

Chaillot Paper

July 2006

n° **91**

EU stakes in Central Asia

Anna Matveeva



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ISSN 1017-7566

ISBN 92-9198-094-3

Published by the EU Institute for Security Studies and printed in Condé-sur-Noireau (France) by Corlet Imprimeur. Graphic design by Claire Mabile (Paris).

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Acknowledgements

The author would like to express her gratitude to Dr. Dov Lynch for providing the opportunity to write this *Chaillot Paper* and for his most helpful intellectual guidance throughout the process. She would also like to thank the members of the research team at the EUISS who read and commented on the draft and the EU officials who agreed to be interviewed and share their insights. Her special thanks go to academic experts and colleagues who provided invaluable comments on the earlier drafts, namely Neil Melvin, Antonio Giustozzi, John Heathershaw and Alan Parfitt.

*L'*Asie centrale n'a pas toujours bonne presse au sein de l'Union européenne. Elle n'occupe pas non plus un rang très élevé dans la liste des priorités de politique étrangère de l'Union. Pourtant, la plupart des défis de sécurité retenus dans la stratégie européenne de sécurité trouvent leur incarnation, plus ou moins violente, dans les différents pays de la région : les conflits régionaux et notamment les séparatismes locaux, les réseaux terroristes internationaux, les différentes filières du trafic de drogue et du crime organisé, la question de la sécurité énergétique, la mauvaise gouvernance de régimes autoritaires, les difficiles processus de démocratisation, tous ces défis affectent, selon des degrés divers, la sécurité et l'avenir de la région. Trois grandes puissances, les Etats-Unis, la Russie et la Chine, sont également impliquées directement dans cette géopolitique régionale, laquelle a connu une série de bouleversements majeurs depuis la chute du communisme soviétique et la guerre globale contre le terrorisme décrétée par les Etats-Unis.

Comment, dans ce contexte, évaluer les intérêts de l'Union dans une région à la fois périphérique mais non négligeable pour l'avenir de sa sécurité ? Existe-t-il pour la PESC une troisième voie entre l'indifférence pure et simple (impossible) et une implication stratégique prioritaire (improbable) ?

Ce Cahier de Chaillot représente la dernière livraison de notre série consacrée à l'espace ex-soviétique dont Dov Lynch, chercheur à l'Institut, aura pendant quatre ans assumé avec brio la responsabilité. Chercheur britannique à Londres, attachée au London School of Economics, Anna Matveeva est sans doute l'une des meilleures expertes européennes de l'Asie centrale et de la politique européenne à l'égard de cette région. Dans cet essai très complet, elle propose un bilan des défis de sécurité communs à l'ensemble des pays tout en analysant, pour chacun d'entre eux, les ressorts de leur politique spécifique et de leur attitude à l'égard de l'Union. Sans plaider pour une stratégie globale à l'égard de l'Asie centrale, cet ouvrage propose néanmoins des pistes concrètes pour au moins renforcer la cohérence des politiques et des différents instruments utilisés par l'Union à l'égard des cinq pays concernés.

Pour la politique étrangère de l'Union, l'Asie centrale représente en effet un cas d'école. Aucun des pays de la région n'est candidat à l'adhésion. Cette spécificité donne certes à l'Union une très grande souplesse dans la définition de ses relations bilatérales avec les pays concernés, mais elle l'oblige aussi à développer une réflexion politique originale à l'égard de la région comme à l'égard de ses propres pratiques d'aide au développement : comment en effet influencer positivement la stabilisation et la démocratisation de ces pays, sans promesse d'élargissement, à partir des seules politiques d'aide au développement ? Comment lier développement et sécurité, le technique et le politique, éviter le double écueil d'une aide sans vision politique et d'une politique étrangère sans moyens financiers ? Ce défi est, à bien des égards, la question majeure pour le renforcement de la politique étrangère et de sécurité de l'Union. En Asie centrale, il est massivement à l'œuvre.

Paris, juillet 2006

For much of the 1990s, the distant and complex region of Central Asia was not on the EU radar screen, as the Union was preoccupied with more urgent priorities, such as the Balkans. As the region remained largely peaceful, it got little publicity and alarm bells signalling potential trouble spots did not ring with urgency. Lately, however, it has started to matter for the EU. The ongoing European military commitment in Afghanistan, the events in Andijan in Uzbekistan, the violent change of power in Kyrgyzstan – all of these highlight a highly volatile region. This *Chaillot Paper* seeks to help the EU understand the region better, to define EU priorities and interests and explore how and where the EU should act.

Being the poorest and most remote parts of the USSR, the five republics of Central Asia – Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan – were an international backwater throughout the 1990s. The region rose to prominence first through the involvement of the energy companies, and thanks to the activities of multilateral organisations such as the UN and OSCE. The region has achieved some notable successes in peace and stability. The civil war in Tajikistan (1992–1997), the most brutal conflict to have occurred in the aftermath of the Soviet dissolution, ended with the signing of Peace Accords (1997) that have paved the way towards security and modest prosperity. Reconciliation and quick progress in rebuilding the Tajik state is commendable by any standards, when so many recurring conflicts are simmering around the world. The region did not experience the rise of destructive nationalism, as happened in the Balkans or the Caucasus, and minorities, although having lost some of their former standing, live peacefully alongside majority populations. While mutual hostility in inter-state relations prevails, there are no ‘frozen conflicts’ or unrecognised territories excluded from the international map. All of this is positive.

However, stability comes at a price. There are adverse regional trends as well. The brutal suppression of the Andijan demonstra-

tions in Uzbekistan in May 2005 has shown that potential for 'citizens versus the state' violence is very real. Turbulence in Kyrgyzstan after the power change in March 2005 has not diminished, but continues to fluctuate, highlighting the fragility of this state and the real potential for chaos. Moreover, Central Asian presidents are ageing, and there is no acceptable mechanism to choose future leaders. A crisis of political succession in a fragile state can wreak havoc on an entire political system. What is more, the 'negative interdependence' of the region is high: conflict and violence in one state could spill across the borders and bring inter-state relations to boiling point, as happened during the Tajik civil war with respect to Uzbekistan and more recently over the Andijan refugees who fled to Kyrgyzstan. Lastly, the region has also become a victim of 'negative globalisation', witnessed in drug trafficking and the penetration of *jihadi* ideology and groups associated with it throughout the region. The situation in Afghanistan, in whose neighbourhood the new states lie, provides channels for these trends to accelerate.

The key threats that the *European Security Strategy* outlines – terrorism, regional conflicts, state failure and organised crime – are all relevant to Central Asia. The region encapsulates some of the key issues in international relations which the EU as a global security actor must face: the rise of Islamist ideology and terrorist attacks (Uzbekistan, 1999 and 2004), regional drug trafficking with an international impact, and organised crime with connections to Russia, Turkey and beyond, as well as state repression – a source of popular grievances which makes current systems of rule based on coercion very unstable.

The EU's Common Foreign and Security Policy has only started to grapple with these difficult questions. The case for the EU is made easier, however, in that the region, unlike others in the CIS, does not raise the question of future EU enlargement. The EU is free from having to think of where the borders of Europe lie, with all of the constraints this question imposes on EU thinking and action. This means also, however, that the EU has to employ more subtle diplomatic means than those offered by traditional conditionality, and that the Union must create alliances with other external players that share similar concerns.

Presently, the EU aspires to make its engagement in Central Asia more strategic. The burgeoning political role of the Council, the appointment of the EU Special Representative (EUSR) in July

2005 and elaboration of the new Regional Strategy for 2007–2013 by the European Commission create momentum to reflect on the past and develop a comprehensive future policy. Here, special attention should be given to the strategy-formulating role attributed to the EUSR. This aspect of the EUSR mandate should be crucial to working out where the EU can add value to regional security and development. This can include building political ties with Europe, helping to prevent crises and being prepared to deal with their aftermath if they unfold, supporting national efforts to cope with trans-regional threats, creating a better business climate for investors from the EU and promoting European values.

The *Chaillot Paper* is divided into five chapters. The first chapter examines the domestic potential for instability, deriving from poor governance and state fragility. The second chapter analyses trans-regional threats, such as the drug trade and the rise of Islamism, as well as the situation in the volatile Ferghana Valley. This chapter also provides an overview of regional interstate relations. The third chapter discusses the wider international environment in relation to Central Asia, and outlines the policies of Russia, China, Kazakhstan, the US, and the OSCE and NATO. This chapter also examines two important functional issues: energy and democratisation. The fourth chapter explores the EU record thus far in Central Asia, and highlights new premises for EU policy. The final chapter develops recommendations for a more concerted EU strategy in the region.

Central Asian states often get a bad press in the West. Civil war in Tajikistan, the ousting of the President in Kyrgyzstan, repression in Andijan and political killings in Kazakhstan present an image of Central Asia as a region rife with conflict and violence. From a Central Asian perspective, however, the picture is not as bleak. The region has remained intact, turmoil in Afghanistan notwithstanding. The viability of the new states has been ensured and the worst effects of the transition period are over. The region has experienced modest growth and asset-stripping has not taken place on a vast scale. Basic security and stability exists, while crime is not a big problem for society. Tajikistan recovered from the civil war remarkably quickly and the flares of conflict did not spread.

This is a valid perspective. The concern however is that beneath the acquired stability much tension is concealed. How sustainable is security that is based on shaky foundations? The domestic context and developments inside the countries are of primary significance for understanding prospects for the region's stability. They determine both the dynamics of conflict, which is more likely to derive from internal political problems, and opportunities for EU engagement. They matter because they impact upon present and future EU policy towards the region, its effectiveness and the choice of instruments it employs to advance its agenda, which will ultimately determine its success. The EU also needs to challenge its own assumptions on where the region is heading and what is likely to happen there in the future. These factors must be taken into account by the EUSR when designing a 'comprehensive policy' for engagement.

The chapter will first analyse the internal arrangements determining the ways in which the countries are governed, such as the nature of the highly personalised presidential rule, based on networks of patronage which underpin the governance system and the important role of the security sector in the political systems. It proceeds to discuss internal challenges and alternatives to such

rule, including violent and non-violent scenarios. Thirdly, the chapter outlines the economic and social setting in which politics unfolds: poverty, often deriving from administrative restrictions and bureaucratic obstacles, which leads the populations to rely on the parallel economy and labour migration, making the 'really existing economies' vulnerable to shocks. The chapter also assesses potential for nationalism, noting largely stable inter-ethnic relations in the region, and concludes with a picture of the popular sentiment characteristic of the post-independence period. The growing role of Islam as a cultural and political factor will be analysed in the second chapter.

The States of Central Asia

The five states of the region grew very distinct following independence in 1991, given the disparities in their population size, geography and resource base for economic development.

Uzbekistan is the most populous country, with over 26 million people, and is located in the heart of the region. As it borders all Central Asian states, including Afghanistan, it is vital for communication and transportation. Uzbekistan has rich energy reserves, especially in gas, but since it has a problem transporting them to paying customers, its economy is largely based on cotton. Turkic-speaking Uzbeks are the largest ethnic group in Central Asia. President Islam Karimov was the last Communist Party chief of Soviet Uzbekistan.

Kazakhstan has the largest territory, but its already sparse population is in decline because of the emigration of minorities, especially Russians.¹ Kazakhstan is the richest state due to its vast energy reserves and mining industry, with a fast-growing economy, and is an important connector between Europe and China, as it borders both Xinjiang and the Caspian Sea. The Soviet designation of 'Central Asia and Kazakhstan' stressed the latter's distinctiveness from the rest due to its closeness to Russia, its Eurasian character and the large presence of non-Kazakhs. From Kazakhstan's perspective, such a distinction still holds, as Kazakhstan has as much in common with Russia as with the rest of Central Asia. President Nursultan Nazarbayev was the last Communist Party chief of Soviet Kazakhstan.

1. Its population in July 2005 was estimated as 15.2 million, down from 16.2 million in 1989. Source: the US State Department, 'Kazakhstan: Country Background Note', <http://www.state.gov/r/pa/ei/bgn/5487.htm>.

