

**Russia and Central Asia**  
**From Disinterest to Eager Leadership**

By

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**Introduction**

For Russia, relations with Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan are not a new Great Game, along the lines of the mid 19<sup>th</sup> century struggle between the British Empire and Imperial Russia. But nor are they business as usual. The Georgian war in August showed that Russia has a clear direct sphere of influence that is marked by actual borders, those of the Soviet Union, excluding the Baltic States. As a result of Russia's tough stand in Georgia, it is likely that the European Union and the United States will devote increased attention to Eastern Europe and the Southern Caucasus, but also to Central Asia.

After the break-up of the Soviet Union when Russia was struggling to position itself internationally and aiming to integrate into western structures, interest in its southern neighbours was extremely low. Central Asia's newly independent states were regarded as a nuisance that restricted Moscow, which, in turn, felt obliged to show some leadership in the region. In the second half of the 1990s, Yeltsin's foreign policy slowly started to take a greater interest in Central Asia, mainly in reaction to these countries' efforts to look for new partners out of necessity. These new partners – foremost the EU member states, the US and China – reacted slowly or almost not at all in the case of Brussels, to the political and economic vacuum in Central Asia. Only Kazakhstan succeeded partially to develop an independent multi-vector foreign policy and attract foreign interest.

When Putin came to power in 2000, Russia started taking a keener interest in its neighbours. Although a clear foreign policy strategy was never defined for Central Asia, all developments pointed to Moscow making the five republics a priority and not wishing to risk losing them. After all, Central Asia was part of Imperial Russia, later the Soviet Union, while the 1990s were considered as a brief interval of lack of influence. This transitional period – it is not concluded yet – resulted in the need to acknowledge and allow other players in the region. Nonetheless, Russia still has clear geographical,



economic, social and cultural advantages through its legacy in Central Asia. It will need these assets to make sure that the interdependence between Moscow and its southern neighbours remains strong, especially now that other players will be more alert to Russia's actions in its near abroad.

### **Which direction?**

The coming year will show which direction the new President Dmitry Medvedev will take in Central Asia. Will Moscow seek to expand on its current economic ties? Will the Kremlin devote more attention and resources to play an active role in safeguarding stability in the region? Will Moscow increase military cooperation and its presence in Central Asia? By and large, Medvedev is expected to build on Putin's increased policy interest in Central Asia. The new president is likely to construct his policy on two interconnected subject areas that lie at the heart of Russia's near abroad interests. The first is security related and ranges from concerns over Afghanistan to the instability of Central Asian republics. The second is the economy, foremost gas and oil exports from Central Asia.

Both interconnected areas will be influenced by Russia's soft power mechanisms and cultural influence. The ill-defined concept of 'sovereign democracy' has taken firm root in Central Asia. The region's authoritarian leaders appreciate the way Russia rebuffs western criticism over democratic credentials and take it as an example not to give in to western pressure. Russia set a 'good' example by not criticising Central Asia's authoritarian leaders, whereas the Turkmen and Uzbek cases – human rights violations are the norm, not democratic institutions – can hardly be classified as sovereign democracies as seen in Russia which at least obeys some international standards.

Maybe the most powerful mechanism of Russian influence in Central Asia is culture because it reaches beyond the elites; something that EU, American and Chinese cooperation schemes largely lack. Through its cultural influence, Russia can positively forward its economic and security interests. The period in which the nations of Central Asia tried to diminish the use of the Russian language and Cyrillic script in order to emphasise national languages and identities seems to have ended. Russian has made a comeback in recent years, including through youth education. The Russian media are raising their profile in Central Asia by buying up Central Asian companies and starting new Russian language channels. When the assets of non-interference in governance, language and cultural links, and substantial Russian minorities in Kazakhstan and

Kyrgyzstan are added to hardware assets such as road, railway, pipeline and military infrastructure, one can only conclude that Russia has a substantial advantage over any 'new' outside actor in Central Asia for some time to come.

