partly shape politics, strategic orientations, economic development, and social issues in Central Asia. With the Soviet legacy, Russia has a cultural advantage, although China hopes to fill the gap with its economic dynamism. A second set of actors, the United States and the EU are both symbols of democratic values and a Western way of life that is both attractive and repellent. The differences between these two actors, however, are significant. Washington arrived in the region with the legitimacy of the sole superpower, but its distance from the Eurasian continent limits its level of interaction with Central Asian societies. For its part, Brussels is mobilizing its normative and soft power. It is more influential in economic terms than the United States, but less so in strategic terms; it has the potential to influence state-building in the region, but its foreign policy lacks impact. A third set of actors, Iran and Turkey, draw on cultural and linguistic proximity, which provides them with

6 STRATEGIES OF EXTERNAL ACTORS

niches of influence but not first-tier status. A fourth group includes the more minor actors—Japan, South Korea, India, Pakistan, the United Arab Emirates, Malaysia, and Israel—and a fifth group of even less influential countries includes former Soviet “brothers” and newly rediscovered neighbors, Ukraine, Belarus, the South Caucasus, and Afghanistan.

Far from being binary, the relationships between Central Asian countries and each of these external actors, or among the external actors themselves, are flexible. Not all of them share the same objectives, strategies, or outcomes, and the “smaller” actors can sometimes impede the “greater” powers. None of these external actors wants to gain a monopoly over the region. It is too fragile domestically and too exposed to an unstable regional environment for outside powers to risk entering into conflict with the others to achieve a unilateral stranglehold over it. This situation is positive, since it limits greatly the risks of conflict between external actors. But it is also negative, since the main influential actors are involved mostly with defense strategies (to confine the risks of “instability” emanating from Central Asia), and no one is ready to pay too dearly for its presence in the region.

The diversity of Central Asia has also been reinforced since independence. The five states now have little in common in terms of economic capacity and development strategy. Each of them is autonomous in its foreign policy decisions, and has a very specific identity and its own views on the geopolitical environment. Kyrgyzstan and Turkmenistan each view China differently, and the same is true of Russia in Kazakhstan and Uzbekistan. The governments quite legitimately exploit international competition to their own advantage and are learning how to present different faces depending upon the partner with which they are dealing. When negotiating with Moscow and Beijing, they do not conceal the authoritarian nature of their decision making, but when meeting with the Europeans and Americans, they display concern for democratization and good governance. With Muslim countries they play the Islam card, and with Israel and Europe, that of the secular state. From the time of their independence, the states of Central Asia have promoted divergent conceptions of their place on the international stage, and these divergences have widened over time. Twenty years after the collapse of the Soviet Union, the Central Asian foreign policies share similar objectives—autonomy but recognition—but from it they draw very different strategies and outcomes. Indeed, the diversity of positions is extreme, going from Turkmen isolationism—so complete that it led to the country’s often being placed alongside North Korea and Burma in various global rankings—to the far-reaching openness of Kyrgyzstan—the only country in the world to host a Russian and an American military base on its soil only a few kilometers from one another.

Kazakhstan is the only Central Asian state to have succeeded in implementing a positive multi-vectored policy vis-à-vis its international partners, by building links in multiple directions, rather than opposing the actors against one another. By openly displaying the hierarchy of its relationships—Russia first, China second, followed by the West (with the European Union taking precedence over the United States)⁴—

Table Part I.I

Main Economic Partners of Central Asia by Rank, Value of Trade, and Percentage in 2010

Rank	Country	Total trade in million US\$	Percent of total Central Asian trade
1	China	28,388.7	26.1
2	EU	28,317.3	26
3	Russia	13,955.4	12.8
4	Turkey	6,204.8	5.7
5	United States	2,919.2	2.6
6	Ukraine	2,895.2	2.6
7	South Korea	2,739.1	2.5
8	Belarus	1,246.4	1.1
9	Japan	1,069.1	0.9
10	UAE	927.5	0.8
11	Iran	834.7	0.7
12	Azerbaijan	624.8	0.5
13	Afghanistan	531.5	0.4
14	India	476.6	0.4
15	Malaysia	208.4	0.19
16	Israel	129.4	0.11
17	Pakistan	34.5	0.03

Sources: 2011 European Commission statistics, <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries-and-regions/>.

