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How to Change Regional Geopolitical Structure in Central Asia?

“The region is in need of the establishment of a regional platform for cooperation on matters concerning the energy sector. This will ensure a more efficient allocation of the resources and increase the value of the internal regional trade” – notes Ibrahim Mammadov (Azerbaijan) in an article, exclusively for CABAR.asia.

The continuous reliance of the Central Asian states on more powerful external actors has hindered the potential of the region to develop. Such can be seen with the military dependency on Russia and the economic dependency on Russia and China of the regional countries. The recent energy shortages in this energy resource-rich region of the world and the low share of intraregional trade in the total trade turnover of each Central Asian country show the disadvantages of a lack of regional cooperation. Growing Russian aspirations to reassert dominance in the post-Soviet sphere through military means, as well as China’s significant economic presence in the region, raise concerns about the region’s future. The idea of a more integrated Central Asia did not seem feasible for a long time. However, the shift in policy direction in Kazakhstan beginning in 2019 and Uzbekistan beginning in 2016 toward greater regional cooperation has created an opportunity for a change in regional geopolitical structure toward a more integrated Central Asia.

Why Cholpon-Ata Summit matters

Within the Fourth Consultative Summit of the Leaders of Central Asian States in Cholpon-Ata, Kyrgyzstan, on 21 July 2022, a number of proposals concerning cooperation in the spheres of security, economic relations, regional transportation, and environmental cooperation were discussed.

One of the summit's major topics was regional security, which was discussed by each president in their respective addresses. It is important to note that all the heads of state, except that of Kazakhstan, also focused on the situation in Afghanistan on regional security. Within the security context, President Kassym-Jomart Tokayev of Kazakhstan, for his part, focused on the importance of the regional conflicts resolution, delimitation and demarcation of borders, and the need to establish a mechanism for regular meetings of the secretaries of the Security Councils of the states in the region. The latter was also welcomed in the remarks made by President Shavkat Mirziyoyev of Uzbekistan. Tokayev also mentioned the need for regular meetings at the level of foreign ministers and advocated for the establishment of what he called a Concept of Cooperation of Central Asian States for Mutual Coordination of the Security Matters with External Actors, such as Russia and China[1].

While Russia still remains the major military power in the region, the Cholpon-Ata summit showed that regional states are shifting away from acknowledging Russia as the regional guarantor of security and stability towards an emphasis on intra-regional cooperation on matters of security. The situation in Afghanistan and the need for a regional security platform was also mentioned in the various statements. The importance of maintaining internal stability and praise for the various steps taken in this direction were also clearly mentioned by the leaders during the summit.

The recognition of the need to foster greater intra-regional economic cooperation was also prioritized. Boosting trade was emphasized, with some leaders going into specifics. Hence the call made by the President of the Kyrgyz Republic, Sadyr Japarov, to lift customs tariffs, the proposal by Mirziyoyev to cooperate in the field of regional import substitution industrialization, the mentioning by the leaders of both Kazakhstan and Kyrgyzstan on the need to work towards establishing an "international center for industrial cooperation" on the Kazakh-Uzbek border and an "industrial trade and logistics complex" on the Kazakh-

Kyrgyz border[2]. It was mainly in the speech of the President of Uzbekistan that the change in the global market was mentioned, where regional trade will play a more significant role in the revival and development of the region's economies.

In the context of the Central Asian region being located at the crossroads of significant trade areas, all leaders have focused on transportation. The President of the Republic of Kazakhstan has mentioned the number of railroad and road projects connecting Kazakhstan with the region's countries. New projects, such as the "Darbaza-Maktaral" railway that will connect Kazakhstan with Uzbekistan, and the "Turkmenbashi – Garabogaz " road in Tukmenistan with the city of Zhanaozen in Kazakhstan, will further increase the connectivity in the region. Kazakh leader's speech successfully presented Kazakhstan as one of the major transit countries in the region. The number of examples brought by the President has shown that the routes passing through Kazakhstan are the shortest in time for interregional connectivity.

On the other hand, the President of the Kyrgyz Republic mentioned the importance of implementing the China-Kyrgyzstan-Uzbekistan railway. Having been in discussion for over 20 years, the construction work on the railway project can start in 2023[3]. Although this railway can divert the trade flow from China to Europe from Russian territory to Central Asian soil, it also poses the possibility of diverting the possible trade flow from the Kazakhstan route to the new Kyrgyzstan and Uzbekistan routes.

