Russian Policy in Central Asia. Strategic Context

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Introduction

Russia has always declared that the countries of the Community of Independent States (CIS) are its foreign policy priority. Corresponding statements exist in the “Concept of the Foreign Policy of the Russian Federation.” However, few take this seriously. First, Russian leaders themselves have repeatedly admitted that the CIS is “a form of civilized divorce,” which obviously does not allow for the perception of the CIS as a project with a future. That attitude has automatically transferred to other integration organizations promoted by Russia. Second, for all of the 1990s and a large part of the 2000s, Russia was strongly oriented toward relations with western states. From the beginning, the West was a source of aid and political advice. That was, it is true, re-evaluated over time, and the attitude toward it became more and more negative. At the same time, the West remained the main source of investment, technology, and common ideas and values for Russian business. The fascination with the West among the Russian political and business elite passed relatively quickly. Starting in the second half of the 1990s, the keynote of Russian foreign policy was set by pragmatic realists, whose views could be called the Primakov doctrine.

The Primakov doctrine proceeded from the fact that the USSR actively participated in the formation of international law and was, to a significant degree, a beneficiary of this. Therefore, Russia, having inherited all the positions of the Soviet Union in this sphere, found international law to be advantageous on the whole, especially in the country’s weakened condition and its lack of preparedness for “extralegal conflicts.” Russia did not feel in itself the internal power needed to openly assert its own national interests and, possibly, was not even in a position to clearly formulate those interests. That is why Moscow had to wait for better times under the cover of international law. This approach was never stated in written form. Moreover, it was not even clearly verbalized; however, it was just this type of logic that was seen in the Russian foreign policy of the second half of the 1990s, when Yevgeny Primakov was Minister of Foreign Affairs and then Prime Minister. Significant diplomatic effort was spent on keeping the USA and NATO within the bounds of international law.

Such an approach assumed the allocation of limited effort on policy in the countries in the post-Soviet space, regardless of all declarative statements about how they are a priority of Russian foreign policy. Time and effort were primarily spent on relations with the USA, NATO, the G8, and other “big questions.”
However, at the beginning of the 2000s, Russian business expanded internationally. As a result of this, the liberal empire approach was developed. The concept of the liberal empire was presented in 2003 by Anatoly Chubais. It comes down to the idea that Russia has no other choice than to expand its economic and political influence in the post-Soviet space. However, Russia should be neither a tyrant nor a hegemon, but just the opposite, a source of progress and guarantor of the observance of human rights. This is the national mission of Russia that makes the realization of national interests possible.

In the first half of the 2000s, Russia truly started to conduct a more and more purposeful policy in the post-Soviet space, including in Central Asia. The Collective Security Treaty Organization (CSTO) and Eurasian Economic Community (EAEC) were formed.

The Primakov doctrine and the concept of the liberal empire co-existed — the first in declarative policy and while deciding questions of big-time policy; the second in practice.

However, it is unjust to say current Russian policy in Central Asia and in the post-Soviet space in general is within the scope of the concept of the liberal empire. When the start of the process to form the Customs Union (CU) was announced in 2009, this became one of the most-discussed questions among the Russian political and business elite. A. Chubais and other members of the reform camp initially came out sharply opposed to the CU since they feared its formation would complicate and delay Russia’s accession to the WTO. Given a choice between participating in the process of globalization and regional integration, they went with globalization. Additionally, within the concept of the liberal empire, there was a certain values-based missionary element. Russia’s approach today regarding the formation of the CU and the Common Economic Space (CES) is exclusively that of a pragmatic economic project.
Strategic dilemma

Russia’s strategic dilemma consists of a large discrepancy between three factors: its size, its population, and the scale of its economy.

Russia is in first place in the world territory-wise. More than 17 million square kilometers, or 90 percent of its territory, is dry land. Not all of this expansive area is accessible for active economic activity, but it all requires border protection and defense.