Note: For 2010 the euro-dollar official exchange rate was 0.785.

Kazakh foreign policy has managed to build stable and consensual foreign policies. The multi-vectored policy of the other Central Asian states has proven more problematic.⁵ Turkmenistan’s stance of “permanent neutrality” can only be defined as multi-vectored by default, since it is more isolationist than internationalist. Uzbekistan has undergone several major strategic reversals, which makes its multi-vector orientation a sign of geopolitical instability, as it switches between pro-Western and anti-Russian, and anti-Western and pro-Russian stances. Kyrgyzstan, for its part, as well as Tajikistan to a lesser extent, are able to play on the oppositions between the major powers with a fair amount of success, but they do not have any established multi-vectored policy to speak of. They play one power against another, while Kazakhstan plays on all of the powers at the same time.

A realistic interpretation of the interaction between Central Asian countries and external actors is therefore not of a “Great Game,” but rather of many “little games” that are modular, evolving, negotiable, complementary, and not exclusive of one another.

Notes

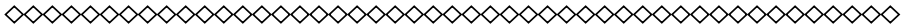
1. A. Sengupta, *Heartlands of Eurasia: The Geopolitics of Political Space* (Lanham, MD: Lexington Books, 2009); N. Megoran and S. Sharapova, eds., “On the Centenary of Halford Mackinder’s Geographical Pivot of History,” *Central Asia and the Caucasus* 34, no. 4 (2005).

2. P. Hopkirk, *The Great Game: The Struggle for Empire in Central Asia* (Tokyo: Kodansha International, 1992); G. Mogran, *Anglo-Russian Rivalry in Central Asia, 1810–1895* (London: Frank Cass, 1981); K. Meyer and S. B. Brisac, *Tournament of Shadows: The Great Game and the Race for Empire in Central Asia* (Washington, DC: Counterpoint, 1999).

3. J. Piatigorsky and J. Sapir, eds., *Le grand jeu—XIXe siècle, les enjeux géopolitiques de l’Asie centrale* (Paris: Autrement, 2009).

4. B. K. Sultanov and L. M. Muzaparova, eds., *Stanovlenie vneshnei politiki Kazakhstana: Istoriia, dostizheniia, vzgliad na budushchee* (Almaty: IWEP, 2005).

5. F. Tolipov, “The Foreign Policy Orientations of Central Asian States: Positive and Negative Diversification,” in *Eager Eyes Fixed on Eurasia*, ed. Iwashita Akihiro (Sapporo: Hokkaido University, 2007), 23–40.



1

Russia in Central Asia Old Patterns, New Challenges

Contemporary Central Asia cannot be understood without reference to Russia. Russia is a former colonial power whose cultural values and language are still in broad circulation; since the beginning of the twenty-first century, flows of migrant labor from Central Asia have reshaped cultural relations between the two spaces. The Kremlin is still a key strategic partner for soft and hard security issues: it provides political support to the Central Asian regimes and is an important economic player, in particular in energy, although Moscow increasingly is in competition with other external actors. Seen from Moscow, Central Asia makes up a central element of Russian energy policies and, strategically as much as politically, is a key component of the great-power image that the Kremlin is fostering.

After the implosion of the Soviet Union, Russia's standing as former colonial center presented it with many difficulties. In Central Asia, holding Moscow at bay became a top priority. Resounding critiques rang out about "Russian colonialism," but they lasted only for a brief period. During the mid-1990s, the newly independent states began attenuating their criticisms of Moscow as they started to experience social difficulties. It was a time when nostalgia for the Brezhnev years became an increasingly popular leitmotiv, and Russians could no longer be blamed for all evils.¹ In less than two decades, Russia has succeeded in inverting the Soviet past and turning it into an asset of shared proximity. Since 2000, it has once again become a respected power in Central Asia, where its economic and geopolitical revival is admired, but the drivers of that influence, especially in some countries, are fragile and short term.