The speeches of the Presidents of Kyrgyz Republic and Kazakhstan included points on simplifying transportation through mutual borders of Central Asian states. Given the region's strategic location on crossing such trade routes, such as the Belt and Road Initiative and the International North-South Corridor, the joint working on the tariffs for the products of the external actors can benefit Central Asian countries. Thus, a presentation of

a clear tariff plan for the next Consultative Meeting of the leaders can be a significant step for the development of the trade and transit potential of the region.

The issue of cooperation in environmental protection was also discussed during the meeting. The President of Uzbekistan, Shavkat Mirziyoyev, proposed the approval of the "Green Agenda" prepared by the Uzbek side to be discussed during the meeting[4]. The countries of the region eventually adopted the agenda. It includes the recommendation to follow the internationally agreed obligations on de-carbonization, the development of energy production from alternative energy resources such as wind, hydro, and solar energy, and the use of ecologically clean technologies in production. The importance of preserving the Aral Sea and the river basin Amu Darya was mentioned in the speech of the Kyrgyz President, Sadyr Japarov, where he called for the revival of the agreement of 1998 on cooperation on the regulation of the flow of the river Syr Darya.

The achievements of the 4th Summit included a mutual declaration, the concept of Cooperation of the countries of the Central Asian region in multilateral formats, the "Green Agenda" for Central Asia, and the roadmap for the development of regional Cooperation from 2022 to 2024. However, one particular document, the Treaty on Friendship, Good-Neighborliness, and Cooperation for the Development of Central Asia in the 21st Century, has been signed only by the leaders of Kazakhstan, Kyrgyzstan, and Uzbekistan. The leaders of Tajikistan and Turkmenistan took responsibility for signing the treaty upon completing domestic procedures in their countries[5]. Adopting the document by all regional countries can reshape the rhetoric in the regional geopolitical structure, allowing regional countries to play a more significant role in the determination of the region's future.

The obstacles for the common integrated future

The primary reason for Turkmenistan not signing the treaty is its stance in the international arena since its independence, which is the policy of "neutrality." Unlike other countries in the region, Turkmenistan is not a member of any regional organization or union, such as the Shanghai Cooperation Organization (SCO), Eurasian Economic Union (EEU), or Collective Security Treaty Organization (CSTO). Formally, Turkmenistan is not even a member of the Commonwealth of Independent States (CIS), as the Parliament of the country has not ratified the CIS Charter[6]. Thus, it was expected from Turkmenistan to refrain from signing any treaty that required a commitment to deeper integration.

The case of Tajikistan is different, as the reason for not signing the treaty is rooted in its conflicting situation with Kyrgyzstan. The conflict escalated until it reached violent clashes in the spring of 2021, with 50 people killed on both sides. While Kyrgyzstan and Tajikistan have agreed to resolve the issue in a bilateral format without any third party, the treaty encourages a regional platform for resolving local conflicts and abstention from using of force on each other.

Having an aim of greater regional cooperation, the region's countries need to consider an increase in internal trade turnover within Central Asian region. Having developing economies based either on the export of natural resources or energy coming from hydropower, as in the case of Kyrgyzstan and Tajikistan, the region's countries are highly dependent on trade with external actors, such as Russia and China. Although trade turnover with external actors is high in the region, the trade turnover within Central Asia accounts for a small share of the total turnover of each country.

From the table, it can be seen that in 2022 the share of trade turnover with China and Russia accounted for around 18 and 19.3 percent, respectively, from the total trade turnover of Kazakhstan. It can be also seen that the sum of the shares with the countries of

the region accounted for only 5.9 percent. A similar picture can be seen with the other countries of the region. The share of the regional trade turnover accounts for numbers from 5.9 up to 27.8 percent in the region's countries. However, the share of total trade turnover with Russia and China accounts for numbers from 37 up to 63.04 percent.