Russia shares a border with 18 countries. Of those, three are members of the Shanghai Cooperation Organization - SCO (Kazakhstan and China as full members and Mongolia as an observer); only two are in the CSTO (Kazakhstan and Belarus). Without question, two of the states are friendly: Abkhazia and South Ossetia. However, until their independent status is widely recognized internationally (and progress toward this has been very modest over the past five years), they are not only an element of stability on the Russian border, but in a few scenarios, just the opposite, an element of instability. Six countries on the Russian border are members of NATO (the USA, Poland, Lithuania, Latvia, Estonia, and Norway). One more country is a close ally of the USA, but not in NATO (Japan). Three countries are currently not part of any anti-Russian or pro-Russian blocs: Finland, Georgia, and North Korea. At the same time, North Korea is an element of instability on the Russian border. Georgia, which is drifting toward NATO (however, the speed of this movement has slowed over the last few years) and has extensive military, military-technical, and military-political ties with the USA, can be considered to be an American ally outside of NATO.

Of course, Russia has a few allies with which it does not directly share a border; allies in the CSTO include Kyrgyzstan and Tajikistan in Central Asia and Armenia in the Caucasus. The SCO formally unifies more than half the population of the planet, it accounts for a significant portion of the world’s GDP, and it has member states that, like Russia, are striving to change the rules of the game in today’s world to benefit developing economies. However, even if one was to count all the pluses (including the potential ones) and exclude the challenge China presents for Russia (and the scary stories about the Chinese threat), the picture still does not look distinctly favorable for Russia.

Altogether there are eight trusted allies of America on the Russian border connected to the USA by a system of bilateral and multilateral military-technical
and military-political treaties. In the worst case this is a potent force ready for military actions on various scales near the Russian border that is primarily in Europe. The ranks of Russia’s allies are clearly not as impressive. In worst-case scenarios, most of them take a neutral position instead of that of a full ally.

This hardly looks like a picture that is advantageous for Russian military strategists. Moreover, the trends are not advantageous, either. The USA has gained allies on the Russian border at varying rates, but Russia has had limited success in organizing a system of allies in the CSTO. Additionally, some member states have left the CSTO and the CIS, and their exit was accompanied by expanded cooperation with the USA, including the military sphere.

The population of Russia is approximately 143.5 million. By the UN’s standards, Russia has already had a demographic crisis for a long time.

The Russian economy in absolute numbers is worth approximately 2 trillion dollars. From a purely economic standpoint, Russian economic successes are obvious. In the middle of the 1990s, Russian GDP was at the level of 300–400 billion dollars, and in 1999 it fell to less than 200 billion dollars. At that time, Russia was the twenty-second-largest economy in the world. Incidentally, judging by purchasing power parity, the Russian economy has already risen to eleventh place in the world. The successes of the last 15 years are plainly visible. Now worth 2 trillion dollars at current prices, Russia closes out the top eight economies in the world, and based on purchasing power, the Russian economy is the sixth-largest in the world. Even with all these successes, the size of the economy is, as before, not sufficient considering Russia’s territorial size.

The discrepancies between territory, population, and the size of the economy are a strategic dilemma for Russia.

For a sure ability to defend such an extensive area, either a huge and relatively cheap army or a not so huge, but much more expensive army, is needed. Russia cannot allow itself to maintain a huge army (about 1.5 million people or more) because of demographic reasons. The overall total population and its demographic characteristics make it impossible to form such a large army, both currently and, to a lesser degree, in the future. Reliance on technology and modern weaponry and not on sheer mass requires significant military expenditures that push the limits of the Russian economy. Thus, the population is not large enough to provide for a large, powerful army, and the economy is not large enough for a powerful, high-tech army.

Russia needs a larger population in order for there to be further economic growth. Economists are of the opinion that in today’s world, significant growth
of economic systems worth 200 million or more is possible. The population of the USA is more than 320 million people; the EU’s is more than 500 million; Brazil has about 200 million; China has 1.37 billion; and India has 1.28 billion. The presence of such a population does not guarantee economic growth, but to be a large, independent economic player in the modern world, it is necessary to have a population closer to 200 million people. Since Russia, obviously, has rejected the prospects of opening itself up as part of the process of globalization, but aspires to becoming an independent economic player, it requires a more economically active population.

Thus, for the further development of Russia, a larger economy and a larger population are necessary.