Although the weight of history still influences certain Russian strategies, contemporary developments are forcing Moscow to readjust its view of Central Asia to be more forward-looking. The country is experiencing a growing strategic insecurity and fears the risks of destabilization at its southern borders. At the same time, control over Central Asian hydrocarbons, uranium, and electricity is part of the Russian state's key strategies in its mastery of the so-called Near Abroad. Politically, Moscow wants to have friendly regimes on its borders and to be able to exercise a certain right to oversee what it considers to be its sphere of influence. Russia may have regained some of its influence in the first decade of the twenty-first century, but it faces new domestic and international challenges, and needs to fundamentally redefine its policy toward Central Asia.

The Ebb and Flow of Russian Influence in Central Asia

Russia's global geopolitical interests have substantially changed since the end of Cold War. The Kremlin is still in the process of adjusting its perceptions of the international scene, and is having difficulties in identifying its long-term partners and competitors.² The ambivalent and sometimes hesitant character of Russian foreign policy remains particularly pronounced in Central Asia because Moscow's long-term challenges there are complex. Moreover, the Russian decision-makers who deal with Central Asia issues are diverse, reflecting the range of relations between the two zones that have emerged from the Soviet legacy. Several sets of actors—the presidential administration, the Ministry of Foreign Affairs and diplomatic channels, the Ministry of Defense, the security services, and major Russian firms (public and private)—may work in tandem, but also have conflicting interests and competing areas of influence.

During the first phase extending from the fall of the Soviet Union to the second half of the 1990s, the Kremlin failed to exhibit a defined policy in relation to Central Asia. The Commonwealth of Independent States (CIS) was presented as a mechanism to ensure a “civilized divorce,” with no other objective than to avoid conflict situations arising from the dislocation of the links between republics.³ The reasons behind Russia's disinterest in Central Asia were multiple—ideological, political, and economic. The elites in power during the liberal government of Egor Gaidar (1992–1993) thought that Russia's strategic interests lay in the West. Still harboring the Gorbachevian idea of the “Common European Home,” many of them expected a rapid integration into European space, a relatively unproblematic transition to a market economy, and the establishment of Western democratic norms. The years of empire and Soviet power were decried as having “diverted” Russia from the European path. These assumptions ran counter to any potential desire Moscow may have had to maintain control over Central Asia, which was considered to be a backward, corrupt region symbolic of the Brezhnev stagnation, and one that would slow Russia's march toward Europe.⁴

On the economic level, the shock therapy that Russia experienced meant that the large companies, which were being rapidly privatized, no longer played any structural role in foreign policy. The drastic collapse of living standards for the majority of the population left Moscow with no way to influence the other republics through subsidies. Russia stopped being the locomotive of Central Asian integration and brutally expelled the republics from the ruble zone in 1993.⁵ It refused a regional alliance suggested by Kazakh president Nursultan Nazarbayev in 1994, which would create a non-ideological Eurasian Union to maintain a high level of economic integration and aid the countries in their transition to a market economy.⁶ Russia showed almost no reaction to NATO's Partnership for Peace, which integrated the former Soviet republics, and remained content with its observer status in the Central Asian Union (Kazakhstan, Kyrgyzstan, and Uzbekistan). Bilateral trade with Central Asia collapsed: in 1993 it was only one-tenth of its 1991 level (about US\$6 billion compared to 60 billion two years previous) and remained unchanged until 1995.⁷

Moscow focused almost exclusively on strategic stakes: negotiating the rental

of the Baikonur Cosmodrome in Kazakhstan; exerting pressure on the new states to make them join the CIS Collective Security Treaty; maintaining Russian troops in Kyrgyzstan, Tajikistan, and Turkmenistan along the former international Soviet borders with China, Afghanistan, and Iran; and involving the Russian army's 201st motorized division in Tajikistan during the civil war.⁸ A decree issued in September 1995 declared the CIS an "area of vital interest," and Russia hoped to have others recognize what it deemed as its right to oversee the region.⁹ The human and cultural potential created by the Soviet regime, however, remained largely ignored. Moscow seemed unwilling to go about defending the Russian minority in Central Asia, which numbered close to ten million people at the last Soviet census of 1989,¹⁰ nor to maintain the Russophone infrastructures (schools, universities, media) that were crucial for long-term influence.¹¹ Moscow's foreign policy, both chaotic and contradictory, appeared bound to "lose" Central Asia,¹² while setting up much more elaborate mechanisms of influence in post-Soviet fractious areas such as Latvia, Estonia, the Crimea, Transnistria, South Ossetia, and Abkhazia.