Observing numbers on the table, it is crucial to notice that the exact value of turnover between Kazakhstan and the countries of the region accounts for a lower share in the total turnover of Kazakhstan and, at the same time, for a higher share in the turnover of each other country in the region. While the share of total trade turnover with Central Asian countries from the total trade turnover of Kazakhstan is 5.9 percent, the same indicator accounts for around 15 percent for Uzbekistan, 27.8 percent for Tajikistan and 16.1 percent for Kyrgyzstan. Such difference in share comes from the greater extent of the economy of Kazakhstan, which accounts for around half of the total value of the region's GDP. Such disparity in the size of the economies can benefit Kazakhstan, which can focus on exporting goods and services to the region, giving it more significant economic and political influence in regional affairs. At the same time, the rest of the region can become less reliant on external trade. Investments by Kazakhstan in sectors other than energy, focusing on the export-oriented production of the equipment needed for the development of the agricultural and energy sectors in the region's neighboring countries, can effectively help the region divert from external economic dependency.

Military and Energy security

While aiming to balance the external influence in Central Asia by creating a local platform for the peaceful resolution of local crises, it is also essential for the region's countries to consider their dependence on the military sphere. Kazakhstan, Kyrgyzstan, and Tajikistan are members of CSTO, which became a military organization in 2002, originating from the

Collective Security Treaty signed in 1992. Membership in the organization makes these three countries allies of the Russian Federation, thus giving them obligations according to the Collective Security Treaty. However, the effectiveness of such an alliance has been questioned on several occasions. The simplest example is the membership of both Kyrgyzstan and Tajikistan, which have had several border disputes resulting in many clashes.

Another issue on the way to balancing the external influence is the countries' dependence on the imports of military equipment from Russia in all countries of the region, with the exception of Turkmenistan. According to data from the Stockholm International Peace Research Institute (SIPRI) on the arms trade by importers and exporters, the percentage of military imports from Russia concerning total arms imports in each country between 1991 and 2021 was 94 percent in Tajikistan, 86.9 percent in Kyrgyzstan, 85.7 percent in Kazakhstan, nearly 40 percent in Uzbekistan, and only 22.4 percent in Turkmenistan. According to the same data for 2021, the Russian Federation supplied 100 percent of military equipment imports to Kazakhstan and Uzbekistan[7]. This data clearly shows the dominance of Russian exports in the arms trade in Central Asia and the need for diversification for any serious attempt to balance the external influence in the region.

Another important sphere of concern in the region is energy security, which became even more apparent after the blackout in South Kazakhstan, Uzbekistan, and Kyrgyzstan, which affected over 5.1 million people. The blackout affected two capitals, Tashkent and Bishkek, and such important cities in the region as Almaty, Osh, Jalalabad, Samarkand, Bukhara, Kokand, and Nukus[8]. The major reason for the power outage was the malfunctioning of the old Central Asia Power System, built in the 1970s during the Soviet era. The system has lost its greater effectiveness since Turkmenistan left it in 2003, which was followed by Tajikistan in 2009. The Russian side was quick to fill the void left by the regional energy

shortage by proposing a Trilateral Gas Union with Kazakhstan and Uzbekistan. Despite the fact that winter was approaching, Central Asian countries did not accept the proposal in order to avoid increased Russian influence in the region. To avoid such proposals, countries in the region should focus on the regional alternatives for cooperation in energy trade.

The lion's share of the energy production in Uzbekistan comes from the utilization of the natural gas resources the country has. Although it possesses the second-largest natural gas resources in the region, Uzbekistan's production of natural gas has been decreasing from 68.3 billion cubic meters (bcm) to the current 51.6 bcm in 2022. Nevertheless, Uzbekistan is determined to raise its production of natural gas by 20 percent until 2030, bringing it to 66.1 bcm, which is a figure close to that of 2012[9]. This decision was made because of growing internal demand, which puts greater stress every year on the capability of Uzbekistan to export its natural gas resources.

On November 16, 2022, the Deputy Energy Minister of Uzbekistan, Sherzod Khodjayev, announced that the exports of natural gas from the country had decreased tenfold from 10 million cubic meters per day to 1, whereas imports had risen by 20 percent. Uzbek authorities have already set the goal of ceasing natural gas exports to China by 2025 in order to focus more on meeting the needs of the country's growing domestic industry. While Uzbekistan is able to increase its imports of natural gas from Turkmenistan further, as it did closer to December of 2022, it refrains from doing so to avoid greater dependency on a single source. To overcome such a tough situation, Uzbekistan might need to temporarily consider an alternative resource to satisfy its internal energy consumption. Uzbekistan's major source of energy comes from numerous gas-fired power plants across the country. Several of them are also capable of burning oil for the production of energy, such as the Tashkent Thermal Power Plant and the Syrdarya Thermal Power Plant. An alternative to Turkmen gas in this situation can be Kazakh oil. To maintain its natural gas export rate,

Uzbekistan must import oil from Kazakhstan to meet its current internal energy consumption.