Three other states are much smaller. Turkmenistan (population estimated in 2005 at 4.9 million) is blessed with vast gas reserves, the fourth largest in the world, but depends on Russia for exports. The country is largely a desert and its small population lives in a few oases. It is subject to the bizarre rule of an enigmatic *Turkmenbashi* (father of all Turkmen, otherwise Saparmurat Niyazov, the former Communist boss of the ex-Soviet republic) who, on the one hand, is famous for having banned gold teeth and had a revolving monument to himself erected in the capital, but, on the other hand, shows shrewdness when negotiating gas prices with foreign clients. President Niyazov's efforts to destroy education and social systems drove many among the professional classes, Russians and Turkmen alike, to emigrate, which made the remaining society more rural and traditional.

Kyrgyzstan is the smallest country, located on the borders of China and Kazakhstan, and is ethnically closely related to the latter. Unlike its wealthy brother, Kyrgyzstan has few natural resources, apart from gold mining, but has been considered by the international community as a 'bastion of democracy' and – at one time – even as the 'Switzerland of Central Asia'. In March 2005 street protests over flawed parliamentary elections led to President Askar Akayev, a former Soviet physicist, being deposed from power. This ended his fourteen-year rule, and brought to power a coalition of his former ministers, who enthusiastically engaged in the redistribution of the assets of the former presidential family.

Tajikistan is the poorest CIS country² and Tajiks are the only Persian-speakers among predominantly Turkic peoples of Central Asia. It survived a brutal civil war in 1992-97 between regional coalitions of the country, which claimed the lives of over 150,000 people. The situation has stabilised since, and in fact Tajikistan is a rare example of the successful rebuilding of a state after collapse. The prevailing political arrangements are a legacy of the civil war, which brought post-Soviet elites into power. The economy is still struggling, as the hydropower complex, formerly Tajikistan's greatest asset, has been severely undermined, and cotton is the main cash crop.

Despite differences, important similarities exist. With the exception of Kazakhstan, the landlocked states are largely rural. They are affected by the emigration of European minorities, which changes their social outlook. Disruption of transport infrastruc-

2. Population estimated at 7,163,506. Source: the US Department of State, 'Tajikistan: Country Background Note', <http://www.state.gov/r/pa/ei/bgn/5775.htm>.

ture, coupled with poverty, has increased the isolation of these states, while the decline in education and healthcare means that many Soviet social achievements are being eroded. The most important commonalities lie in the way the Central Asian states are governed, and in the security challenges operating in the region, which affect all of them, but to different degrees.

Nature of the rule

The biggest challenge lies in the nature of the rule of the groups in power, as this means that the foundations of political systems are shaky and are prone to shock and crises. The cornerstones of such rule are networks of patronage underpinning governance, the monopoly of the ruling group over the main assets, the dominant role of the security sector and a strong leader as a centrepiece of a political regime.

While some of Central Asia's problems can undoubtedly be traced back to the circumstances of the Soviet collapse, many of the current sources of tension result from practices which flourished at the time of independence. The rapid collapse of the regime in Kyrgyzstan in 2005 demonstrated that beneath the appearance of stable authoritarian rule lies considerable fragility. Little real power is vested in political institutions. The central issue stoking the potential for violent conflict is the relationship between the citizens and the state.

An understanding of how power functions at a national level is essential to an understanding of what these states essentially are. Although the formal attributes of the state are present, the problem is the quality of that statehood. As such, the problem is less one of 'state-building' than one of 'making statehood work, somehow'.³

Governance and patronage

Networks of patronage and corruption constitute important pillars of governance throughout the region.⁴ Personality politics substitutes for an orderly political process, and patronage networks take the place of open competition based on merit. A place in the network guarantees a position in the power hierarchy or in state-controlled businesses, and enables advantages to be secured

3. Jan Koehler and Christoph Zuercher, *Conflict and the State of the State in the Caucasus and Central Asia: an Empirical Research Challenge*. Berlin Osteuropa no. 21 (Berlin: Institut der Freien Universität Berlin, 2004), pp. 57-67. See <http://www.oei.fu-berlin.de/Outnow/boi21/pdf/forum%20koehler.pdf>.

4. For development of this argument see Christoph Zuercher, *Analysis of Peace and Conflict Potential in Rasht Valley, Shurabad District and GBAO, Tajikistan* (Berlin: Analysis Research Consulting, GTZ, March 2004).

during the privatisation of state assets. Networks are based on the principle of personal loyalty. Most commonly, they are rooted in kinship, but can incorporate other affiliations, such as belonging to a wider region (e.g. Pamiris in Tajikistan) or a shared educational experience. An example is offered by the networks of security officials that date back to Soviet times. This partly explains why Russians are sometimes found in senior positions that are otherwise controlled by the titular ruling group. Officials are often rotated within the patronage network, but rarely drop out completely. Appointments held by outsiders carry little weight. Patronage networks that operate on the provincial and local level are dependent on the standing of the patron in the capital. When a patron falls out of grace, the whole network becomes redundant and is replaced by an alternative one. Sometimes local elections (in those places where they are held) are used to legitimise such transfers of power.⁵

On the surface, Central Asian institutions resemble their Soviet predecessors, but power arrangements within them are different. These are 'hybrid institutions' which are a product of the adaptation of their Soviet predecessors to post-Soviet realities and in which rules are typically blurred. Some institutions, although formally abolished, like *kolkhoz*, continue to function informally as a means of control, distribution and allocation. Some institutions are of dual use. Parliaments, for instance, are a way of expanding the power base beyond the ruling group. Membership in the parliament is used to reward the loyalty of officials who have to be moved from their executive jobs to give way to new appointments, a kind of 'honorary retirement'. Many appointments have a dual function: apart from any official aspect of the job, people in charge are responsible for fundraising and channelling funds up to higher levels. The relative standing of the ministries is often related to their lucrative (fund-raising) power: Ministries of the Interior can be richer and more powerful than Ministries of Defence, since they enjoy more opportunities to engage in official racketeering.

In Tajikistan and Kyrgyzstan kinship and regionalism is a key factor in networks.⁶ Clan loyalties and nepotism became more explicit in 'post-revolutionary' Kyrgyzstan: the president's brothers were allocated lucrative appointments when the family leader came to power. In Uzbekistan, although power is highly centralised with a strong presidency on the top, the pyramid on which the power rests is not hollow, but consists of a number of pillars.

5. 'Kyrgyzstan's Clannish Voters', *Reporting Central Asia*, no. 428, Institute of War and Peace Reporting (IWPR), 23 December 2005.

6. On analysis of the significance of clans, see Kathleen Collins, 'The Logic of Clan Politics: Evidence from the Central Asian Trajectories', in *World Politics*, vol. 56, no. 2, January 2004, pp. 224-61.

There are three schools of thought as to what these pillars are.

The conventional explanation is that the tensions between geographical groupings or clans, namely Tashkent, Samarqand and the Ferghana Valley, define Uzbekistani politics.⁷ Following this line, the policy of border closure in the Fergana Valley has been designed to weaken the resource base of the Fergana clans in power struggles in the capital. The second line of thought is that power is split between the security and law-enforcement agencies on the one hand and those figures who oversee major assets, such as cotton, energy and gold, on the other hand. In addition, there are struggles within the security sector which became more prominent after the fallout of the events in Andijan.⁸

The third explanation is that the main competition is unfolding between the old and new economic elites. The old elites are those who are in charge of industries inherited from the Soviet era, while the new elites have capitalised on the industries which did not exist before, such as banking, the retail trade, service industry and tourism. The new elites so far are smaller and weaker than the old, but have more energy and connections in the right places, including the presidential family.

Making sense of the power struggles is like gazing into a crystal ball. While the president is firmly in power, he will determine the policies of the regime. However, should the leadership show any sign of weakness due to health or political problems, rivalries are likely to intensify. It is important who has 'the ear' of the President, as sources of information are scarce in a politically restricted system. The President is more inclined to listen to the information provided by the security service, as he thinks that they have 'real knowledge'. This justifies a certain perspective on policy priorities, i.e. a tendency to see Islamists everywhere.

In Kazakhstan, in the view of the local analysts, 'current influence groups are formed along the principle of personal loyalty and affiliation and interact with each other on the basis of hard, pragmatic interests'.⁹ The groups can be structured in a hierarchy, with President Nazarbayev's own group at the top of a pyramid and all groups maintaining links to the president. However, the president's position in the heart of the power structure means that all groups have to compete for influence over him. Political battles happen not for the electorate, but for influence over the head of state. The president is both a player and a referee, and while he can modify the rules of the game, he cannot change them perma-

7. There is much speculation to this effect on internet sites, for instance, Ruslan Saidov, 'After Andijan Uzbek Prosecutors purge Ministry of Interior and National Security Service', 19 January 2006, <http://www.muslimuzbekistan.net/ru/centralasia/comments/story.php?ID=2301>

8. Alisher Ilkhamov 'Speculation Continues Over Appointment Of New Uzbek MVD Chief, Resignation Of SNB Chair Seems Inevitable', *Jamestown Foundation*, 31 January 2006. <http://www.jamestown.org>.

9. Report by the Almaty-based Eurasian Centre for Political Research and the Epicenter Agency for Social Technologies, November 2005, quoted in Daniel Kim-mage, 'Kazakhstan: a Shaken System', *Eurasia Insight*, Eurasianet, 5 March 2006.

nently. His power is vast, but it is limited by the need to manoeuvre between influence groups and maintain a balance between them.

Monopoly over assets

The monopoly control over the major assets of a country by a ruling group is a precondition for the extraction of material gains. An informal patronage network consisting of well-organised client-patron relationships, or quasi-familial ties, is stronger when its members lack autonomous access to the resources outside of the centre's control.¹⁰ Thus, a Russian-type 'oligarch' phenomenon, i.e. a situation where rich businessmen control various segments of the state through indirect influence and compete with each other, is not typical of Central Asia where political and economic power are linked more directly. In Uzbekistan, border security measures leading to trade restrictions are interpreted as emanating from the vested interests of domestic monopolies determined to eliminate competition from cheap Chinese goods. Kyrgyzstan, by the time of the regime change, had become *de facto* an 'Akayev Inc.' operation rather than a functioning state.¹¹ The greed of the elites often undermines the very basis of the economy which they seek to develop. The tendency to place lucrative assets under the control of the ruling group intensified in Kyrgyzstan after Akayev.¹² Gold mining in the country should have been successful, instead production has decreased and the companies have had to lay people off.

By the same token, the most lucrative resources in each country are controlled either directly by the presidents or through their family members. Tajikistan used to be more of an exception, since the power-sharing agreement of 1997 that ended the civil war allocated a share of lucrative assets and appointments to the opposition. However, the situation proved temporary. As the opposition gave up its political assets in return for personal gain, the President consolidated his grip on power. He gradually disposed of the former rivals and allies, and his native Dangara clan from the Kulyab region now controls most of the country's wealth too.

Kazakhstan has relatively more assets compared to its poorer neighbours to the south, but the pattern is similar. The president tries to keep a balance between 'influence groups' by allocating control over a share of assets. Most powerful groups are headed by Nazarbayev's sons-in-law and other less prominent relatives. Only

10. Lucan Way, 'Authoritarian State Building and the Sources of Political Competition in the Fourth Wave: the Cases of Belarus, Moldova, Russia and Ukraine', *World Politics*, vol. 57, no. 2, January 2005, pp. 231-62, esp p. 236.

11. 'Kyrgyzstan: After the Revolution', *Asia Report*, no. 97, International Crisis Group, 4 May 2005.

12. The Oxus Gold Company provides one case in point. On 31 December 2005, the government revoked the British firm's licence for development of a gold deposit in Talas province. Officials allege that Oxus failed to make the investments, but observers argue that the government wanted to reconsider the terms of the licence to benefit from 2005 gold prices. See 'Kyrgyzstan's Government Struggles To Improve Business Climate', eurasianet.org, 2 February 2006.

one so-called 'Eurasian Group' with holdings in the metals industry, whose leading figures are not ethnic Kazakhs, is not family-related.¹³

Corruption was an element of the Soviet way of going about business, and partially smoothed the effects of the authoritarian system. However, high-level corruption among officials accompanied by overt displays of wealth has become a feature of the independence period.¹⁴ Even frequent repression and the rotation of appointments in Turkmenistan has failed to wipe out corruption among officials. The 'Kazakhgate' case, a lawsuit in the US on charges on bribing Kazakhstani officials including the President himself,¹⁵ generated some interest in the Western media, but less emotion in Kazakhstan.