The Russian domestic context changed rapidly and led to the birth of a second phase of Russian foreign policy in the second half of the 1990s. Only a few years after the collapse of the Soviet Union, assessments of the country could only be critical, even among liberals. The Russian state was weak and without resources, was unable to adequately finance an army, exerted a diminished influence on the international scene, and had no clearly defined geopolitical interests.¹³ In 1996, Boris Yeltsin tried to revive Russia's great power status and replaced the foreign affairs minister at the time, Andrei Kozyrev, with Evgenii Primakov, a prominent Soviet diplomat whose political ascension to the post of prime minister (1998–1999) symbolized the Kremlin's political turnaround.¹⁴ Upon assuming office, Primakov called for a balanced policy to continue the development of good neighborly relations with the West, in particular with the European Union, while simultaneously stressing cooperation with Asian countries, first and foremost China and India.¹⁵ He said what the majority of the elite dared not declare publicly: to be recognized as a great power, Russia must resume its role as the linchpin of post-Soviet space. The country, however, no longer had the means to stage its "return." As the major enterprises had been largely privatized, the state lacked finances; the country was having difficulties in exiting the post-Soviet economic crisis—heightened by the stock market crash of summer 1998—and the elite were unable to resolve domestic problems linked to the war in Chechnya.¹⁶ Lastly, the Kremlin remained divided over the final objectives of the new foreign policy: while the idea of returning to the status of a great power had almost unanimous support, many thought that Moscow could do so without having to reinvest in Central Asia.¹⁷

The Kremlin soon began to exhibit more concern with the deterioration of the situation on its southern borders. Despite the peace accords of 1997, which put an end to the civil war in Tajikistan, Central Asia seemed under increasing threat. After the defeat of the Northern Alliance in 1996, Kabul fell under the control of the Taliban, drug trafficking grew in the region, and in 1999 and 2000 Uzbekistan and Kyrgyzstan were in direct danger from the Islamic Movement of Uzbekistan.¹⁸ Russia, however,

had relinquished control of the former external borders of the Soviet Union. In 1999, the Russian army ceded management operations along the borders with China, Afghanistan, and Iran to the national armies of Kyrgyzstan and Turkmenistan, remaining present only in Tajikistan, which it left in 2005.¹⁹ In the economic sphere, trade relations between Moscow and the Central Asian states dropped to an all-time low, collapsing to less than US\$4 billion in 1999. Although trade levels were actually higher than this, the dearth of liquidities obliged the two sides to operate according to a barter system, which remained uncounted in official statistics.²⁰ Moscow also tried to reenter the oil sector in Kazakhstan and the gas sector in Turkmenistan, and did not hesitate to use the “energy weapon,” for example by blocking transit across its territory. This forced the Central Asian states to establish strategies to bypass it: Astana managed this with China, and Ashgabat with Iran.

Despite resolute discourse on its natural role in post-Soviet space, at the end of the 1990s the former “elder brother” had no means to pursue its policies. On the institutional level, Russia could only operate bilaterally, thanks to signing friendship and cooperation treaties with the Central Asian states, but could not pursue any effective multilateral policies. The lack of financing allocated by member countries to the CIS confirmed the absence of any collective political will. The Kremlin’s room to maneuver in its former territory was drastically reduced. On the other hand, NATO (the North Atlantic Treaty Organization) was particularly active in the region; the United States was advancing its pawns by supporting the birth of an anti-Russian axis called GUAM (Georgia-Ukraine-Armenia-Moldova)], and by financing the Baku-Tbilisi-Ceyhan (BTC) oil pipeline; the European Union saw its destiny as eastward enlargement through the integration of the Baltic states; and Ukraine and Georgia presented themselves as the bridgeheads of Western influence in their confrontation with Russia. Meanwhile, the new actors—the United States, European countries, China, Turkey, Iran, and Japan—firmly established themselves in Central Asia and thwarted all attempts made by Russian companies to set up monopolies in the region, with the partial exception of hydrocarbons.²¹