The EU is a new actor with growing interests in Central Asia, but limited possibilities to pursue them. These interests are similar, though not identical to those of Russia. The EU also seeks stability in Central Asia – out of fear of overspill effects from Afghanistan. However, the limit of what is acceptable to achieve this by approving authoritarian rule has been reached. The Andijon massacre stands out as an example. The EU is also interested in Central Asia's energy resources and is looking to deal with these countries in a transparent and equal manner. But arguably Brussels is too late in stepping-up ties with the region. It could have done so a decade ago when Russia's attitude was still one of disinterest; but attention to enlargement and partnership closer to home was more urgent at the time. The EU's 2007 Strategy for Central Asia was late in appearing, but has been welcomed in the region where countries look for alternatives to Russia's economic and security dominance. Although the EU and Russia are less likely to seriously collide over Central Asia – as they do in Eastern Europe and the South Caucasus – there are policy implications for Brussels because its access to Central Asia is geographically and economically blocked by Russia. This is why some EU members feel they have to make a choice between developing relations with Russia and trying to expand ties with Central Asia at the risk of further aggravating Moscow.

### **Stability and security**

Only stability brings security seems to be the Kremlin's view. This stability is obtained by establishing healthy, supportive and non-critical relations with Central Asia's presidential regimes, and through building a variety of regional organisations that overlap in membership and purpose such as the Collective Security Treaty Organisation (CSTO) and the Shanghai Cooperation Organisation (SCO). Central Asian countries have mostly limited or frosty relations between themselves; Uzbekistan and Tajikistan are often outright hostile towards each other. Also a steady shift of the balance of power from populous but ill-led Uzbekistan to economically booming Kazakhstan which has acquired more recognition in the region and beyond is creating some tension.

The stability of Central Asian states, which functions as a buffer for Russia, is one major security concern. Afghanistan is the other. If NATO is unable to control the situation in Afghanistan, this could have negative consequences for Russia's security.



Before the summer, Moscow signalled a greater interest in discussing Afghanistan in the NATO-Russia Council (NRC) framework and might have moved from words to more practical action in support of NATO and US efforts in stabilising Afghanistan. This changed last August when Russia invaded NATO partner Georgia and as a result the NRC cooperation format was suspended. NATO and Russia are unlikely to cooperate anytime soon and are more likely to compete for influence in Central Asian countries; Russia because it sees the states as its sphere of influence, while NATO needs them for access to Afghanistan. For Moscow, the combination of the fighting in Afghanistan and the relative weakness of the Central Asian states results in several direct security dilemmas: terrorism, drug trafficking and international crime in general. Further initiatives for joint Russian-Central Asia border controls is in this sense key to countering most of these threats.

“Kazakhstan is Russia’s key strategic partner and ally in the Central Asian region.”<sup>82</sup> Whereas energy is the basis of Russia’s relationship with Kazakhstan, the political and security aspects are also considerable. Russia considers Astana as a regional powerhouse that could help build regional security and cooperation. Kazakhstan took an active stand in the Commonwealth of Independent States (CIS), is a key state of the SCO and will take on the chairmanship of the Organisation for Security and Cooperation in Europe (OSCE) in 2010. In the latter case, Russia lobbied hard for Kazakhstan to obtain this sensitive post that could bring further international recognition for President Nazarbaev. It would also be a way for Russia and its partners to change the OSCE, which is seen as a trouble maker in (eastern) member states by interfering in internal affairs while ignoring acute security concerns. Both countries have numerous bilateral military cooperation agreements that go as far as joint planning for the deployment of military force. Russia still rents seven military facilities on Kazakh territory, mostly consisting of test ranges and radar installations.<sup>83</sup> Another facility it rents is the Baikonur cosmodrome. This Kazakh asset, inherited from the Soviet Union, is also an opportunity for Kazakhstan’s own research and development ambitions.

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82 A Survey of Russian Federation Foreign Policy, MFA of the Russian Federation (March 2007), [http://www.mid.ru/Brp\\_4.nsf/arh/89A30B3A6B65B4F2C32572D700292F74?OpenDocument](http://www.mid.ru/Brp_4.nsf/arh/89A30B3A6B65B4F2C32572D700292F74?OpenDocument), 27.

83 Vladimir Paramonov and Aleksey Stokov, ‘Russia and Central Asia: Bilateral Cooperation in the Defence Sector’, Central Asia Series, Conflict Studies Research Centre (May 2008), 2-3.