Security sector: citizens versus the State

The security sector has developed into a cornerstone of political systems in Central Asia. Repression is often used as the main problem-solving tool, as grimly demonstrated by the Andijan events, and the actions of security agents are one of the main sources of citizens' grievances.

After the initial years of disarray, the security sector has consolidated and taken shape according to the needs of the leaderships.¹⁶ This implies emphasis on the security of the ruling regimes, presented as the sole guarantors of stability. The US-led 'War on Terror' has served only to strengthen and legitimise this trend. To varying degrees, the Central Asian states tend to base their rule on coercion. At the same time, the legitimacy of the regimes is partially based on their ability to provide security. Rule by coercion is expensive, as it necessitates maintaining large security sector agencies, and is not stable, as the danger is that when the lid is taken off, all the hidden stresses will break loose. As internal pressure is great, most of the ruling regimes in Central Asia tend to identify state security with their own, and have gone to great lengths to make sure that they hang onto power on this basis.

This preoccupation with the safety of the regime leads to an emphasis on internal security and the suppression of political opponents. Increasingly, the state presents itself to its citizens in a police uniform rather than as a provider of goods and services. The degree of harassment and brutality by the law-enforcement agencies varies from country to country, but the pattern is clear and

13. Report by the Almaty-based Eurasian Centre for Political Research and the Epicenter Agency for Social Technologies, November 2005, op.cit.

14. *Transparency International* ranks these countries as follows: Uzbekistan - 114, Kazakhstan and Kyrgyzstan - 122, and Tajikistan and Turkmenistan - 133 (out of 145 countries surveyed). See *Transparency International Corruption Perceptions Index 2004* at <http://www.transparency.org/cpi/2004/cpi2004.en.html#cpi2004>.

15. A US businessman, James Giffen, stands accused of siphoning millions of dollars in kickbacks to top officials in exchange for lucrative oil and gas concessions in Kazakhstan. See 'Azerbaijan: US Indicts Three On Oil-Related Bribery Charges', Radio Free Europe, 7 October, 2005, www.rferl.org/features

16. This argument is developed in Anna Matveeva, 'Tajikistan: Evolution of the Security Sector and the War on Terror', in Anja Ebnöther, Ernst M. Felberbauer and Martin Malek (eds.), *Facing the Terrorist Challenge - Central Asia's Role in Regional and International Co-operation* (Geneva/Vienna: Geneva Centre for Democratic Control of Armed Forces, April 2005).

well-established. The popularity of the police and security forces is universally low: attacks on police in Uzbekistan in 2004 provoked more sympathy for the attackers than for their police victims.

The political standing of agencies within their respective regimes varies depending on their importance for the regime's survival. Typically, the agencies vested with responsibility over internal security – interior and state security ministries – carry more clout, as leaderships have to rely on them for a range of key tasks: keeping internal opposition in check; projection of power over the population; and enforcement of state policies, such as compulsory cotton harvesting. The 'War on Terror' has benefited interior and state security ministries, bringing more resources and adding more legitimacy to their often murky operations.

Border management is an especially lucrative field. Positions in border and customs agencies in the Ferghana Valley are particularly attractive, as restrictions on trade and travel in this densely populated area provide excellent extraction opportunities. Prohibited or highly taxed goods are taken across borders by paying bribes.¹⁷ The tough border regime introduced by Uzbekistan gained a momentum of its own,¹⁸ giving birth to an integrated network of corrupt officials and smugglers from all sides. Appointments in the border areas are prestigious and 'job buying' is widespread, provided that a contender already belongs to a patronage network. There are many stakeholders in these arrangements, such as customs officers, border guards, police, local authorities and populations who live off smuggling. As a result, strong vested interests at the borders need to be serviced by lobbyists at the central level. Even if the leaderships were inclined to relax the border restrictions and facilitate trade, it would be hard to do it in practice, as it would run against powerful interests that have a stake in the preservation of the *status quo*.

Danger of turbulent political succession

Four of the five Central Asian countries have been ruled by the same leaders for nearly two decades, the exception being Kyrgyzstan. These four are authoritarian regimes practising varying degrees of repression, brutality and state control of the public sphere. Restrictions on political and, in places, personal freedoms are severe. Space for independent political activism and opposition, the media and civil society is limited.

17. See, for example, 'Central Asia: Border Disputes and Conflict Potential', International Crisis Group, *Asia Report* no. 33, 4 April 2002.

18. On effects of border regimes, see *Bringing Down Barriers: Regional Cooperation for Human Development and Human Security*, UNDP Central Asia Human Development Report (New York: UNDP, 2005), pp. 63-4, at <http://europeandcis.undp.org/?wpsc=CAHDR2005%20>.

The centrepiece of the regime is the leader who presides over these arrangements. Without such a strongman in the heart of politics, the whole system can rapidly unravel. In such circumstances, the danger of turbulent political succession is acute, especially since the leaders are ageing. The post-Soviet experience has provided stark examples of ‘disorderly’ leadership succession, including *coups* and ‘revolutions’. It has also demonstrated ‘orderly’ succession: Western-style democratic elections, legitimisation through the ballot-box of a chosen successor politically loyal to the *ancien regime* (the ‘Putin variant’), or the establishment of a dynasty by the handing of power to a direct heir (e.g. the Aliiev family in Azerbaijan). These ‘orderly’ options require advance preparation and a reasonably high degree of elite legitimacy. In Central Asia, as the case of Kyrgyzstan has shown, the ruling leaders may not be able to put any of these scenarios of orderly change into practice. Observers agree that the ‘Putin variant’ would have been the most acceptable, but its likelihood is not great since presidents trust few outside their family circles, and there are no signs that any ‘search for successors’ is underway. Instead, intra-elite rivalry is already claiming its victims. Killings of politicians in 2005-2006 in Kazakhstan,¹⁹ seemingly the most stable Central Asian country which the international observers began to see as having turned the corner of endemic post-Soviet mismanagement and corruption,²⁰ are widely attributed to emerging succession struggles, although in theory it seems too early for succession competition to unfold, given that Nursultan Nazarbayev can legitimately rule until 2012.

Bureaucratic succession would be the most realistic option, but no preparation for this is visible. Instead, some leaders continue to behave as if they are immortal. A crisis of succession in a fragile state can easily lead to social disorder. In the event of a serious weakening of a president’s grip on power in Uzbekistan or Turkmenistan, it is far from clear whether the political elites could agree a strategy on how to move forward. Competition and personal rivalries may follow instead. Rapid regime changes, however welcome as a means of replacing dictatorships, can turn out badly. With virtually all political opposition wiped out and no investment in the creation of a modernising elite within the regime, there may simply be nobody available to govern in a better way. A succession of *coups*, civil strife accompanied by score settling, or further dictatorships, may be the most likely, and worrying, options for the region’s future.

19. Zamanbek Nurkadilov, the former Minister of Emergencies, who was dismissed in March 2004 for criticism of the ruling establishment and the President himself, became an opposition figure and was murdered in November 2005. Alтынбек Сарсенбаев, twice a minister, prominent politician and a co-chairman of the Naghyz Ak Zhol party was shot dead in February 2006.

20. James Nixey, ‘Kazakhstan: Fearing Election Fever’, *The World Today*, December 2005, pp. 17-18.

Challenges and alternatives to the rule

Regime-change alternative

Present-day Kyrgyzstan demonstrates an alternative to the system of rule described above. Although on the surface the political and economic system in Kyrgyzstan much resembles how it had functioned under the former president Akayev,²¹ *de facto* power arrangements within it are quite different. The same messages get a different response, as the old power has gone out of the system. To cite Huntington, power now comes in many forms and small quantities, it is easily won and easily lost.²² The gap between formal and informal power, present under Akayev, has also widened. Although President Bakiyev outmanoeuvred his political rivals, the influence on politics of barons with lucrative assets in the shadow economy and criminal connections did not diminish. Kyrgyzstan became the only place in Central Asia where people's physical security is at stake, and murders of prominent politicians and businessmen, threats, robberies and street violence proliferate. Criminal groups and security agencies are used against each other by power-holders.²³ Regional criminal networks move into a space where it is easier for them to operate due to a security vacuum. Tajikistan until 2001 was one such place in Central Asia where criminal-political groupings featured highly due to the recovery from the civil war. However, consolidation of presidential power and strengthening of the state has dealt them a severe blow. Nowadays, crime barons from Kazakhstan in the north and from Uzbekistan in the south have become more interested in exploiting opportunities in Kyrgyzstan.

The outlook is mixed. On the one hand, the government survived the first most difficult year. President Bakiyev's standing has improved. He has achieved some tactical successes in consolidation of power, such as putting an end to the initiatives to effect constitutional change, secured personal control over the main assets, such as gold mining, forced an outspoken Speaker of parliament to resign and appointed more of his loyalists (and relatives) to the key positions. On the other hand, the 'actually existing economy' (in the words of Barnett Rubin) continues to by-pass the government, while criminal barons exploit the government connections in their own interests. This features mafia wars for territory and influence, mobilisation around strong clansmen and the ruthless pursuit of 'business' aims through violent means.

21. Graphically put by a *kurultai* (people's congress) delegate Anara Ismailova, 'Akayev's head has gone, but the body, arms and legs remain in power': quoted in 'Tough talk from the new revolutionaries, but can they deliver?', *Reporting Central Asia*, IWPR, no. 429, 9 January 2006.

22. Samuel Huntington, *Political Order in Changing Societies* (New Haven and London: Yale University Press, 1968).

23. One view is that the national security service provides cover for organised crime, while the police tries to arrest criminals; see Leila Saralaeva, 'Crime Fighters Fall Out in Kyrgyzstan', *Reporting Central Asia*, IWPR, no. 432, 28 January 2006.

The example of Kyrgyzstan is used to convey a ‘scare-off effect’, even in Kazakhstan, an unlikely candidate for similar dynamics.²⁴ From this perspective, the choice appears to be one between strong rule and a merger of crime and politics. In such an equation, the presidents of Central Asia portray themselves as the last bastion preventing the criminal networks from rising to power. However self-interested such a view might be, there are genuine doubts about who the leaders of the new generation to come will be (Harvard graduates are unlikely) and how much influence organised crime may have upon them.

Opposition

An analysis of the political process in Central Asia based on the role of political parties yields limited fruit, because parties often either are not allowed much space to operate, as in Uzbekistan or Turkmenistan, or do not represent real political interests. For example, forty four parties existed in Kyrgyzstan under President Akayev. However, when power competition unfolded after the former president made an exit, the ‘real parties’ were just two, i.e. the north and the south of the country. As Askar Akayev was from the north, an unwritten consensus has emerged that this time around the southerners should come out on top. Kurmanbek Bakiyev from the south was elected president, while Felix Kulov, the main contender from the north, agreed to the role of a ‘number two’.

Embryonic parties make some impact on politics only in Kazakhstan within parameters tightly controlled by the regime.²⁵ During the presidential elections in December 2005, although the result was predictable – the incumbent President Nursultan Nazarbayev won with a 91% vote in favour – an opposition candidate was allowed to campaign and participate in a political debate. Tajikistan has been the only country where the Islamic Renaissance Party (IRP) played a major role in the civil war and held a 30% quota of appointments as allocated per the 1997 Peace Agreement.²⁶ However, the many compromises it made with the presidency in order to stay legitimate, and the corruption and ostentatious lifestyles of its leadership, undermined the IRP’s standing within its own constituency. Moreover, the IRP never managed to define what its Islamic agenda essentially was. Currently the IRP holds two seats in the parliament and acts as a loyal servant of the ruling establishment.