The third phase of Russian foreign policy began with Vladimir Putin’s ascension to power. In November and December 1999, the Kremlin’s new strongman visited Tajikistan and Uzbekistan, and revisited Uzbekistan, as well as Turkmenistan, in May 2000. In June of the same year, he laid out the major lines of his foreign policy, giving priority to the CIS²² and to the development of active diplomacy vis-à-vis major Asian partners such as India, Iran, and China. Relations with the two Central Asian countries most averse to Russian influence, Turkmenistan and Uzbekistan, improved slowly, and observers viewed Putin’s visit to the two capitals as a diplomatic success.²³ The three other states, which sought to pursue balanced policies between Russia and the West, also showed their receptiveness to the message of assertiveness coming from the Kremlin. The events of September 11, 2001, gave Moscow increased resolve in its will to reengage in Central Asia. The US military presence at Karshi-Khanabad in Uzbekistan and Manas in Kyrgyzstan, although approved by Putin, pushed the Kremlin to increase its ambitions in the region.²⁴

Within a few years, Russia had once again become the leading bilateral partner of Kazakhstan, Kyrgyzstan, and Tajikistan. At the multilateral level it leads both the Eurasian Economic Community (EurAsEc),²⁵ and the Collective Security Treaty Organization (CSTO).²⁶ Only Turkmenistan has refused to join the two institutions; Uzbekistan remains a reticent member of the first, and withdrawn from the second in 2012. The Kremlin has attested its unfailing support for all the Central Asian regimes whose authoritarianism has contributed to a loosening of ties with the United States and the European Union, as well as to a decreasing involvement of international donors. The struggle against so-called Islamic terrorism was a powerful factor: the leitmotiv of the “war against terror” made it possible to weave new links between leadership circles and to claim that the Central Asian states and Russia were both victims of internationalized Jihadism. Central Asia supported Russia in its war in Chechnya in exchange for the Kremlin’s support for its fight against the Islamic Movement of Uzbekistan, the Hizb ut-Tahrir, as well as the secular political opposition. The “color revolutions” in Georgia in 2003, in Ukraine in 2004, and in Kyrgyzstan in 2005, accelerated Central Asian feelings of encirclement by the United States and thus fostered rapprochement with Moscow. Presidents Nursultan Nazarbayev, Islam Karimov, and Emomali Rahmon felt they were potential targets and sought support from the Kremlin.²⁷ The Russian-Central Asian alliance reached its apogee during the Uzbek authorities’ repression of the Andijan insurrection of May 13, 2005. While Western countries condemned the regime for its immoderate use of force and rejected the official theory of an Islamist coup d’état, Russia (and China) came unhesitatingly to the rescue of Islam Karimov.²⁸

Nonetheless, despite undeniable success during Putin’s first two presidential terms, Russia’s power of persuasion in Central Asia remains limited.²⁹ Many factors have acted as a reminder that Russia’s preeminent positions are far from guaranteed, even in seemingly Russophile countries like Kazakhstan. In 2008, for example, Moscow’s recognition of the independence of South Ossetia and Abkhazia surprised Central Asian leaders, who refused to undermine the inviolability of borders inherited from the Soviet Union.³⁰ The notion of “friendly regimes,” often used to describe political relations between the Russian regime and its Central Asian counterparts, is paradoxical: Tashkent and Ashgabat are the most suspicious of Moscow’s reassertion of influence, but their lack of openness to foreign influences and their authoritarian orientations also serve Russian interests. Tajikistan is increasingly resistant to Russia’s presence, but cannot do without the economic and security aid Moscow provides. For its part, Bishkek is able to advance pro-Western arguments (for instance after the establishment of parliamentary regime in 2010), while also remaining pro-Russian. The Kazakh elites are increasingly autonomous in relation to Russia, and although Nursultan Nazarbayev remains a major supporter of the Kremlin’s strategies for regional integration, Kazakhstan is seeking to attain geopolitical autonomy and an equal status with Russia.