Russia has good relations with Kyrgyzstan and Tajikistan. Of these two poor mountainous Central Asian republics, relations have been stronger with Tajikistan which is often characterised as a Russian outpost on the border with Afghanistan and China. Russians played a crucial role in fostering a peaceful settlement of the 1992-96 Tajik civil war. Currently, Russia is strengthening its military base in Tajikistan to increase its political visibility and to be able to render emergency support for border guards on the Afghan border.<sup>84</sup> Meanwhile, Russia is also planning to strengthen its military airbase in Kant, Kyrgyzstan with an increase in the number of aeroplanes. Although alarm bells went off in the Kremlin when Kyrgyzstan underwent a 'tulip revolution' in 2005, there have been no signs of Bishkek wanting to limit links with Russia. Bilateral military cooperation, joint border controls and sharing intelligence to counter terrorist threats are central to this relationship.

The security arrangements and links with Turkmenistan and Uzbekistan show a somewhat different picture. The case of Turkmenistan is special since it does not take part in the web of regional security organisations. Russia has to rely on bilateral relations that are guaranteed by Turkmenistan's need to export gas to Russia. Whereas Russia's influence on Turkmenistan – especially through military and border control cooperation – was in a state of decline during Niyazov's isolationist rule. Today, President Berdymuhammadov is increasing bilateral cooperation and considering joining the SCO. Whereas progress in bilateral security operation with Ashgabat still needs to materialise, Russia-Uzbekistan contacts have shown a steep rise over the last three years. Earlier relations had become frosty due to President Karimov's multi-vector foreign policy and the US military presence in Uzbekistan. After the Andijon massacre in 2005 when the EU and US turned away from Karimov who was sanctioned while he ended the US military base agreement, the Russians stepped back in without asking compromising questions. Karimov needed a security patron to safeguard his position and Russia was ready to fulfil that role. Uzbekistan returned to the CSTO, but relations are not as warm as with Kazakhstan, Kyrgyzstan and Tajikistan. This leaves an opening for the US and EU member states to temporarily ignore the appalling character of Uzbekistan's regime and increase their military presence there. Meanwhile, Russia, the EU and US all remain worried about Uzbekistan's instability. It is unlikely that a change of power (through a coup or illness or the death of Karimov) will be as swift and peaceful as in neighbouring Turkmenistan.

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<sup>84</sup> Roger McDermott, 'Russia "boosts" military presence in Central Asia', Jamestown Eurasia Daily Monitor, vol. 5, nr. 111 (11 June 2008).

## Regional organisations

Bilateral agreements are the foundation of Russia's Central Asia policy – in both the security and economic domains. Multilateral regional initiatives give Moscow the opportunity to further strengthen influence in the region and even use these as tools in a divide and rule policy. The CIS, CSTO and SCO are all (partly) security-oriented organisations, although with differences in membership and orientation. They also overlap in both aspects. The CIS, which was already declining in importance over the last decade, will now lose all relevance as a result of Georgia's withdrawal and Ukraine's plans to follow suit. Russia has never invested sufficiently in the CIS to go beyond dividing and settling Soviet heritage issues in an orderly way. Currently the CIS still plays a role in security through an Antiterrorist Centre in Bishkek and the management of unified air defence, although the former is also being established under the SCO and the latter under the CSTO.<sup>85</sup>

Whereas the CIS and SCO incorporate economic and cultural aspects, the CSTO is security driven and meant to be the counterpart of NATO. With the exception of Turkmenistan, the other four states participate as well as the CIS members that are most loyal and dependent on Russia: Armenia and Belarus. The CSTO is likely to further expand its military activities and cooperation. Meanwhile, the SCO is gaining a reputation as a regional security player through joint military exercises where China and Russia combine efforts. The SCO's core business is, however, the economy and trade, according to leading member China which hosts the secretariat.<sup>86</sup> Russian proposals to extend existing military cooperation have not found much enthusiasm in China or among Central Asian members. Russia itself has probably also lost interest in boosting the SCO's security tasks since the August war with Georgia. Sharing a primacy in security matters with China in Russia's near abroad will not be in Moscow's interest. Moreover, neither China nor a single Central Asian member was willing to give full support to Russia's Caucasus policy and recognition of the independence of Abkhazia and South Ossetia during the SCO Summit in Dushanbe last August. Whereas it is unclear in what capacity and which direction the SCO will develop, it seems opportune for Beijing and Moscow to keep the US out of the initiative in order to show that things can be done without Washington being on board. While the SCO is talking with US allies such as the

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<sup>85</sup> Ivan Safranchuk, 'The Competition for Security Roles in Central Asia', *Russia in Global Affairs*, No. 1 (January-March 2008), <http://eng.globalaffairs.ru/printver/1183.html>, 4.