Russia has reasonably successfully increased the scale of its economy owing to economic growth, as was noted above. However, further significant economic growth, both in the short and medium terms, is a question. Population growth is an even bigger question. Government efforts to stimulate the birth rate have halted the population decline, but the rate of its increase is minimal. Therefore, one could say that the rate of organic growth of the scale of the economy and of the population cannot be sufficient. Russia will have to rely not on organic growth, but on growth due to M&A – “merges and acquisitions,” to use the language of business.
Russia marks the boundaries of economic space

In the strategic context described above, Russia must form an economic space with an economy and population large enough for it to become a major economic and political player in the modern world.

Over the past ten years, Russia has tried to form a unified economic space, which is defined as "space in which homogeneous mechanisms of economic regulation based on market principles and the application of harmonized legal norms are functioning, a unified infrastructure exists, and a coordinated tax, monetary, credit, financial, trade, and customs policy is carried out, which provides for the free movement of goods, services, capital, and labor."

This shared economic space is conceived under the most advantageous conditions within the scope of Russia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Armenia, Moldova, and Ukraine. On this basis, the CES would add more than half a trillion dollars at 2012 prices (i.e., more than one-fourth of Russian GDP) to the Russian economy, and judging by purchasing power parity, even more — approximately one-third of Russian GDP. That would be a CES with a total population of 265 million living within its borders.

Ukraine would make the biggest contribution to these new dimensions of the CES with its population of 45.6 million and GDP of 176.3 billion dollars (in 2012 before the current crisis). However, the following countries in Central Asia could make significant contributions to the CES: Kazakhstan (203.5 billion-dollar GDP and a population of 16.8 million), Kyrgyzstan (6.4 billion-dollar GDP and a population of 5.5 million), Tajikistan (6.9 billion-dollar GDP and a population of 8 million), and Uzbekistan (51.1 billion-dollar GDP and a population of 29.8 million). Thus, the common contribution by the Central Asian countries to the CES could amount to a 267.9 billion-dollar GDP and a population of 60.1 million. In other words, it would add more than 13 percent of GDP to the Russian economy (and judging by purchasing power parity, approximately 20 percent) and more than 40 percent to the population. However, in the near future, Uzbekistan clearly does not intend to participate in the CU or the CES. Without the contributions of Uzbekistan, the numbers become more modest, but are still significant: thanks to the other Central Asian countries, about 15 percent would be added to GDP (judging by purchasing power parity) and more than 20 percent to the population.
The countries of Central Asia are not important for the formation of the CES only because of the absolute size of their economies and populations. Economic development should unavoidably include a significant element of reindustrialization. This is necessary in order to have non-energy areas of economic growth and in order to provide for the necessary number of jobs when a corresponding increase in the population is assumed. Reindustrialization requires a reduction in competition from Chinese industry.

This means that an important element of further economic growth is the strengthening of the economic border with China. Experience with the CU has shown that, in practice, this leads to increasing customs duties on the Chinese border. For now, raised customs fees are compensated by the significant holes in the customs border between Kazakhstan and China. Chinese and Kazakh trade statistics differ greatly (and this cannot be explained only by differing calculation methods or other technical reasons such as “misplacement of goods”). There are also holes on the border between Kazakhstan and Kyrgyzstan.

Immediately after the CU began to function in 2011, one could observe the wildness of the Kazakh-Kyrgyz border when goods were re-loaded from one truck to another right at border crossings. To make the lives of people involved in small business easier, it was allowed to move up to 50 kilograms of cargo across the CU border for personal needs without any customs duties. As a result of this, trucks from China arrived at the border of Kyrgyzstan pre-packed with sacks of goods weighing 50 kilograms. The trucks would stop at the Kyrgyz and Kazakh borders, and organized groups of locals would transport the bags across the border. On the Kazakh side of the border, the sacks were immediately loaded in a new truck. This wild duty-free reloading of cargo vans is no longer observed at the Kyrgyz-Kazakh border. The truth is that Chinese exports to Kyrgyzstan have only grown throughout these years, and a corresponding increase in duty collection at the CU border has not happened. The question remains: Where did all the goods brought into Kyrgyzstan go? It is no secret that Kyrgyzstan has become a hub for transporting Chinese goods into Tajikistan and Uzbekistan. However, a significant portion of flow of Chinese goods still goes to Kazakhstan; that is, it crosses the border of the CU. The holes for Chinese goods without the necessary documentation at the CU border remain.