Western pundits tend to overestimate Moscow’s ability to direct the orientation of the Central Asian states. The trend toward increasingly authoritarian forms of governance,

although evidently influenced by the regional environment, cannot be explained by Russian leadership. It cannot be assumed that Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan have a spontaneous democratic character but have become “victims” of Russian—and Chinese—authoritarian pressures. Domestic issues and local political culture drive Central Asia’s choices in terms of political regimes.³¹ The political compatibility between the Kremlin and its Central Asian counterparts is therefore not a permanent given but an axis of convenience. Regime changes in one or another of the republics or in Moscow could put a rapid end to the circumstantial consensus of post-Soviet authoritarianism.³²

Russia’s Obsession with Security on Its Southern Borders

Russia’s chief reason for involvement in Central Asia is security. Challenges are multiple, as any destabilization in the weakest (Kyrgyzstan, Tajikistan) or the most unpredictable (Uzbekistan) states could have immediate repercussions in Russia: Islamist infiltration in the Volga-Ural region and the North Caucasus; an increase in already considerable inflow of drugs reaching the Russian population; a loss of control over the export networks of hydrocarbons, uranium mines, strategic sites in the military-industrial complex, and electrical power stations; a drop in trade exchanges; or an uncontrollable surge of migrants, in particular refugees. That these repercussions are often overestimated is of little importance: myths and phobias are a part of decision-making processes. Although Kazakhstan is the only Central Asian state that shares borders with Russia, Moscow sees the security of its southern borders as a question of domestic security borne not out of “imperialism,” but of pragmatism. The 7,000 kilometers of Russian-Kazakh border, in the heart of the steppes, are nearly impossible to secure, and clandestine flows are better controlled downstream along the former southern border of the Soviet Union. Moscow therefore thinks of Central Asia as a buffer zone with a “South” increasingly subjected to strategic uncertainty and non-traditional threats.

Russia’s perceptions of its global security evolved throughout the first decade of the twenty-first century, and the new Concept of National Security for 2020, adopted in May 2009, advances more nuanced and subtle arguments, reflecting changes within the international security environment.³³ It defines security more broadly, and includes energy security, soft security challenges, the environment, health, education, migrations, technologies, living standards, and so on. The definition of enemies and dangers has also changed.³⁴ Even if some prisms inherited from the Cold War still shape Russian perceptions, today Moscow tries to take into account two categories of danger: non-traditional threats (failing states, drug-trafficking, migration, human security), and strategic uncertainties (potential rapid changes in the domestic or international orientation of its neighbors). Within this prism, the West is no longer really a danger; China is, in terms of strategic uncertainty, while the “South” (consisting of the new federal district of the North Caucasus, and of Transcaucasia, Central Asia, Iran, and Afghanistan) combines both non-traditional threats and strategic uncertainty. The

“South” is the zone where overlapping domestic and foreign stakes are strongest, where the borders are least stable, and where both conventional and non-conventional security are at play.

To address these challenges, Russia has positioned itself as a reliable partner of the Central Asian governments, ready to collaborate with all of them, even Tashkent and Ashgabat, when called for. Of the CIS institutions, only the Anti-Terrorist Center (ATC) is properly functional, inasmuch as it continues to provide Central Asian security services with training and offers joint exercises called “South Anti-Terror,” administered by the Russian FSB (the former KGB, the Federal Security Service). Russian-Central Asian multilateral collaborations are mainly geared toward the CSTO.³⁵ Apart from its role in the elaboration of collective strategies to combat terrorism, transnational dangers, and drug trafficking, the CSTO is the only regional institution with a genuine military dimension.³⁶ The Collective Rapid Deployment Force (CRDF) for Central Asia is comprised of Kazakh, Kyrgyz, Russian, and Tajik units, and totals around 4,000 men. It is the only organization with trained armed forces capable of intervening in real time and could be upgraded to a force of 20,000 soldiers.³⁷ Joint military exercises, carried out annually in one of the member countries, simulate terrorist attacks and anti-narcotics operations, and are a growing axis of cooperation. Since 2005, the CSTO has also revived cooperation between the Russian and Central Asian military industrial complexes, and allows for the preferential sale of Russian military material to Central Asian states at domestic market prices.