24. Foreign Minister Toqayev at Wilton Park conference, March 2006.

25. The main parties are Bloc For a Fair Kazakhstan, Ak Zhol, Nyrghys Ak Zhol and the Communist Party.

26. The series of talks between President Rahmonov’s government and the UTO ended in June 1997 with the signing in Moscow of the *General Agreement on the Establishment of Peace and National Accord*, after which a Commission for National Reconciliation was created to implement it; see more in Kamoludin Abdullaev and Catherine Barnes (eds.), ‘Politics of Compromise: the Tajikistan Peace Process’, *Accord*, no. 10 (London: Conciliation Resources, 2001).

Thus, nowhere have parties developed to a point where they can create a viable alternative to the regimes, and even in free elections it is unlikely that they can get into office. Patronage and clientelism create huge obstacles to parties taking root. Opposition to the ruling regimes is more likely to come from dissidents within the elite group itself. In Kyrgyzstan both the current president and prime minister served as premiers under the previous leadership, while in Kazakhstan many present opposition figures are former Nazarbayev officials. In the other three countries the presidents are expected not to tolerate signs of dissent and infighting within their ranks, and such ‘dissent groupings’ can only emerge if the president’s powers seriously weaken.

‘Opposition politics’ is unlikely to be a factor in the process of future political succession, as no alternative political class has been developed. The main benefactors of popular discontent would not be the secular opposition, but growing Islamic forces.

The role of violence

Although Central Asia looks tranquil, challenges to the *status quo* by violent means cannot be ruled out, given the region’s recent history. *Perestroika* broke a taboo on violence, as the first ever clashes in the USSR under Gorbachev occurred in Kazakhstan (the Almaty riots of December 1986),²⁷ followed by fierce interethnic clashes in 1989 in the Uzbek part of the Ferghana Valley, between Uzbeks and Meskhetian Turks, and in 1990 in Osh and Uzgen (Kyrgyzstan) between Uzbeks and Kyrgyz. The worst case was the civil war in Tajikistan. Although major fighting around the country subsided by 1994, the United Tajik Opposition (UTO) controlled large territories in the highlands until 1997 when the peace agreement was signed. However, the uncompromising remnants of UTO merged with the Islamic Movement of Uzbekistan (IMU), a religious movement determined to overthrow the Karimov government, and fled to Afghanistan. As the civil war created an atmosphere of lawlessness and a proliferation of field commanders-turn-gangsters, episodes of violence persisted until summer 2001 when the last bandit formation headed by Rahmon ‘Hitler’²⁸ was destroyed by the government troops.

The Tajik government troops did not hesitate to use extreme violence against the population during the war, and neither did the UTO. The effect that this produced upon the country is that

27. Riots occurred over the appointment of an ethnic Russian, Gennadii Kolbin, to replace ethnic Kazakh head of the Communist Party Central Committee of Kazakhstan Dinmuhamed Kunayev.

28. Real name Rahmon Sanginov.

people cherish peace at all costs and are prepared to tolerate almost anything not to disrupt it. Thus, Tajikistan is perhaps the last place in Central Asia likely to slide into violence again in the near future. The experience of civil war in Tajikistan conveyed a lesson to the Uzbek leadership that an expansion of political participation and Islamism can create an explosive mixture and propel the country into a civil war. Such thinking helps to explain the violent repression of Andijan demonstrators by the government forces.

The anti-system forces also used violence in pursuit of their goals. In 1999 the IMU militants crossed from their bases in Afghanistan and Tajikistan into Kyrgyzstan's Batken province, took some Japanese hostages and engaged in warfare with the Kyrgyz troops, before launching attacks on Uzbekistan, their ultimate target. More recently, bomb explosions took place at the Osh market (2002) and in March and July 2004 in Tashkent and Bukhara, followed by shoot-outs with the police. In Uzbekistan suicide bombers have been used, and the July 2004 attacks targeted the US and Israeli embassies. Bomb explosions in Dushanbe (capital of Tajikistan) over the last few years were a reminder that an outwardly peaceful image may be deceptive.

Predictions regarding violence are hard to make for two reasons. One is the nature of violence in Central Asia. Unlike in the Caucasus or the Balkans, outbreaks of violence are characterised by having a relatively short run-up to them, an unclear agenda and obscure leadership; violence tends to be extremely brutal, and can end as quickly as it started. Secondly, violence often erupts in a form of sporadic terrorist acts, such as bomb attacks, which are likely to continue, as well as assassination attempts. If and when they can ignite a bigger conflagration, depends on whether large groups can be mobilised for fighting. At present, this seems unlikely. However, if political openings occur, e.g. a death of a leader, there are enough grievances in store and too little means to manage them, thus creating a potential for explosion.

The economic and social setting

Poverty and its causes

Conflict potential in Central Asia does not derive from absolute poverty,²⁹ but from *the fragility of economic arrangements that, if*

29. Countries rank in terms of the Human Development Index (HDI) as follows: Kazakhstan 80, Turkmenistan 97, Uzbekistan 109, Kyrgyzstan 111 and Tajikistan 122, out of 177 countries surveyed. UNDP Report, op.cit., p. 40.

disrupted, can lead to dire social consequences. Locally, poverty in Central Asia is explained away as originating from the collapse of the USSR, the lack of start-up capital, natural causes such as droughts, and, in Tajikistan, by the consequences of the civil war. In reality, other factors contribute significantly, such as poor governance and corruption, administrative restrictions and closed borders, extensive cotton cultivation in place of other crops, and gross inequalities in land distribution.³⁰

Poverty is largely rural and often relates to how land was distributed and used, and how input (fuel, fertiliser) and outputs (purchase prices) are regulated. Land reform, to a varying degree, has taken place in all five countries. Cotton remains the main cash crop in Tajikistan and Uzbekistan and is important for Turkmenistan, since much of its labour force is employed in the cotton sector. In Uzbekistan land is owned by the state and farmers in theory lease it. But the conditions of the lease are unclear, and in reality the state can take the land back under various pretexts or as a punishment. *Kolkhoz* were abolished and *shrikat* (cooperatives) were set up to replace them. In reality they inherited all the drawbacks of the Soviet *kolkhoz* system, without its benefits, such as guaranteed and free supply of machinery, equipment and fuel. The state orders how much cotton farmers should grow on ‘their’ land. There are intentions to redistribute *shrikat* lands to private farmers by 2008. There are also *dehqon* lands, i.e. smallholdings, which have more independence, but the state still controls purchase prices for cotton.³¹ In Turkmenistan land is owned by the state, and cultivation is done by ‘leaseholder associations’, where state intervention remains high. The state agents can even confiscate harvests which peasants grow for their own consumption in garden allotments.³²

In Tajikistan land distribution remains a source of grievance, since land was distributed unfairly, and those with the right connections and money got better deals. Land is the state property and there are different categories of land, such as household plots (usually tiny), ‘presidential’ lands which serve as a reserve for land distribution, and *dehqon*, (private) farms of varying scale. Citizens living in the rural areas in theory are entitled to long-term, inheritable leases. But many people are confused and believe that *kolkhoz* and *sovkhos* – which have formally been abolished, – still exist. If the land is not cultivated, the state reserves the right to repossess it. Independent *dehqon* farms account for about 10% of all agricultural lands. The cultivation of cotton has important conse-

30. For an excellent analysis of causes of poverty in Uzbekistan, see ‘Linking Macroeconomic Policy to Poverty Reduction in Uzbekistan’, Centre for Economic Research/UNDP (Tashkent: 2005), http://www.cer.uz/files/downloads/publication/LMPPR_en.pdf.

31. ‘The Curse of Cotton: Central Asia’s Destructive Monoculture’, *Asia Report*, no. 93, International Crisis Group, 28 February 2005,, pp. 6-8.

32. Author’s interview in Ashgabat, 2004.

quences, as it leads to the power of ‘futures companies’ (private investors) over the cotton farmers and considerable corruption. As farmers tend to have no start-up capital and no collateral to get loans, ‘futurists’ provide the necessary inputs (petrol, fertilisers) at inflated prices against the price of ‘future’ harvested cotton. Often, farmers are unable to pay back and enter the debt cycle; and some end up in *de facto* serfdom as a result. Sometimes, distributed land already had a debt attached to it, so farmers had to repay the debt from their future income. In some instances farmers were not aware of the debt, or its precise scale.³³

In theory, start-up capital should be available locally due to remittances from labour migrants, but in reality money is mainly spent on consumption and ceremonies, and is seldom invested in revenue-generating activities due to a lack of incentives.³⁴

The reasons mostly relate to the absence of regulatory framework, an abundance of red tape and unclear rules of the game. Often arbitrary actions of the authorities contribute to the climate of uncertainty and insecurity, and prevent business people from taking risks they consider unacceptable.

Administrative restrictions on business prevent the generation of income and tend to generate poverty instead. In Uzbekistan, there are tensions in the regions related to government policies of import substitution, restrictions on entrepreneurial activities and initiatives against the petty retail trade, as well as unfulfilled social promises by the government. The true level of poverty is impossible to estimate, but eyewitness accounts suggests that it is widespread in the former industrial areas³⁵ and in cotton-growing provinces in the South.

The long-term problem of the downgrading of physical and human infrastructure is another cause of poverty. Many small producers simply cannot transport their goods to markets, as there are no functioning roads. Central Asians are annoyed with Western commentators’ comparisons with Africa, but worrying parallels can be drawn with post-colonial development, when the decline in inherited infrastructure eventually became irreversible.³⁶

Population growth makes its contribution, although the rates have declined from the Soviet era due to higher infant mortality and reduced capacities for state support. Regional disparities, however, are telling: in energy-rich and economically better off Kazakhstan and Turkmenistan the population is decreasing. Out-

33. Author’s field research in Shaartuz and Kulyab areas of Khatlon province, southern Tajikistan.

34. *Tajikistan Newsletter*, International Organisation for Migration, no.2, April-June 2004.

35. ‘Uzbekistan’s Industrial Powerhouse Falls on Hard Times’, *Reporting Central Asia*, IWPR, no. 435, 15 February 2006.

36. The economic structure of Kyrgyzstan is becoming more similar to that of low-income African countries with 10% in 2005 spent on external debt servicing – Chris Lovelace, World Bank, presentation at TOSCA workshop, Oxford, March 2006.

migration of minorities has reduced the population in Kazakhstan from 17 to 15 million. In Turkmenistan demography is an unexpected challenge. The government pursues pro-natal policies, but birth rates have decreased. Now three/four children per family is becoming the norm, as compared to eight/nine in the Soviet times. Whether this can be explained by growing affluence and the spread of material values, or by lack of hope in the future, is hard to judge. However, Uzbekistan and Tajikistan continue to experience high growth. In Uzbekistan the population has grown by 5.4 million since independence to reach over 26 million.³⁷

Gender issues emerge as a source of social tensions. The position of women in society and the gains they made in the Soviet system have become a source of irritation.³⁸ Gender issues are a cause of a great deal of social tension. Women continue to lose out. They constitute the backbone of the labour force in areas of high labour migration, the dangerous and unreliable shuttle trade is a woman's domain, and increasingly, women and children constitute the bulk of cotton pickers.³⁹ This is further aggravated by an expansion of conservative practices at home, polygamy and underage marriages. Apparently, for some women the pressure is impossible to bear, and the female suicide rate, previously almost unheard of, is growing.

This is important in the context of *jihadi* Islamism (see chapter 2). What happened in Chechnya may serve as a worrying example. Apparently, Islamists such as Shamil Basayev came to realise that female desperation constitutes ready-made material for suicide bombers, and out of this combination a phenomenon of female suicide bombers in the North Caucasus was born. In Uzbekistan female suicide bombers were used in the Tashkent and Bukhara bombings in March 2004 and there may be more to come.

Reliance on the parallel economy and labour migration

With the exception of Kazakhstan, the states have little to offer to their citizens in terms of productive employment. Hence a shadow economy, smuggling and labour migration have emerged as predominant alternatives for income-generation. As legitimate trade is restricted, being monopolised by 'business groupings' close to power-holders, most petty trade is part of the shadow economy. After mosques were taken under the control of the security agencies, bazaars became the alternative venue for public association.

37. Uzbekistan totalled 20,607 million in 1991, in 2005 population growth declined, but is still 1.2%, second only to Tajikistan, and 36.7% of the population is below 16 years of age; see 'Population of Uzbekistan has grown by 314,000 in 2005', *Rosbalt*, 3 March 2006.