Obviously, the CU border with China will gradually be strengthened and the amount of contraband crossing it will decline. This is a matter of time. It is also obvious, though, that efforts in that sphere will include the expansion of the CU border with China due to the accession of Kyrgyzstan and Tajikistan to the CU.
Negotiations with Kyrgyzstan on joining the CU lasted all of 2013 and are currently at an advanced stage. Incidentally, during fall of 2013, Kyrgyz President Atambayev made a series of harsh statements directed at the CU and expressed his clear disagreement with the conditions worked out for Kyrgyz accession to the CU. Tajikistan’s entrance into the CU is a question of a much longer time. However, the problem, in essence, is the same in the case of both Kyrgyzstan and Tajikistan.

Since becoming independent, Kyrgyzstan and Tajikistan have spontaneously come to a model of economic survival and growth that require a very serious review before making a decision about accession to the CU. The main sectors of the official economy of Kyrgyzstan are the mining industry and hydroelectric power; they provide the main revenue in the budget. They do not, though, provide a sufficient number of jobs. Forty-seven to forty-eight percent of the population is employed in the agriculture sector. The major informal sector of the economy is trade and brokering. Kyrgyzstan quickly found its niche in regional trade. Liberal legislation, weak law enforcement practices, and high levels of corruption facilitated the growth of trade. Goods come from China and are further transported to Kazakhstan, Uzbekistan, and Tajikistan. The turnover of the two largest markets, Dordoy (Bishkek) and Kara-Suu (Osh), through which the majority of re-exported Chinese goods pass, exceeds the official GDP of the country according to expert estimates. Thus, the re-export of Chinese goods provides for a second, shadow GDP. The volume of this business is comparable to the entire legal economy (GDP is 6.4 billion dollars) and transfers by migrant workers (about 4 billion dollars). The re-export of Chinese goods has become an integral element of the Kyrgyz economy. Accordingly, the concept of a “transit future” is widespread in Kyrgyzstan. It is assumed that Kyrgyzstan lies at the crossroads of major trade routes and should solidify its position as a regional transport and trade hub. When it is taken into consideration that, in practice, that hub is oriented toward Chinese goods, then it bonds poorly with the basic ideas of the CU. As a result, during negotiations with Kyrgyzstan on accession to the CU, a road map was worked out that suggests making a long list of 40 groups of goods that contains a total of more than one thousand individually named goods that will receive preferential treatment in order to make the curtailment of re-exporting Chinese goods easier on Kyrgyzstan. Even with the provision of these preferences, the accession of Kyrgyzstan to the CU is not an easy decision for the local elite, which is made up of a number of groups. A paradigm shift in the mentality is needed. It is not so easy to realize that the country’s future is not in the resale of Chinese goods, but in reindustrialization.
The accession of Tajikistan to the CU is not a prospect in the next few years. However, when it does get to that point, Tajikistan will also need to make a tough decision. It will mean a toughening of the customs regime on the Tajik-Chinese border (i.e., widely bought goods will become more expensive), but more importantly, it will require a serious toughening of the regime on the southern border with Afghanistan. Incredible efforts have been made over the past 10 years in developing trade to the south. Five bridges have been built into Afghanistan across the Panj River, and border crossings for people and goods have been opened. Free economic zones are being created in those areas to stimulate trade. Trade is taking place not just with Afghanistan itself, but also with Pakistan via Afghanistan. Already, more than half of the cement on the Tajik market is delivered from Pakistan. Pakistan is a major provider of a few groups of agricultural products (for example, potatoes). Slowly, the idea of “a turn to the south” and integration in the southern economic space have become popular in Tajikistan. Of course, instability in Afghanistan leaves a certain ambiguity in that area. Overall, though, among Tajik politicians, bureaucrats, and experts the point of view that Afghanistan is, first of all, an opportunity predominates, although they do admit the risks, too.

It was easier for Kazakhstan to make a decision in favor of the CU. Already in the middle of the 2000’s, N. Nazarbayev had oriented the political elite and the officials of the country on reindustrialization. In Kazakhstan there is a large base of metallurgic and mining industry. N. Nazarbayev sees the future of the country as a competitive, industrial country. A population of 16.8 million is too many for everyone to live off the revenues from natural resources, but too few to work only on the domestic market. Kazakhstan and its reindustrialization programs need foreign markets, and the nearby ones of Russia and Belarus most of all.