However, bilateralism dominates in the domain of security. Since the early 1990s, Russia has held joint military exercises with Kazakhstan, Kyrgyzstan, and Tajikistan; exercises with Uzbekistan only began in 2005 and rapidly ceased, and none have been organized with the Turkmen army. Although there are no longer any Russian troops in Turkmenistan, Kyrgyzstan, or Tajikistan, bilateral consultations are still conducted on border securitization with Bishkek and Dushanbe. In addition, joint operations are organized that focus on drug-trafficking and illegal migrations, such as those undertaken with Kazakhstan on the Caspian Sea and along the length of the Chinese border. The FSB border service plays an advisory role and provides technical assistance in Kyrgyzstan and Tajikistan. Russian troops, who helped both countries create their own air defense systems in the 1990s, continue to train their air force personnel.³⁸ The Soviet legacy has also enabled Moscow to help train a majority of Central Asian military personnel.³⁹ Several hundred high-level Central Asian officers have studied at Russian military academies, which serve as models for the Central Asian military schools, and the two Russian military bases in Kyrgyzstan and Tajikistan offer specialized onsite training.⁴⁰

The Russian authorities have succeeded in keeping or in regaining a number of military and research facilities in Kazakhstan, Kyrgyzstan, and Tajikistan.⁴¹ Kazakhstan was the site of some of the most important military installations in the Soviet Union, and its territory constitutes a major element of the Russian defense system. Since the 1990s, Astana has allowed Russia the use of several firing ranges in exchange for military materiel, specialized maintenance, and officer training. Moscow rents

the Baikonur space complex from Astana (70 percent of Russian rocket launches occur there), but also weapons and missile launch centers in the Atyrau and Western Kazakhstan regions. In Kyrgyzstan, under a CSTO agreement, Russia has the Kant base at its disposal, which opened in 2003 and can accommodate close to 800 men, as well as the Russian army's anti-submarine weapons test zone at Karakol on the shores of Lake Issyk Kul. In addition, plans were made in 2010 to open a small center in the Osh region under the control of the FSB in order to monitor both drug trafficking and Islamist movements.⁴² Upon the signing of a 2004 treaty, Moscow opened its largest military base after Sevastopol outside the Federation's borders in Tajikistan, where about 7,000 troops are deployed.⁴³ Russia has been allowed to deploy other troop units at Kurgan-Tyube and Kulyab, to occupy the Ayni Airforce Base close to Dushanbe, which hosts Russian helicopter squadrons, and to use the Okno space surveillance center, home to an electronic and optic monitoring station of the Russian space forces. A 30-year lease of the base between both countries was signed in 2012. Russia does not have any military facilities in either Turkmenistan or Uzbekistan, but would like Tashkent to grant it access to the Ust-Yurt Plateau for ballistic missile tests.

Since the beginning of the twenty-first century, Russia has supplied the Central Asian states with large quantities of military equipment, either by selling it at preferential prices, notably to Kazakhstan and Uzbekistan (the only two states in the region able to finance their armies), or by supplying the material in return for the rental of sites (Kyrgyzstan and Tajikistan). Russia therefore equips the Central Asian armies with weapons, munitions, night-vision apparatus, planes, helicopters, anti-missile defense systems, and tanks, as well as ships for the Kazakh Caspian Fleet. It also provides after-sales service and repairs. Since 2005, Moscow's influence has further been enhanced by the revival of the Central Asia military-industrial complex.⁴⁴