38. For instance, there is growing pressure against allocating micro-credits to women or against women groups' activities, as these are seen as undermining family values. In Uzbekistan women's NGOs have been harassed from the mosque, despite overwhelming repression against Islamic groups. (Author's interviews with representatives of women's NGO in Kokand, November 2004.)

39. 'The Curse of Cotton', op.cit.

Unsurprisingly, in 2004 bazaars suffered a major setback in Uzbekistan when 'trade rationalisation' measures were introduced, leading to disturbances in Kokand and other towns on major trading routes.

Smuggling is closely related to the shadow economy, since trade restrictions are so severe that regular business has become progressively unviable. In addition to the smuggling of drugs, many legitimate goods are smuggled, for instance cotton from Uzbekistan into Kyrgyzstan where the price of cotton is about ten times higher.⁴⁰

Scrap metal from Central Asia to China and cheap manufactured goods transited in the other direction constitute risky 'survival' businesses, all subject to racketeering by mafias. Extensive smuggling goes on across the Turkmen/Uzbek border mainly from Turkmenistan, involving goods such as petrol, radios and hi-fis, fish, building materials, and consumer goods from Iran, notwithstanding the fact that border guards are under 'shoot to kill' orders.

Labour migration is the main social safety valve in the region. Many poor families in the region survive due to men working abroad and sending remittances to the families (each migrant supports between 3 to 10 family members). Locally, this is generally regarded as positive. There is considerable labour migration from Tajikistan and Kyrgyzstan to Russia and increasingly to Kazakhstan.⁴¹ Annual seasonal migration is extensive – over 1 million men from Tajikistan work in Russia every year.⁴² The remittances they send amount to \$600 million dollars, exceeding the state budget.⁴³ This money provides a lifeline for the majority of Tajik households. In some areas of the country 70% of households depend on remittances sent by relatives. It is estimated that 700,000 Kyrgyz and 800,000 Uzbek citizens work in Russia. Remittances of labour migrants total around \$500 million in Kyrgyzstan, roughly twice as much as the amount the whole development community puts into the country.⁴⁴ The same applies to Uzbekistan, with remittances estimated at over \$500 million.⁴⁵ The states have no ability to levy tax on this money.

The social consequences of labour migration are worrying. Firstly, many migrants stay in Russia for years, if not forever. At this rate (about one-third of the male population of Tajikistan gone, leaving mostly boys and older men behind) regions peopled

40. *Ibid.*, p. 4.

41. On social effects of labour migration see UNDP Report, *op. cit.*, pp. 140-43.

42. Saodat Olimova, Igor Bosc, *Labour Migration from Tajikistan*, International Organisation for Migration in Cooperation with the Sharq Scientific Research Centre (Dushanbe: July 2003), available at http://www.iom.int//documents/publication/en/Tajik_study_oct_03.pdf.

43. 'Tajik Migrant Workers Earned \$600 Million in 2005', Radio Free Europe Newline, 26 March 2006, www.rferl.org and 'Passport Chaos in Tajikistan,' *Reporting Central Asia*, IWPR, no. 424, 3 December 3, 2005.

44. Chris Lovelace, World Bank, presentation at TOSCA workshop. Oxford, March 2006.

45. *Rosbalt*, 3 March 2006.

mainly by women are emerging, with obvious impacts on the social environment. Secondly, Central Asian states are vulnerable to fluctuations in Russia's policies over migration, being aware that remittances are the largest source of income and that an influx of returnees risks social disruption. Thirdly, the brutalisation labour migrants suffer at the hands of Russian police and Central Asia's own mafias leaves lasting scars. Aggression from returning migrants is experienced in the local communities.

Intra-regional migration is an indication of how well a country/area is doing, even if statistics do not reveal it. Increasingly people go to Kazakhstan for work. Marat Pistaev, of the Interior Ministry's migration police, estimated that 300,000 illegal migrants from Kyrgyzstan, Tajikistan, and Uzbekistan were employed in Kazakhstan in 2005.⁴⁶ The pattern seems to be as follows:

- ▶ Kyrgyz from the north of Kyrgyzstan go to Kazakhstan,
- ▶ Kyrgyz from the south go to Chui Valley in the north of the country,
- ▶ Uzbeks and Tajiks in the Ferghana Valley go to southern Kyrgyzstan.
- ▶ Uzbeks from the west go to work in Turkmenistan as cheap labour force at construction sites, such as presidential palaces and luxury hotels.⁴⁷

Minorities and inter-ethnic relations

Nationalism in the sense of linking territory and ethnicity, as in the Balkans or the Caucasus, has never been a feature of Central Asia. Nor has nationalism in the region become an engine for nation-building. None of the Central Asian states exhibit the kind of nationalism that emerged in Turkey out of the ruins of the Ottoman Empire and created a driver for the building of a new country and society. Thus, the idea that Central Asian states might follow the Turkish path appears unfounded.⁴⁸ Moreover, an emergence of nationalism in the multi-ethnic context of Central Asia would be absolutely detrimental to stability.

Still, minorities did not fare well at the time of independence, as their access to power and resources has diminished. The new rules of the game are that minorities are mostly excluded from the appointments that matter, but otherwise their existence is secure

46. *Central Asia Report*, Radio Free Europe, vol. 6, no. 5, 10 February 2006.

47. Author's interviews with local journalists, Tashkent, March 2005.

48. Idris Bal, *Turkey's Relations With the West and the Turkic Republics: the Rise and Fall of the "Turkish Model"* (Aldershot: Ashgate, 2000) and Mustafa Aydin, 'Between Euphoria and Realpolitik: Turkish policy towards Central Asia and the Caucasus', in Tarq Y. Ismael and Mustafa Aydin (eds.), *Turkey's Foreign Policy in the 21st Century: a Changing Role in World Politics* (Aldershot: Ashgate, 2003), pp.139-60.

and inter-ethnic relations remain stable. In general, minority issues are unlikely to generate conflict in the short run, as minorities tend to accept their second-rate status and have little support from their kin states. For instance, the authorities in Uzbekistan distance themselves from their ethnic kin across the border in Kyrgyzstan and Tajikistan, despite sometimes using them as informers for the government. Those among minorities – the young and able-bodied – who find their situation unsatisfactory, tend to resort more easily to emigration than to fighting for their rights. Still, the disappearance of minorities, especially the European ones, changes the nature and outlook of the majority groups, with significant effects in the longer run.

A different, and worrying, dynamic has unfolded in Kyrgyzstan since the March 2005 change of power. Although a lingering sense of irritation and resentment of minorities has been a feature of Kyrgyz politics and society under Akayev, the government has publicly discouraged the expression of such feelings. Currently, the representation of minorities in parliament, ministerial appointments and senior civil service jobs has sharply diminished.⁴⁹ The President dismissed the only ethnic Uzbek governor of Osh province, Anvar Artykov, elected by popular vote, in the first year. Rather than a sign of any inclination of President Bakiyev towards nationalism, this may be explained by the weakness of his government that is not able to make an explicit commitment to interethnic peace a matter of active policy. Thus, expressions of ethnic prejudice and nationalist feelings are not discouraged and increasingly enter the public domain. This creates a social atmosphere in which tensions flare up, such as between Uzbeks and Kyrgyz in the south, cross-border disputes with Tajiks, clashes with Dungans⁵⁰ and ongoing suspicion of North Caucasians, believed to be linked to their ethnic mafias.

Such a murky atmosphere, which derived out of chaos and uncertainty, and provides a fertile breeding ground for nationalist sentiment, was experienced in the region during the late *perestroika* period, when there were outbreaks of interethnic violence in Osh and Uzgen. However, neither politicians nor civil society appear to be mindful of such dangers, and there is little effort to prevent the possibility of such developments arising. Some are indeed actively encouraging the ethnic discourse.

49. Kyrgyzstani researcher Anvarbek Mokeyev comes up with a figure of 3.6% representatives of the 'Russian-speaking' minority and no Uzbeks in senior government jobs; see Anvarbek Mokeyev, 'What Power and What Ideology we need, or where a politics of tribalism and regionalism could lead Kyrgyzstan', February 2006: www.analitik.kg.

50. See, for instance, 'Government intervenes after Kyrgyz village violence', *Reporting Central Asia*, IWPR, no. 434, 10 February 2006.

Disillusionment with the state

In general, the citizens of the Central Asian countries believe in the notion of a strong state, but they expect it to rule fairly and to care for the well-being of the population at large. The expectation is that the rulers, without neglecting their own interests and appetites, will nevertheless rule in the interests of all. The focus is on the accountability of politicians rather than their periodic replacement through the ballot box. An aspiration is that a leader should be a good manager, not excessively corrupt, and should not be accompanied into politics by his whole family. Whether he is appointed or democratically elected is of secondary importance. In a sense, President Putin is an attractive role model.

In reality, these expectations are regularly frustrated, as the ruling elites are largely interested only in their own grip on the levers of power and in the privatisation of their countries' assets in their favour. This phenomenon has created a tremendous and widespread sense of injustice. Even after overwhelming repression in Andijan, the population is once again beginning to protest over socio-economic hardship.⁵¹

Conclusion

To sum up, the quality of statehood remains low. Often overt repression and brutality is employed to conceal a lack of competence on how to run the affairs of the state and to keep undesirable elements outside the political system.⁵² As governments prefer to adopt the strategy of keeping a lid on existing tensions rather than allowing modernisation and change to address deep-rooted problems, it is to be expected that the potential for radical and violent protest will persist. This can disrupt any economic and social advances. It has already resulted in the emergence of a small but growing number of mainly young people who no longer believe that the state can deliver, and who seek anti-system solutions.

Uzbekistan is a key country to watch with regard to future prospects for conflict and stability. At the same time, the West should not assume that if secular strongmen – leftovers of the Soviet era – leave the scene, a pro-Western society would automatically be 'liberated' to embrace the recipes of democratisation. As

51. 'Andijan: Population Fed up with Problems, Rises Again', (11 March 2006, <http://www.fergana.ru>).

52. In the 2000 parliamentary elections the presidential entourage did all it could to prevent opposition fighters-turned-criminal barons to stand for elected office, such as Rahmon 'Hitler' Sanginov: author's interview at UN Tajikistan Office for Peacebuilding (November 2004, Dushanbe).

the experience of Kyrgyzstan has shown, underneath may lie darker forces, less predictable, connected with criminality and drug trafficking, socially conservative, more religious and more anti-Western.

The states of Central Asia, already experiencing serious internal problems, are affected by security challenges of the ‘new age’. These are partly of their own making and partly stem from the volatile neighbourhood in which they are located. Forces of globalisation take their toll by including Central Asia in an international *jihad* and connecting it to faraway drug markets. The states fight these dangers the way they can, but their response so far has not been promising. More crises may disrupt an already fragile regional system.

Security concerns in Central Asia can have an impact on wider international relations in the region, especially on Russia and China, but on the EU as well. Firstly, most of the heroin in the streets of Europe originates from Afghanistan, and Central Asia lies on one of the major trafficking routes. Secondly, *jihadi* Islamism constitutes a pressing concern for Europe which still has little understanding of its ideological drivers, recruitment practices, social profiles and international connections. The EU has an interest in cooperation with Central Asians to make advances on these questions and to support the viability of the moderate Muslim states. Thirdly, serious upheavals, if they happen, would be impossible to ignore, as they can trigger off refugee flows, disrupt investment and create wider destabilisation in the region of the borders of Afghanistan. Lastly, despite external aid, the ability of the states to cope with security challenges remains weak, and they may require outside security assistance in the event of an outbreak of acute violence. Such a scenario would present an immediate dilemma for Russia, but the EU needs to be prepared to know how to respond in political and operational terms.

The current chapter addresses the trans-regional security challenges, i.e. forces that operate throughout Central Asia and beyond (Islamism and drug trafficking), the interconnected ‘internal region’ of the Ferghana Valley where the borders of three states meet, and the relations between Central Asian countries.