In this way, the CU is a union of those who are oriented toward reindustrialization and who need an expanded market and common economic borders for increasing the size of their economies. For those who have, over the past 25 years, become used to the trade and brokering paradigm of development, acceding to the CU is a very difficult decision.

In this regard, Uzbekistan will certainly be interested in the CU. Uzbekistan is carrying out one of the most successful and ambitious reindustrialization programs in the post-Soviet space. The launch and first stages of this program are possible due to a domestic market consisting of a population of 30 million. However, the possibilities in the domestic market will, sooner or later, be
exhausted. The importance of exporting industrial products grows with every year for Uzbekistan. The time will come in the foreseeable future when access to foreign, albeit nearby and relatively large, markets will be an unconditional priority for Uzbekistan.

The formation of regional integration organizations lies in the worldwide tendency of regionalization to replace globalization.

During the last 20 years, the idea of globalization was extremely popular. It was especially widespread in Central Asia among wide segments of the population as well as among the elite, and to this day it remains quite popular. There were the illusions that the countries of Central Asia could follow the path of the Asian tigers, which were looked upon in the 1990s as examples worthy of imitation. These countries are located in the middle of the continent, though. There are products such as oil, gas, and gold that come from the depths of the Eurasian continent to the global market and become part of worldwide trade. For a long list of products that are not natural resources, though, the market for manufacturers is limited, and it is a regional market, not a global one (access to the global market is too expensive and too competitive) nor a countrywide one (small in size in all countries).

The collapse of globalization started to trend in 2008. There were more and more protectionist measures and more and more limitations on the movement of people, capital, and goods. The WTO was in crisis. At the same time, the process of regionalization was picking up steam with large regions being formed with active economic lives, intensive internal trade, and their own regional rules that immediately became more important than the global ones. The regions are starting to compete among themselves.

The formation of the CU and the CES are part of that general trend. For those that placed their main hopes on globalization and cooperation with players outside the regions, though, it is difficult to change their main thoughts. It is difficult after so many years of placing hope in globalization to go strengthen the economic borders of regional integration organizations.

Therefore, even representatives of Kazakhstan, a country that is extremely interested in the CU and the CES, are always talking about how integration should not be close with the establishment of impenetrable borders. Thus, Kazakhstan is a supporter of the open model of integration.

The USA is also counting on the open model of integration in Central Asia. In the USA, the dominating point of view is that the basic problem in Central Asia is a lack of connectivity. Central Asian countries do not trade nor cooperate
very much with each other. Accordingly, it is necessary to lower barriers to trade and the movement of people. Ideally, completely remove any internal borders in the region, but with full retention of national sovereignty. The region should also have transparent economic borders with China, Afghanistan, and Iran. It turns out that the region should be actively trading internally, but also involved in active trade with South Asia, China, and the Middle East. Such a transit- and transport-based vision of the future of the Central Asian region obviously assumes that the region mainly exports natural resources and imports industrial goods, which leaves the question open about creating a sufficient number of jobs in Central Asia to provide an acceptable level of employment for a growing local population.

Currently, the problem of employment is mainly being solved due to mass labor migration to Russia, where the total number of migrant workers is 4–5 million, according to unofficial estimates (i.e., almost 10 percent of the entire population of the countries of Central Asia). For Kyrgyzstan and Tajikistan, labor migration to Russia is especially important. However, Russia will evidently tighten up access to its job market for migrants, fitting it with additional conditions.

In that way, Russia is trying to form a new regional integration project through the CU to the CES with the strengthening of foreign economic borders that would stimulate reindustrialization, which means they must be strong enough. This approach contrasts sharply with the American plans for Central Asia, which assume that the region should be completely economically open. The countries in the region are interested in the CU and the CES, but, at the same time, they want to solidify their foreign economic limits. The Eurasian Economic Union (EAU), which will start to function in 2015, has just the foundation to become a powerful economic group. The EAU has 20.7 percent of the world’s gas reserves; 14.6 percent of the oil, 9 percent of the electric power, and 9 percent of the coal. It will be the largest integration organization in terms of area (however, by the size of GDP and by the size of the population, it will still lag significantly behind other large economic organizations).
Does Russia have a strategy in Central Asia?