However this cooperation in hard security does not prepare Moscow to counter non-traditional threats coming from the "South." The Central Asian regimes consider soft security mechanisms to be a core element of their state sovereignty, and are reluctant to acquiesce to foreign interference; however, their level of preparedness is low and measures are rendered ineffective by the rampant corruption of law enforcement agencies. Yet Central Asia's soft security is crucial for Russia, especially as it considers itself a victim of the drug trafficking from Afghanistan. The Russian authorities are no longer hiding their intent to mercilessly oppose what they label "narco-aggression."⁴⁵ The country does have the unenviable status of being the world's leading consumer of heroin, using seventy tons per year, or around 21 percent of world consumption, according to the United Nations Office on Drugs and Crime (UNODC).⁴⁶ Russia has between four and six million drug users, mainly young people in both urban and rural areas, according to these calculations; this figure has increased by a factor of more than nine over the last decade.⁴⁷ The federal anti-drug agency estimates that each year 10,000 Russians die from overdoses and that another 70,000 deaths are drug-related.⁴⁸ Moreover, this consumption has a major effect on the spread of HIV/AIDS.⁴⁹ This situation is a part of a more general debate on the country's demographic crisis and

the concomitant absence of efficient state policy to deal with poor public health, in particular male mortality from violent deaths.⁵⁰

Since 2009, it appears that a fourth and new phase of Russian influence in Central Asia has been taking shape. A number of factors have weakened the Central Asian states, including the 2008 economic crisis; an increase in allegedly Islamist incursions in the Tajik Rasht Valley in 2009 and 2010; the ousting of Kurmanbek Bakiyev in Kyrgyzstan and interethnic riots in Osh in 2010; and the Arab Spring in 2011, all of which have necessitated a re-reading of the Central Asian situation. At least officially, the Kremlin does not advocate interference in the internal affairs of foreign countries; however, Russian experts are more and more cognizant of the fact that the absence of development prospects in Kyrgyzstan, Tajikistan, and Uzbekistan shapes global insecurity, and may have a destabilizing impact. In Moscow, some officials are starting discreetly to encourage Central Asian governments to undertake reforms for fear that Egyptian-type protests will occur there as the result of a poisonous “cocktail” of political repression, social and economic depression, and the capturing of their country’s riches by a small elite. Russian Deputy Minister of Foreign Affairs Grigory Karasin expressed that very fear at a hearing devoted to Central Asian problems at the Duma in April 2011.⁵¹ Drastically reshaping Russia’s levers of influence in preparation for both the Western withdrawal from Afghanistan in 2014,⁵² and the forthcoming possible crisis in Central Asia is becoming Moscow’s main objective.

Russia’s Economic Involvement: Hydrocarbons and Integrated Space

The second most important factor motivating Russian influence in the region is the economy. Although in the 1990s the major Russian companies pursued their own policies, which were often not consonant with those of the Kremlin, under Putin state interests and those of major firms have been reunified. This seems to have provided Russia with a single solution for its multiple objectives: first, to maintain political influence over the Central Asian regimes through the control of resources; second, to continue to collect considerable transit revenues from these landlocked countries; third, to slow down the emergence of competing export routes. Russia has therefore regained an important, but no longer monopolistic, economic position in Central Asia at the beginning of the twenty-first century.⁵³ Russian-Central Asian trade tripled between 2003 and 2007, skyrocketing from US\$7 to US\$21 billion.⁵⁴ In 2010, these commercial exchanges stood at almost US\$14 billion, positioning Russia as the region’s third-largest trading partner behind China and the European Union, although it remains first in imports for Kazakhstan and Turkmenistan, and first in exports for Kyrgyzstan.

More so than other international actors, Russia plays a structuring role in the development of the Central Asian hydrocarbon market. Its activities were initially limited to Kazakhstan, but around 2000, Gazprom also began to make significant inroads into Uzbekistan and Turkmenistan, and, since 2005, into Kyrgyzstan and Tajikistan as well. Gazprom, Rosneft, and Lukoil are involved in numerous energy projects, mainly in Kazakhstan and Uzbekistan: geological exploration; exploitation