<sup>86</sup> Vladimir Paramonov and Oleg Stolpovski, 'Russia and Central Asia: Multilateral Security Cooperation', *Central Asia Series, Conflict Studies Research Centre* (March 2008), 9.

EU and Turkey, it will need to find a balance of interests in Central Asia between China and Russia without turning into an anti-American organisation. Regardless of the outcome, Russia is well-positioned towards any geo-political actor in the security field. Moscow will certainly try to strengthen the role of the CSTO in Central Asia while deepening bilateral security arrangements.

### **Russia as an Energy Transit Country**

In the economic sphere, Russia is well positioned to remain the leading player in Central Asia for years to come. This is especially true for the energy sector. The major share of the oil and gas pipeline system from Kazakhstan, Turkmenistan and Uzbekistan is directed towards Russia.

In the oil business, Russia faces acute competition from other buyers. Kazakhstan and to a lesser degree Turkmenistan are the two main oil exporters in Central Asia. The latter mostly exports its oil to Russia, but also to Iran with which it has active trading relations. Some 85 per cent of Kazakhstan's oil exports pass through Russian territory, but a large share of this goes through the non-state owned Caspian Pipeline Consortium (CPC) directly to consumers.<sup>87</sup> Some other export options exist such as the limited sales to China which started in 2006. However, Russia's main competitor is the Baku-Tbilisi-Ceyan (BTC) pipeline that exports Azerbaijan's oil to Turkey and from there to Europe and beyond. Kazakh oil can be transported by ship to Azerbaijan where it enters the BTC line until a long awaited, but still uncertain, trans-Caspian oil pipeline bypassing Russia and connecting with the BTC is constructed. The Russian supported CPC and EU/US supported BTC routes are likely to compete for the future bulk of Kazakh oil.

Gas is the key economic interest for Russia in Central Asia. Gazprom sells mostly Central Asian gas to Europe, using Russian gas for domestic consumption. Kazakhstan, Turkmenistan and, to a somewhat lesser extent, Uzbekistan have substantial gas deposits. More than 90 per cent of current Central Asian gas exports go to Russia, only Turkmenistan exports some gas to Iran, while Kazakhstan and Uzbekistan provide Kyrgyzstan and Tajikistan with gas.<sup>88</sup> Gazprom has almost full control over the purchase of Central Asian gas and plans to build new pipelines from Turkmenistan and Kazakhstan to Russia along the Caspian coast, but there might be serious competition on the horizon. The most urgent threat to Gazprom's power is China, which is planning a

<sup>87</sup> 'Central Asia's Energy Risks', International Crisis Group, Asia Report, No. 133 (24 May 2007), 9.

<sup>88</sup> Ibidem, 18.



gas pipeline from Turkmenistan across Kazakh territory. Another longer-term threat would be a trans-Caspian gas option connecting with the Baku-Tbilisi-Erzurum (BTE) line, which follows roughly the same route as the BTC oil pipeline terminating in Turkey. Although Russia is expected to increase gas exports from Central Asia up to 2020, it is these future alternatives that are important for Central Asian gas producers when pressing Gazprom to pay higher prices.<sup>89</sup>

The Central Asian *have-nots* in energy are the *haves* when it comes to scarce water resources. There is a sensitive and somewhat unstable trade-off between water deliveries from Kyrgyzstan and Tajikistan and energy exports, mainly from Kazakhstan and Uzbekistan. Some voices in Moscow have aired ideas of starting to compete with Kyrgyz and Tajik water suppliers. An old Soviet plan to build a canal of over 2,000 kilometres from the Ob River to Uzbekistan is currently being advocated by Moscow's maverick major Luzhkov.<sup>90</sup> Kazakhstan and Uzbekistan, with its cotton industry, have reacted enthusiastically, but it is unlikely the plan is worth the huge investment or can silence environmental concerns.

Russia would do better by expanding other economic activities with Central Asia in order to counter the dependence of these economies on energy and to avoid giving China easy opportunities to position itself advantageously. Trade levels with Central Asia, excluding hydrocarbon commodities, have risen marginally since 2003 and account for only four per cent of Russia's foreign trade.<sup>91</sup> As long as Russia considers Central Asia as a place that solely offers cheap oil and gas, its central position will be at stake. Central Asian countries need more investments to diversify their economies and avoid 'Dutch disease' symptoms. The energy-rich states will be looking for other opportunities, while their one-sided economies offer no long-term stability. Kyrgyzstan and Tajikistan have less to offer. One of their major forms of income is the export of labour to Russia's markets and construction sites.