The case of Kazakhstan is rather different, since its electricity production largely depends on the burning of coal, which accounts for close to 70 percent. The country has experienced the migration of big number of cryptocurrency miners from China during the last few months of 2021, which caused a big increase in the domestic energy consumption. While the share of Kazakhstan in the global crypto mining industry has risen from 1.4 percent in September of 2019 to 18 percent in August of 2021, this number has decreased to 6 percent by early 2023. Although the northern regions have sufficient energy, the country struggles with the transmission of energy to the southern regions due to high demand that cannot be met with current transmission lines. As one of the goals of Kazakhstan in the field of energy production by 2050 is a decrease in the use of coal for electricity production, the country can seek a safer alternative from Turkmenistan, which is natural gas. With the existing infrastructure through the Central Asia-China pipeline that passes through the southern regions of Kazakhstan, the energy shortage in the region can be solved on a more effective basis.

Kazakhstan and Uzbekistan are countries rich with fossil fuels, but the largest source of energy production in Kyrgyzstan is its water resources. To decrease its dependency on energy imports, Kyrgyzstan is focused on increasing the production of clean energy, which can be seen from such projects as the construction of the first solar power plant in 2022, the approval of the bill "On Renewable Energy Sources," the establishment of the "Green Energy Fund," and the cooperation with Hungarian, Turkish, UAE, and French companies for the development of renewable energy production. The most remarkable project among them was the announcement and launch of the construction of Kambar-Ata 1, a hydroelectric power plant (HPP) on the river Naryn.

Although the Central Asian region has enough resources to provide its population with sufficient energy, certain countries in the region struggle with its production. However, such projects, as Kambar-Ata 1 HPP show the possibility of regional cooperation on this matter. The region is in need of the establishment of a regional platform for cooperation on matters concerning the energy sector. This will ensure a more efficient allocation of the resources and increase the value of the internal regional trade. Such a platform will also ensure greater independence of the regional countries from external energy resources and the influence of greater actors. An institutionalized regional energy union will be a stronger and more reliable alternative to the proposal of the Russian Federation for the establishment of the Trilateral Gas Union. The establishment of such an institutionalized platform will also enable the coordination of more efficient generation of energy from the renewable energy resources, which are abundant in the region.

Conclusion

While the summit did not result in a significant change in the regional geopolitical structure, it did demonstrate the region's partial interest in deviating from the influence of external actors through partial adoption of the treaty and a semi-commitment to increase in regional economic cooperation. The points below can be used to briefly describe the main takeaways and recommendations from this article:

To decrease dependency in military sphere countries need to institutionalize the cooperation in the sphere of security.
To reduce economic dependency on external actors, countries in the region must work to increase the internal trade turnover in Central Asia.
Economic cooperation mechanisms can be institutionalized with a special working committee to achieve more significant internal regional trade between the countries. The

work can be done through greater import substitution of products outside the region with regional ones.
Kazakhstan should focus on the production of machinery and export to rest of the countries of the region, to boost their agriculture-based economies.
For greater results, the regional cooperation should be institutionalized beyond the Consultative Summits platform.
The leaders of Central Asian states have brought many crucial points to the discussion during the 4th Consultative Summit. However, certain issues still needed to find a definite solution. Thus, the following points can be suggestions for the focus of the next Consultative Summit of the leaders:

Presenting a clear tariff plan and administrative procedures will be a significant step for developing the Eurasian trade and transit potential of the Central Asian region.
To focus on developing a more comprehensive common strategy for enhancing internal regional trade to decrease dependency on trade with external actors.
The prospect of creating a special committee for regulating the water flow and managing the Amu Darya and Syr Darya rivers should be one of the major topics of discussion.
The establishment of an institutional regional energy union, which can coordinate a more sufficient allocation of regional energy resources.
Source: https://cabar.asia/en/how-to-change-regional-geopolitical-structure-in-central-asia

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