The chapter does not address issues prominent in the previous discourse on Central Asia, such as water management, the environment and the situation of the Aral Sea, for the reasons that these have been studied extensively by the experts⁵³ and that their direct bearing on security is yet to be proven. One may argue that following the demise of the Soviet-era industries, the environmental situation of Central Asia has improved somewhat and, while disasters may still happen, their likelihood is a matter of conjecture. The international community, including the EU, are making efforts to improve the disaster preparedness of the independent states, so that they are able to cope with eventualities. Likewise, the chapter does not address human trafficking, and small arms and light weapons proliferation which,⁵⁴ although important, are not central to the security discourse for the region.

Islamic fundamentalism

The revival of religiosity is visible throughout Central Asia, with obvious signs such as the growth in mosque attendance, pilgrimages and interest in Islamic education. Islam⁵⁵ came to Central Asia in the seventh century, when the parts of that region called *Ma Wara' al-Nahr* or *Transoxania* (meaning 'Beyond the River' in Arab and Greek respectively) were conquered by Arab Muslim troops. Bukhara in today's Uzbekistan became the centre of Islamic scholarship in Central Asia. The Mongol conquest of the thirteenth century dealt a severe blow to Central Asian civilisation, including the Islamic tradition, and spiritual and material culture. The region only slowly recovered from the devastation, but by the fifteenth century – when the masterpieces of Muslim architecture in Bukhara, Samarqand and Khiva were built – it was thriving again. Nomadic Kazakhs and Kyrgyz were introduced to Islam around the same period, but it firmly took root only in the nineteenth century, coexisting with shamanistic beliefs which never disappeared entirely. Nowadays most Central Asian Muslims are Sunnis of the Hanafi school, while there are small pockets of Shi'a, such as adherents of Isma'iliya, among Pamiri groups in Badakhshan (about 5% of the population in Tajikistan).

The Soviet transformation of Central Asia struck a further blow to the position of religion. Most of the political opposition to Soviet secularism was Islam-inspired, especially the armed resist-

53. One recent study was done by the UNDP, see *Bringing Down Barriers*, 'The natural resource lifeline for Central Asia: water, energy and the environment', Chapter 4, pp. 83-111.

54. On SALW see, for instance, Neil MacFarlane and Stina Torjensen, 'Kyrgyzstan: a Small Arms Anomaly in Central Asia', *Occasional Paper* no. 12 (Geneva: Small Arms Survey, February 2004) and, by the same authors, 'Sustainable disarmament, demobilisation and reintegration of ex-combatants and conversion of military assets to civilian use' (Dushanbe: UNDP Tajikistan, 2005).

55. Islamism, or Islamic activism, in the International Crisis Group classification, is divided into the three following categories: political, missionary and *jihadi*. the latter meaning the Islamic armed struggle (*al-jihad*), which exists in different forms, ranging from combating domestic regimes considered impious to global (combating the West). Adapted from 'Understanding Islamism', *International Crisis Group*, Middle East/North Africa Report no. 37, 2 March 2005.

ance, known as *basmachi*, or ‘robbers’, who Vitalii Naumkin calls ‘armed *jihadi* rebels against Soviet rule’.⁵⁶ The *basmachi* movement was not finally crushed until the mid-1930s, when its surviving remnants went abroad, mainly to Afghanistan, and some ended up in Saudi Arabia thereafter. In the Soviet era, after the initial onslaught on Islam and secularisation of social life in the 1920s and 1930s, the Soviet government sought to use religion as a mobilising force to fight against the Fascist aggressor. Relaxation of prohibitive measures and state organisation of religious life into the Spiritual Board of Muslims, which administered Islamic education and supervised the few remaining mosques, followed. Despite repression, an alternative system of religious education and private underground teaching still persisted in certain parts of the region, such as the Ferghana Valley, throughout the Soviet period.

After the dissolution of the USSR the Central Asian regimes provided more space for religion to operate and recognised its role in the national cultures. Construction of mosques, ties with the Muslim countries and education abroad were initially encouraged. Partly, the agenda was pragmatic, as it was hoped to attract investment from the rich Muslim states. However, it emerged that such investment would arrive only if packaged together with financing of infrastructure for religion. The secular Central Asian leaders were disinclined to do so, so mutual enthusiasm cooled down. The role of Islam in the Tajik civil war, when connections were made with Islamic fighters in Afghanistan, heightened apprehension of its destructive potential.

At present, the states, to a varying degree, control the space Islam occupies in society. They severely restrict the role of Islam in politics, while respecting it as a badge of cultural identity and a bastion of tradition, customs and family values. Overall, Islam has acquired more visibility, and its presence in everyday life is becoming more prominent. There are few tensions between Muslims and other religions, but more between Islamism and secularism. There is also a growing distinction between the traditional, or *pro-status quo*, Islam that is interested in preservation of tradition and is largely content with the existing order of separation of state and religion, and *Islamism*, an ideology calling for change. Scholars of the Arab world have explained the roots of Islamism by a pervasive social crisis milieu that includes an identity crisis, legitimacy crisis, misrule/coercion, class conflict, military impotence and

56. Vitalii Naumkin, *Between Pen and Rifle: Radical Islam in Central Asia* (Oxford: Rowman & Littlefield Publishers, 2005), p. 38.

cultural crisis.⁵⁷ Thus, a crisis of spirituality is emphasised. This is relevant for Central Asia both with regard to the traditional clergy's inability to address the modern challenges, and the state authorities' rule based on coercion. There are also important parallels with Islamism in the West. Explaining Islamist suicide attacks in the West, Kermani notes that the idea of achieving redemption through destruction and collective salvation through self-sacrifice has its origins in modernity. It feeds from two sources: real or perceived grievances and solidarity with oppressed Muslims, and ancient myths intertwined with the modern fantasies and the publicity such actions bring.⁵⁸

The rise of Islamism is a growing trend in Central Asia. What drives it is a combination of the problems faced by young people, the effects of globalisation, and discontent over economic and social hardship.⁵⁹ Populations in the region do not expect the current authorities to bring about a significant improvement in their lives. In their view, while most people live in poverty, power holders enjoy an affluent lifestyle in luxurious mansions. Thus, support for Islamic figures is often an expression of protest against corrupt authorities.⁶⁰

The grounds for Islamism were laid by the moral vacuum of the early independence period. As the Soviet system collapsed, the traditional Islamic clergy was often unable to offer guidance to the ethical dilemmas of the period of uncertainty and on how to interpret the new world. Instead, it referred to the pre-Soviet customs and traditions, often irrelevant in the new situation. The Islamist groups offer straightforward answers to the dilemmas of today which are appealing for young people.

As a result of expanded travel and education in Islamic *madrasas* and academies abroad, the religious doctrines on offer have become more diverse. More 'modern' interpretations have appeared, sometimes conflicting with each other. As a result, individuals can choose by themselves what to adhere to. This leads to tensions between the older clergy educated in the Soviet times and younger preachers who have returned from abroad.⁶¹ Not all foreign graduates were radicals and perhaps only a token were *jihadis* in any meaningful sense. However, their presence and activism laid the ground for two developments. First, they opened the gates of modern Islam ready to engage with political and social causes. Second, links were established with international *jihad* whose aura of romanticism and war heroism is appealing to young men.

57. R. Hrair Dekmejian, *Islam in Revolution: Fundamentalism in the Arab World* (Syracuse, NY: Syracuse University Press, 1995), pp. 5-7, pp. 23-31.

58. Navid Kermani, 'Roots of Terror: suicide, martyrdom, self-redemption and Islam', www.openDemocracy.net, 20 February 2002.

59. 'The Spread of Jihadism in Central Asia,' *Jane's Islamic Affairs Analyst*, no. 62, 1 December 2005.

60. See, for instance, 'Ruling Regime makes it easier for radical religious opposition to enter the scene', 27 December 2005, www.fergana.ru.

61. Author's field research in the Ferghana Valley, 2004.

Thus, Islamism became more of a young people's pursuit, rather than that of their more conservative fathers. This is also related to a generational change. Central Asia is made up of younger societies – in Uzbekistan 36% of the population is below 16 years of age – who are less educated, less exposed to the outside world and tend to be more religious. By the same token as in the Arab world, Islamists are often young, following leaders in their forties. They experience a sense of a gap between the *status quo* and their aspirations. 'They need not be materially deprived to feel discontent, but the perception of deprivation ... is what matters.'⁶²

The Ferghana Valley has a reputation of being a cradle of Islamism and the birthplace of the Islamic Movement of Uzbekistan (IMU); its founding members originate from Uzbekistan's Namangan province.⁶³ The IMU was established in about 1997 when the mainstream UTO leaders signed the Peace Agreement with the Tajik government. The Muslim fighters, mainly ethnic Uzbeks from the Ferghana Valley who fought alongside the Tajik opposition, set up their own organisation and embarked on a new crusade from their bases in Tavildara (Tajikistan) and in Afghanistan, targeted against the secular regime of the President Karimov. Since then, the IMU has undertaken a number of armed attacks and begun seizing hostages. Under considerable pressure from the Uzbek government, IMU fighters were persuaded to leave their bases in Tajikistan and moved to Afghanistan with the help of the Russian military, where they eventually joined the Taliban in its fight against the US-led coalition. After 9/11 the IMU was put on the US Terrorist Designation List under Foreign Terrorist Organisations.⁶⁴ Following the defeat of the Taliban and the probable death of Juma Namangani, the IMU leader, the surviving militants led by Tahir Yuldash fled to mountainous regions of Pakistan, including the city of Quetta, capital of Baluchistan province. The IMU later announced a merger with other like-minded groups and was renamed Islamic Movement of Turkestan, but the name does not seem to have caught on. The IMU was believed to have been undermined after it fled to Pakistan, but still maintains a number of branches in Tajikistan, Afghanistan, Iran, Pakistan and Turkey. It is unclear to what extent it remains a potent force inside Central Asia.

Hizb-ut-Tahrir al-Islami ('Party of Islamic Liberation') is by far the main established actor which attracts hundreds of recruits throughout the region, despite being outlawed everywhere except

62. Dale Eikelman and James Piscatori, *Muslim Politics* (Princeton, NJ: Princeton University Press, 1996), p. 109.

63. Juma Namangani is believed to have been killed in a raid by US troops in Afghanistan, but his body was never recovered. The remaining leaders are Tahir Yoldash, the IMU leader, his first deputy for financial affairs Dilshod Hojjiyev and the military commander Ulugbek Holik (*nom de guerre* Muhammad Ayub).

64. The US Department of State, <http://www.state.gov/s/ct/list>.

in Kyrgyzstan. The party's goal is the establishment of a caliphate, i.e. an Islamic supra-state with no recognition of national borders. *Hizb-ut-Tabrir* tends to operate through a network of secretive party cells reminiscent of the Bolshevik underground organisation. Lately, new groups have started to appear, but there are doubts that they are related in any operational sense, and seem rather to be united just by a common world view. Islamic *Jihad* claimed responsibility for the March 2004 bombings in Tashkent and Bukhara where 45 people were killed,⁶⁵ while *Bayat* ('Oath') which operates in the Soughd province of Tajikistan, claimed responsibility for the murder of a Protestant priest in 2004 and was involved in a failed attempt to blow up the police station in the town of Isfara. *Jama'at Mojahedin* of Central Asia and other, more obscure groups, declared their existence via the Internet and leaflets. *Tabliq*, a movement originating from South East Asia, is increasingly gaining ground in Kyrgyzstan.

The Islamist ideology enjoys coverage well beyond the Fergana Valley. The geography of Islamism corresponds roughly to areas from where *basmachi* resistance to the Soviet rule continued in the 1920s and 30s. Certain pockets have emerged, distinctive in their social and cultural outlook, and very different from their neighbours. *Jamoats* Chorkuh and Sorkh in Isfara region in northern Tajikistan particularly stand out. On the one hand, many prominent political and cultural figures of Soviet Tajikistan originated from there, a trend that continues to the present day. On the other hand, the same is true for the Guantanamo Bay prisoners. The area is home to the most conservative Islamic practices imaginable in Central Asia. Apart from official 26 mosques in the Chorkuh village alone, underground ones are believed to be in operation with home classes in Islamic teachings for children, and young men drawn into training camps.⁶⁶ The authorities are watchful, and the National Security Council has regular meetings in Isfara, but it is hard for them to penetrate below the surface.