For a long time it was customary for expert and political circles in Central Asia to say, that Russia had no strategy in relation to the region. After the European Union adopted a strategy on Central Asia in 2007, that thesis took on an additional slant. They started to say, “Even the EU has a strategy regarding Central Asia, but Russia...” They finished that sentence in various ways, but the idea did not change. Russia does not have a long-term political and economic plan for the region.

In fact, as was already noted above, ideas on “the priority of countries in the post-Soviet space” had a predominantly declarative nature for a long time. However, with the growth of the CES project (as seen in the CU and the EAEC) and its emergence at the stage of accepting new members says something about how the CU and the EAEC really are the Russia’s strategy for the post-Soviet space, including in Central Asia. Accordingly, relations with the Central Asian states will be built in large part on whether or not they participate in the CU and the EAEC, and if not, whether or not there are prospects for their participation.

Russia’s closest partner in Central Asia is Kazakhstan. They share a long common border, and the many extant economic and social ties create an extensive system of bilateral relations. President N. Nazarbayev is the originator of the idea of Eurasian integration that was finally realized in 2009 in the formation of the CU. Also, the role of Kazakhstan in the project is that of an absolutely self-sufficient partner that fully retains its sovereignty. All the same, it seems to many in Kazakhstan that N. Nazarbayev is headed toward an unnecessary rapprochement with Russia, and over the last few years in Kazakhstan, there has been constant and, to varying degrees, well-founded criticism in the media and among experts of the country’s participation in the CU. Nevertheless, relations between Russia and Kazakhstan at a high political level have remained traditionally stable. Still, Kazakhstan is an adherent of a multi-vector policy and maintains a positive balance in its relations with Russia, the USA, China, and the EU.

Over the last ten years, Kyrgyzstan has undergone a few sharp domestic and geopolitical turns. President K. Bakiyev has tried to play the USA off against Russia, but as a result he had to endure a political fiasco. The current president, A. Atambayev, retains elements of said multi-vector nature in his foreign policy,
but took steps toward expanding cooperation with Russia. Of fundamental importance is that during the time of his presidency the decision to join the CU was made. That will have long-term economic consequences for Kyrgyzstan.

Tajikistan has extensive ties with Russia in the military-political sphere that have been strengthened over the last few years. In the economic sphere, Russia is the largest investor in Tajikistan. It must also be taken into consideration that approximately half of able-bodied Tajik men work in Russia, and their transfers of money back home are a significant resource for maintaining public order in the Tajikistan. Tajikistan, because of complex relations with neighboring Uzbekistan, has found itself in a de facto transport blockade. One way out was to expand economic ties with China, Afghanistan, and Pakistan. However, Kyrgyzstan’s accession to the CU creates a premise for negotiations on Tajikistan’s accession to the CU. The prospects of Tajikistan’s participation in the CU and the concrete conditions of such participation will, to a greater and greater degree, define the bilateral relations of Russia and Tajikistan in the coming years.

Uzbekistan is the most populous country in Central Asia and has immense potential for economic growth. Uzbekistan has put its hope in industrial development, which will make foreign markets for export more and more important in the future. The geographic location of the country makes access to world markets for industrial products difficult. This will influence Uzbek foreign policy more and more, even in the near term. Uzbekistan is already trying to maximize its use of trade mechanisms in the CIS, but has distanced itself from the CU. To what extent it can do this in the future is still an open question. It is not inconceivable that were the domestic policy crisis in Uzbekistan, which has openly taken place throughout all of 2014, to continue, it would exert a larger and larger influence on Uzbek foreign policy, including relations with Russia.