Medvedev will have a chance to extend Russia's stake in the economy by increasing investment and by further building the Eurasian Economic Community (EurAsEC) in which the Central Asian states are members, excluding Turkmenistan. The EurAsEc still

<sup>89</sup> Vladimir Paramonov, 'The Future Supply of Gas From Central Asia to Russia: An Expert Assessment', Central Asian Series, Conflict Studies Research Centre (February 2008), 12.

<sup>90</sup> John C.K. Daly, 'Central Asia water and Russia', Jamestown Eurasia Daily Monitor, vol. 5, nr. 113 (13 June 2008)

<sup>91</sup> Vladimir Paramonov and Aleksey Stokov, 'The Evolution of Russia's Central Asia Policy', Central Asia Series, Conflict Studies Research Centre (June 2008), 15.



has to prove its worth, but could grow to become a Central Asia focused economic integration organisation, including a customs union. Such Russian-led initiatives will be increasingly important in countering China's economic power and the EU's attraction.

### **Conclusion**

President Medvedev has made an energetic start in further boosting Russia-Central Asian relations. His first foreign trip in May brought him to Kazakhstan and he returned in early July for the celebration of Astana's tenth anniversary as capital of Kazakhstan. Turkmenistan was next on the list. Berdymuhammedov and Medvedev spoke about economic cooperation, but also agreed to open Russian schools in Turkmenistan. It is no coincidence that Kazakhstan and Turkmenistan are first on the list. Kazakhstan is becoming a power in its own right, while it is Russia's key partner in the region. Turkmenistan will remain a land of opportunity for Russia and other players that have had no access before. Relations with Uzbekistan were strengthened after Andijon in 2005 and Kremlin ties with Kyrgyzstan and Tajikistan have been stable.

Russia has made a jump from reluctantly giving some direction to its southern neighbours in the 1990s to becoming an eager leader in the region. Competition with China, the EU, US and other players such as India, Iran, Japan and Turkey will increase over the coming decade, especially after Moscow's show of strength and determination in the Caucasus. Russia will want to increase its engagement in Central Asia and not lose too much influence to other parties. It can do so in various ways.

- In the security field, Russia will maintain a careful balance between using bilateral (military) relations as a base and blending these with different regional and multilateral organisations, certainly through the CSTO from a defence perspective and maybe through the SCO pending Chinese-Russian relations. Russia will need to be persuasive to assure Central Asian countries it has good intentions and respects their sovereignty and territorial integrity without any exception.
- Russian worries over Afghanistan are unlikely to recede, since the possibility of a pragmatic approach in looking at ways to support NATO and US forces in Afghanistan has been lost. Russia will seek to further strengthen its military presence and cooperation with Central Asia in order to avoid spill-over effects and to counter NATO influence in the region.
- Russia could do better economically in Central Asia. When gas and oil are excluded, trade figures remain low. If Russia has a long-term interest in Central Asia it will need to bind these countries to its own economy.



- Energy interdependence is still strong, but may not last. Only if Russia invests substantially in transport infrastructure might it be able to stay ahead of other buyers. With Russia's domestic gas output showing no growth, it remains important to buy Central Asian gas which could be sold to Europe.
- Further investment in the cultural field should take place by supporting Russian language education, opening schools and establishing university exchange programmes – and through media outlets or cultural festivals that emphasise a shared heritage (and future).

Stability and cheap energy imports are the two key interests Russia has in Central Asia. Moscow will have less and less influence on both aspects as Central Asian countries become better able to attract the attention of others and these outside actors take an increasingly serious interest in the region. This argument gained strength over the summer. Most Central Asian countries have built relations with other parties and are not completely in Russia's grip. While Central Asian leaders have become nervous over Moscow's military campaign, they are unlikely to be blackmailed into rubberstamping everything that Russia says or does. Russia will need to allow other power brokers into the region, but will resist NATO and also, most likely, the EU. Working with China through the SCO is now the only acceptable outside cooperation option. On the economic front, Russian energy companies will need to raise the prices paid for oil and gas at such a pace that other buyers become of secondary importance to these countries. Gazprom is already paying more every year. Russia has done well in Central Asia over the last five years, but will only continue to do so if the region receives its undivided attention for decades to come.