In Kyrgyzstan's Jalalabad province distinct Islamic areas are also growing, quite separate from the mainstream communities. The district authorities are unsure how to react – in the Nookan district, wearing the *hijab* was recently banned in schools, giving rise to dissatisfaction among locals.⁶⁷ More broadly, the confusion and power vacuum that followed the March 2005 'revolution' in Kyrgyzstan have increased the following of Islamist groupings. *Hizb-ut-Tabrir* operates freely in the Osh province, *Tabliq* is experi-

65. It is unclear whether it is the same group as the Egyptian Islamic *Jihad* which assassinated Anwar Sadat, President of Egypt, in 1981.

66. Field research by the author in Isfara region, Tajikistan, 2004.

67. 'Female pupils are banned from schools in Kyrgyzstan's Jalalabad province', 10 March 2006, <http://www.muslimzbekistan.net/ru/centralasia/featured/story.php?ID=3096>.

encing a surge in membership and even renowned mafia bosses have started paying lip service to religion. Anatol Lieven notes in relation to Pakistan, that ‘in these depressing circumstances, adherence to a radical Islamist network provides a sense of cultural security, a new community and some degree of social support – modest, but still better than anything the state can provide.’⁶⁸

Islamism may have originated among the Uzbeks of the Fergana Valley, but in recent years has lost its ethnic distinctiveness. In Tajikistan in February 2005 the authorities arrested a group of 22 *Hizb-ut-Tahrir* activists in Khujand and another one in Kulyab. They were mostly ethnic Tajiks and some were even relatives of officials in the city administration and prosecutor’s office. 99 purported *Hizb-ut-Tahrir* members, including 16 women, were arrested in 2005 in Tajikistan alone.⁶⁹ Another similar group was detained the following year.⁷⁰ In Kazakhstan, courts in Shymkent routinely sentence ethnic Kazakhs and Uzbeks for *Hizb-ut-Tahrir* activities, and ethnic Russian converts are appearing in the north.⁷¹ In Kyrgyzstan, two IMU members were sentenced for their role in a December 2002 explosion at a Bishkek market. In March 2006 Kyrgyz security services announced the arrest of eleven IMU members in the south in Osh and Uzgen.

The strength of Islamist groups is hard to judge. According to the Central Asian authorities, there are thousands of extremists around. The Ministry of Interior of Tajikistan claimed that up to 4,000 supporters of the *Hizb-ut-Tahrir* members are active in the country.⁷² Episodes of violence take place periodically. In January 2006 gunmen believed to be IMU militants stormed a jail in Tajikistan’s Soughd province, freeing prisoners. The fugitives were last seen heading towards Kyrgyzstan, where clandestine groups now have more freedom to flourish, as the IMU used to do in the conditions of lawlessness predominating in Tajikistan in the 1990s. In May 2006 an armed group staged an attack from Tajikistan on Tajik and Kyrgyz border posts, killing troops and seizing weapons and ammunition. Thirteen personnel, including a Kyrgyz colonel, died during the raid and the subsequent chase in the mountains. Security officials claim a well-trained Islamist unit carried out the attack.

Islamism acquires more recruits as popular dissatisfaction joins forces with religious radicalism. The real danger is if and when they effect a full merger. The states are responding to the rise

68. Anatol Lieven, ‘Strategy for Terror’, *Prospect*, no. 68, October 2001.

69. Gulnoza Saidazimova, ‘Central Asia: Hizb Ut-Tahrir’s Calls For Islamic State Find Support’, *Eurasia Insight*, 11 January 2006.

70. Mavluda Rafiyeva, ‘Another Alleged Hizb Ut-Tahrir Activist Arrested In Northern Tajikistan’, *Khujand, Asia-Plus*, 27 February 2006.

71. On Islam in Kazakhstan, see Dossym Satpaev, ‘Central Asian Terrarium: terrorists’ activities threaten both Russia and southern parts of the CIS’, 15 April 2004, no. 67, ARG-Kazakhstan.

72. *Krasnaya Zvezda*, 20 January 2006.

of Islamism by increasingly harsh measures, such as stop-and-search operations and prohibitions on activities of religious groups of any sort.⁷³ This, in their view, works, but only up to a point.

The bombings of the US and Israeli embassies in Tashkent in 2004 showed that a *jihadi* network is in operation in Central Asia, determined to hit Western targets. This development was puzzling for many Central Asians themselves, as these societies so far have not generated anti-Western sentiment of a Middle Eastern type. But there is frustration with the Western liberals' reluctance to recognise that the Islamist groups are a real threat to security. Central Asians do not see Western prescriptions on how to deal with such threats as workable in their situations. Too often Western democratisation discourse is seen by Central Asians as giving legitimacy to these *jihadi* groups. The case of *Hizb-ut-Tahrir*, which used to legally operate from headquarters in the UK, has often been used as an example.

The two sides have no meeting ground. The Central Asian regimes view religion as a security problem rather than a constructive social force. They emphasise external penetration of Islamist ideologues and outside influence from Pakistan and Arab countries in the 1990s in the proliferation of *jihadism* in Central Asia. In contrast, many among the international community see the causes as entirely motivated by the repressive actions of the regimes themselves.⁷⁴ Western liberals show little capacity to recognise the absolute certainties of hardline religious faith and fail to appreciate that not everyone shares their perspective of relativism and tolerance.⁷⁵ Central Asians interpret this as a tacit approval of religious radicalism and regard such attitudes as part and parcel of Western-style 'democracy'.

There is no doubt that foreign involvement in the spread of *jihadism* exists; however, the precise correlation between home-grown tendencies and external input is a matter of debate.⁷⁶ It is worth bearing in mind that the grounds for resurgence of political Islam in Central Asia have already been laid, since its teachings survived throughout the Soviet era.⁷⁷ This became visible in the run-up to the civil war in Tajikistan and in the emergence of Islamism in the Ferghana Valley.⁷⁸ Connections between the IMU and Al-Qaeda were proven during the US-led intervention into Afghanistan,⁷⁹ as well as ties with militants in the North Caucasus. *Hizb-ut-Tahrir* and *Islamic Jihad* are international actors that

73. Igor Rotar, 'Tajikistan: Most Repressive Religion Law In Central Asia Drafted,' *Forum 18 News Service*, <http://www.forum18.org>.

74. 'Radical Islam in Central Asia: Responding to Hizb ut-Tahrir', *Asia Report* no. 58, International Crisis Group, 30 June 2003.

75. The exception is Shirin Akiner, but her views on the Andijan events have produced controversy in the West; for instance, interview at Uzbek State Television first channel, Tashkent, 29 May 2005, BBC Monitoring Service.

76. For a detailed exploration of these issues see Ahmad Rashid, *Jihad: The Rise of Militant Islam in Central Asia* (New Haven: Yale University Press, 2001).

77. Naumkin, op.cit.

78. Ariel Cohen, 'Hizb ut-Tahrir: An Emerging Threat to US Interests in Central Asia', The Heritage Foundation, Backgrounders no. 1656, 30 May 2003. <http://www.heritage.org/Research/RussiaandEurasia/BG1656.cfm>.

79. 'Radical Islam in Central Asia: Responding to Hizb ut-Tahrir', *Asia Report* no. 58, International Crisis Group, 30 June 2003, p. 31; for more see at ICG, 'The IMU and the Hizb ut-Tahrir: Implications of the Afghanistan Campaign', *Asia Briefing* no. 11, 30 January 2002.

have been known to operate in the Middle East and North Africa,⁸⁰ but whether connections are operational or largely ideological, is hard to judge.

Whether *jihadism* was a cause or a consequence of oppression is less relevant now. It has to be acknowledged that there are real groups in Central Asia with a destructive agenda. The authorities' claims should not be easily dismissed, even if the West does not approve of the responses they employ. The significant growth of *Hizb-ut-Tahrir* in Central Asia shows that the region is becoming one of the theatres in an ideological battle. Zeyno Baran urges governments not to be lenient with HuT simply on the grounds that it has not been directly implicated in terrorism: as 'a transnational movement . . . a radical Sunni Islamism's ideological vanguard, [it] can be thought of as a conveyor belt for terrorists, as it indoctrinates individuals with radical ideology. By combining Fascist rhetoric, Leninist strategy, and Western sloganeering with Wahhabi theology, HuT made itself into a very real and potent threat that is extremely difficult for liberal societies to counter'.⁸¹

At present, *jihadi* cells are more capable of carrying out spectacular acts of terror than of igniting the fire of social discontent. In Central Asian societies there is still much apprehension of such radical groups and of violent protest against a ruler, however unjust. However, in future a clash between secularism and the Islamic way of life, and conflicting perspectives on the role of Islam in society, may emerge and become a driver for conflict. In Uzbekistan, for example, both orientations have large constituencies, and have mutually exclusive views on how society should function. They are likely to defend their values if seriously challenged.

Joint reflection with Central Asians on what drives Islamism and *jihadi* ideology is required. There is still too little first-hand information available, as most information comes from government sources that enjoy little credibility in the West. As suggested by Daniel Kimmage, the debate needs to move from general questions about the 'threat of radical Islam in Central Asia' to specific queries about the backgrounds of new sympathisers, as well as any ties between existing organisations.⁸² But it is clear that ignoring the problem is no longer the option.

Once created, Islamist movements do not easily evaporate, even if the conditions that gave rise to their emergence and growth change. Such groups represent a threat to geopolitical stability

80. See, for instance, interview with Imran Khan on BBC Newsnight, 27 August 2003, <http://news.bbc.co.uk/1/hi/programmes/newsnight/3182271.stm>; also 'Ziauddin Sardar Explains The Long History Of Violence Behind Hizb Ut-Tahrir', *New Statesman*, 14 November 2005.

81. Zeyno Baran, 'Fighting the War of Ideas', *Foreign Affairs*, vol. 84, no. 6, November-December 2005, p. 68.

82. 'Radical Islam In Central Asia: New Reports And Familiar Questions', Radio Free Europe, *Central Asia Report*, vol. 4, no. 10, 8 March 2004.

and to the secular regimes of Central Asia. Central Asian societies have to learn how to live with it, whilst simultaneously adopting approaches that might channel the zeal of their young people towards more constructive causes.

Drug trafficking

An increase in the cultivation of drug crops has followed the international intervention in Afghanistan. It is estimated that 90% of world heroin production originates from that country. Drugs are cultivated in 29 out of 32 provinces, 40% of GDP is made up of narcotics and in 2004 the drug profits were equivalent to 5 times the annual budget of the Afghan state. The Afghan border is 5,530 kilometres long, including 1,344 km with Tajikistan and 744 km with Turkmenistan. Drug production has led to a boost in trafficking throughout Central Asia. The EU 'Situation Report On Drug Production And Trafficking' states that significant trafficking takes place along the Silk Route from Afghanistan to Central Asia and leads via Russia or the Caucasus and Turkey into the EU. Drug traffickers have shifted part of their activities following enhanced interdiction efforts in Iran focused on its eastern border with Afghanistan.⁸³ One UN estimate puts the amount of heroin from Afghanistan going through Tajikistan at roughly 80 to 120 tonnes a year.⁸⁴ Hashish from Afghanistan also transits Tajikistan *en route* to Russian and European markets.

The Central Asian governments, with the exception of Turkmenistan, made efforts to combat drug trafficking and made cultivation of opium nearly impossible.⁸⁵ However, their response to trafficking was to close borders and introduce harsh border regimes. This creates a vicious circle: closed borders paralyse the economies and generate poverty, which in its turn makes ordinary people resort to trafficking.

Unlike in Afghanistan, there is little drug-related violence in Central Asia. One explanation may be that because these are functioning states, it is easier to bribe than to fight one's way through. The main impacts are twofold. Firstly, supply creates a demand and domestic consumption grows.⁸⁶ Secondly, drug trafficking generates opportunities for crime and corruption, and a growing merger between crime and politics. Observers suggest that consumption is a particular problem for Turkmenistan. No official

83. EU Situation Report On Drug Production And Drug Trafficking 2003-2004, *Europol* March 2005, <http://www.europol.eu.int>.