Turkmenistan is a classic example of a dictatorial regime based on natural resources. The harsh political regime and rich stores of hydrocarbons are widespread combination that can be seen in many countries. Attempts to develop a manufacturing industry have provided only modest results. In the middle of the 2000s, an intense but short battle for Turkmen gas unfolded. After the fall of the USSR, Turkmenistan had infrastructure for gas delivery to Russia only. The diversification of export routes has been Turkmenistan’s main task throughout independence. S. Niyazov has reached limited success in this. In his time, only one new export pipeline has been opened, and that to Iran in 1997, and it has a low capacity that is not fully exploited. From 2005 to 2010, Gazprom tried to preserve, if not its monopoly, then its position as the largest buyer of Turkmen
gas by continually increasing the purchase price. However, during the economic crisis of 2008–2009, Gazprom, for all intents and purposes, lost its privileged position in Turkmenistan, and large-scale modernization projects were not carried out on the gas-delivery infrastructure between Turkmenistan and Russia. During the same time, China and Iran were able to build new pipelines and are still increasing their purchases of Turkmen natural gas. The subject of gas will remain at the head of bilateral relations between Russia and Turkmenistan, but after the 2010 diversification of export routes out of Turkmenistan to the south and to the east, the scale and importance of the gas question decreased. This question could again take on greater importance if projects for the export of Turkmen natural gas to Europe really make it to a stage where they are being implemented. Without that, the attention paid to Turkmenistan by Gazprom and Russia will be minimal. Turkmenistan has no prospects for participation in the CU, and it and Russia’s lack of interest is mutual.
Conclusion: Russia will either be much more powerful or much weaker

Given the prospects, the Russian project of building a regional economic integration organization is not guaranteed success. To become successful, it needs consistent, long-term effort from Russia. Two circumstances that will present significant difficulties to the realization of the integration project can be highlighted.

First, the foreign policy course of every Central Asian country can fluctuate based on domestic events and the international situation. The extent of these fluctuations has the potential in the next few years to be relatively great since the countries in the region are going through an election cycle. However, even after the elections, the domestic policy battles can be rather tense. This is especially true in Kazakhstan and Uzbekistan since both countries could see a change in presidents in the foreseeable future. How will that process by carried out? What external players will participate, and whom will they bank on? These are all open questions. In any case, since a change in the head of these governments is unavoidable at some point, relations with Russia could become more complicated. A new generation of politicians and bureaucrats could be inclined toward significant changes in the course of foreign policy.

Second, the countries of Central Asia have very complicated bilateral relations among themselves. To carry out a regional project under these conditions is extremely difficult. At the very least, the loudly proclaimed 2007 pipeline system modernization project Central Asia – Center, which proposed the modernization of existing and the construction of new pipelines in Turkmenistan, Uzbekistan, and Kazakhstan, was never realized, in large part because of disagreements between those countries. The paradox is that some problems (hydropower, for example) do not have a country-level solution, but only a regional one, but to come to a regional solution, bilateral disagreements have to be overcome. In practice, accomplishing this turns out to be extremely difficult.

No matter the difficulties, Russia is unlikely to abandon its regional economic project. Russia has, once and for all, dismissed any attempt to integrate into the West, the imagined “golden billion,” mainly because reasonable deadlines and the rights of equitable partnerships did not work out. Instead, Russia gambled on becoming an independent economic and political player in the modern world. It is, of course, understood that full independence in today’s world is not possible,
but it is also understood that major countries like the USA and China as well as regional organizations like the EU and NAFTA, which are self-sufficient, are able to carry out independent policy and support global competitiveness to a certain degree.

With its current economic limitations, Russia is hardly able to freely solve the strategic dilemma of the discrepancy between the extent of its territory, its population, and the scale of its economy as described above. Even with some clear success, organic growth is too slow. For further dynamic growth, the scale of the economy must be expanded and the population must increase as a result of the processes of integration. The countries of Central Asia can make a significant contribution to that process.

The result of that process, if it is successful, will be a significantly strengthened Russia. This prospect currently evokes an ambiguous reaction among Western countries. The current generation of politicians in the West would like everything to remain just how it is right now. Russia is powerful enough to maintain internal order and attractive conditions for foreign investment, but Russia is not strong enough to become a major player on the world stage. Incidentally, little by little one must admit that the abovementioned strategic dilemma does not leave any chances for Russia to stay in its current position in the long term. Russia will become either greatly more powerful or significantly weaker. Many people do not see an option that is advantageous for them in this dichotomy. The old phobias will be triggered in some, and there will be an impulsive reflex to make the choice of a weaker Russia. We can already see this with the events in Ukraine.