84. Based on the Afghanistan Opium Survey 2004, estimates of potential heroin production is 500 metric tonnes in Afghanistan: World Drug Report, UNODC 2005, p. 41, http://www.unodc.org/pdf/WD R_2005/volume_1_chap1_opium.pdf.

85. In 2004, there were 228 registered cases of cultivation of plants containing narcotic substances, including 38 cases of opium poppy cultivation. In the course of a continuous 'Poppy Operation', 4.9 hectares or about 291,137 narcotic plants have been eradicated, including 825 poppy plants.

86. Consumption may not grow as rapidly as elsewhere, but the trends are worrying: estimated annual prevalence of opiate abuse of the adult population in Tajikistan is 1.45% of the adult population (15-64 years), median age 30 years, 85% heroin users. *Country Fact Sheet: Tajikistan* 2006, UNODC <http://www.unodc.org>.

statistics are available, but unofficial estimates put the numbers of drug users as high as 100,000 out of a population of 4.9 million.⁸⁷

The front lines of defence are the Central Asian borders with Afghanistan. Russian border troops left Uzbekistan and Turkmenistan in the 1990s and more recently withdrew from Tajikistan. The Russian border troops had been stationed in Tajikistan since the end of the USSR. In the early 2000s a process of handover to the Tajik border guards started, first with a pilot transfer of a 60-kilometre stretch of the Tajik-Afghan border sector. At the end of 2002 the Tajik border guards took under their control a 500-km Murghab section of the high mountainous border with China. The Russian tactics of border protection consisted of a combination of stationary and mobile patrols. International assistance and capacity building of the Russian border troops was provided by the UNODC and some EU states, such as the UK. The Russian command practised mostly local recruitment, when only the officers came from Russia and soldiers were from Tajikistan, hand-picked by the officers at conscription points. They were paid a considerable salary by the local standards (\$40 a month), in addition to provision of uniforms and food rations. Throughout 2004 Tajikistan's leadership advocated their withdrawal, and an agreement between Russia and Tajikistan was signed in October 2004. The transfer of the border to the jurisdiction of Tajikistan was completed in July 2005.⁸⁸ Russia handed over military installations and equipment to the Tajik side and its experts stayed behind as advisors. However, there were complaints from the Tajik side that much of the equipment was obsolete.⁸⁹

Before the withdrawal of the Russian border troops, Tajikistan ranked fourth in the world for quantity of heroin seizures, but it is unclear what the future will bring. Drug seizures in Tajikistan have dropped by about half: for the first six months of 2005 there were seizures of 148,830 kg of heroin and 192,650 kg of opium, according to the UNODC.⁹⁰ Following the withdrawal of Russian border troops, according to one report, drug seizures dropped as follows: heroin 2,344.6 kg (2005) 4,794.1 kg (2004) and opium 1,104.4 kg (2005) against 2,315.6 kg (2004).⁹¹ In Turkmenistan the volume of seizures was heroin 266.0 kg (2004) and opium 665.5 kg (2003).⁹² Observers note that the Turkmen-Afghan border is poorly guarded and trafficking is rampant. However, Russian law-enforcement circles are not alarmed, and view Tajikistan

87. UNDP HDR, op .cit., p. 123.

88. Radio Free Europe *Newsline*, vol. 9, no.113, 15 June 2005.

89. For example, General Rustam Nazarov gave the example that Russian border guards transferred two helicopters, whose period of exploitation had expired, to Tajik colleagues: 'Central Asian Antinarcotic center: one man is no man?', *Kazakhstan Today*, 13 February 2006.

90. United Nations Office on Drugs and Crime, 'Bi-Annual Seizure Report' 2005/1, as reported by the governments. http://www.unodc.org/pdf/publications/report_biannual_seizure_2005_01.pdf

91. UNODC Country Fact Sheet: Tajikistan 2006.

92. http://www.unodc.org/uzbekistan/en/fact_tuk.html.

as the main country for trafficking to Russia. This is confirmed by the nationalities of detained drugs couriers: the UNODC Bi-Annual Report based on government-provided statistics shows that many Tajik but no Turkmen citizens were intercepted as traffickers in Russia. This would imply that drugs from Turkmenistan are likely to go via a southern route to Europe.

The huge problem for the combat against drugs is that corruption remains endemic, with involvement of government officials, including those with direct responsibility for the fight against drugs, in trafficking and money laundering. It is impossible to determine authoritatively how pervasive drug-related corruption is within government circles. Tajik President Imomali Rakhmonov noted that Tajikistan has jailed 800 officials in the last five years for involvement in the drug trade.⁹³ General Rustam Nazarov, head of the Drug Control Agency in Tajikistan, stated that corruption in law enforcement agencies has become critical and hampers drug control activity.⁹⁴ Still, in the international donors' view, Tajikistan is a success story in the implementation of an anti-drug strategy.⁹⁵

Following the withdrawal of its troops from the Afghan border, Moscow had to change its tactics, as it was no longer present at the border with Afghanistan, and embarked on anti-drug regional cooperation with the support of UNODC. The new Central Asia Regional Information and Coordination Centre (CARICC) opened in February 2006 in Almaty and is staffed by law enforcement officials from the countries in the region.⁹⁶ National agencies also increased their regional outreach: the Drug Control Agency of Tajikistan has established a liaison officers' network in Afghanistan (Kabul and Badakhshan) and in Kazakhstan.

International attention to anti-drug measures is significant and growing. UNODC is heavily involved in Central Asia; its drug control portfolio for the region is one of its largest, totalling some \$40 million per year. A number of the EU member states, such as the UK, Germany and France, provide substantial bilateral assistance, as well as the European Commission. The high degree of attention to drug issues in Central Asia has brought about a coordination challenge. UNODC under the Paris Pact Initiative has established a consultative mechanism for drugs and crime control. The initiative was signed in May 2003 and involves 55 countries, including Central Asia, and organisations interested in

93. Imomali Rahmonov quoted in Radio Free Europe *Central Asia Report*, vol. 6, no. 16, 26 May 2006.

94. Minutes of the 1st Task Force Coordination Meeting, Dushanbe, 19 January 2005, http://www.unodc.org/uzbekistan/en/news_and_events.html.

95. US State Department, 2005/1.

96. 'UNODC Executive Director Welcomes Decision to Set up Central Asian Centre to Combat Narcotic Drugs', Tashkent, Uzbekistan, 9 February 2006: <http://www.unodc.org/uzbekistan>.

stronger coordination in border control and law enforcement to limit the trafficking of opiates from Afghanistan. A mechanism it creates would allow periodic consultations at the expert and policy levels to consider what is working well and what are the problems, and to effect better donor-beneficiary coordination.⁹⁷

The Commission, in its TACIS regional programming, supports the creation of a 'filter system' around Afghanistan to prevent drug trade along the Silk Route. There has been no joint programming between Afghanistan and Central Asia by the Commission, because the two used to belong to different budget lines, but this is to change in 2006. Support by the European Commission for border management on the Afghan side of the border with Tajikistan is to be finalised by June 2006, leading to the start of the Border Management in Afghanistan Programme (BOMAF). Complementary border security measurements, such as facilities and equipment for smaller border police and border crossing points along the Afghan-Tajik border, are suggested and under discussion. They are meant to supplement the EU programme in Border Management in Central Asia (BOMCA).⁹⁸ Europol so far has not been involved in these efforts.⁹⁹

Germany, which leads on training the police force in Afghanistan, has focused on regional cooperation in border management between Afghanistan and the neighbouring states. The aim is to establish common structures, pursue more projects for border police and enable reconstruction of border crossing points.¹⁰⁰ The US has provided an additional \$7.75 million to build facilities around a bridge linking Afghanistan and Tajikistan, such as barracks for administrators, border guards, and customs officials on both sides of the Panj river. The US has already allocated \$28 million to build the 672-metre bridge across Panj.¹⁰¹

Apart from drug trafficking, instability in Afghanistan can still spill across the border into Central Asia, as it did in the early 1990s, when rival groups sought temporary refuge in Tajikistan and engaged in hostage taking. This practice, to an extent, continues today.¹⁰² The situation in Afghanistan is unlikely to change for the better anytime soon, and challenges from the South would affect Central Asia. The opium economy in Afghanistan is socially embedded and widely seen as a normal economic activity. As Koehler and Zuercher note, wider state-building in Afghanistan is endangered by the drug economy and by badly designed and

97. 'The Paris Pact Initiative: Regional Coordination of Programme Development for Countries Affected by Afghan Heroin Trafficking', UNODC overview (GLO/105).

98. On BOMCA, see chapter 4.

99. Communication from Rainer Wenning, Corporate Communications, *Europol*, in response to the author's inquiry, March 2006.

100. 'Border Management in Afghanistan - A Regional Approach', DONA II Conference, Federal Republic of Germany and Islamic Republic of Afghanistan, Qatar, 26-28 February 2006.

101. *Radio Free Europe Newslines*, vol. 10, no. 47, 14 March 2006.

102. Author's interviews in Kabul with representatives of international NGOs, March 2005.

poorly executed measures against it.¹⁰³ State capacity in Afghanistan remains weak, with warlordism presenting a serious challenge to the proper functioning of the state.¹⁰⁴ The interplay between opium cultivation and military patronage has given rise to powerful warlords who are able to challenge the state armed forces. Interrelationship between state-building and security ownership in Afghanistan remains precarious.¹⁰⁵ Although external provision of security is inevitable and will remain so in the long term, the troops committed by the EU countries to NATO ISAF are still insufficient.¹⁰⁶ Nor do they engage in drug eradication efforts directly.

Afghanistan is experiencing high population growth.¹⁰⁷ It is a matter of time before the Afghans start to become interested in labour opportunities in Central Asia and cross-border migration follows.

Borders and ethnicity: The Ferghana Valley

The Ferghana Valley, which historically existed as an integrated whole, has been dismembered as a consequence of independence in a typical post-colonial fashion. The significance of the Ferghana Valley is that it is the most populous part of the region where 21 million people – nearly a half of Central Asians – live, and is the most developed part of Uzbekistan and Tajikistan. Representatives of different ethnic groups inhabit the eastern part of the Valley, where the borders of Tajikistan, Kyrgyzstan and Uzbekistan meet, with minorities next to the borders of their kin states. Since the Valley is densely populated, competition between groups for agricultural resources, such as water or land, is acute, which led to outbreaks of violence in the 1930s, 70s and 80s. The competition intensified after independence, because the collapse of the Soviet industries increased the significance of agriculture. The emergence of nation-states and growth of ethnic polarisation between the communities gave new prominence to local disputes.

The result was that ethnic and religious tensions are aggravated further by state repression and hostile border regimes. The official reason for Uzbekistan to close the borders was to prevent the penetration of Islamist militants from Tajikistan and Kyrgyzstan into their territory. These steps produced profound dissatisfaction. Interaction with Kyrgyzstan is easier; it also has some

103. Jan Koehler, Christoph Zuercher, 'Conflict Processing and The Opium Poppy Economy in Afghanistan', *Alternative Livelihoods Project*, Internal Paper no. 5, abridged version. (Jalalabad-Berlin: August 2005).

104. Antonio Giustozzi, 'Respectable Warlords? The Politics of State-Building in Post-Taleban Afghanistan', *Working Paper* no.33 (London: Development Research Centre, LSE, September 2003).

105. On discussion of the wider issues see Barnett Rubin, 'Constructing Sovereignty for Security', *Survival*, vol. 47, no. 4, Winter 2005-06, pp. 93-105.

106. Afghanistan has one of the lowest international-troop-to-population ratios of any major international intervention over the past decade: M. Bhatia, K. Lanigan and P. Wilkinson, 'Minimal Investments, Minimal Results: the Failure of Security Policy in Afghanistan', *AREU Briefing Paper* (Kabul: June 2004), p. 3.

107. The UN Population Fund estimate of population in Afghanistan for 2004 is 25 million, projected at 70 million by 2050. See *State of the World Population*, UNFPA 2004, p.107. Available at http://www.unfpa.org/swp/2004/pdf/en_swp04.pdf.

leverage over the Uzbek side by denying road access through the Batken province. The situation is worse on the Tajik side where over a hundred citizens of Tajikistan have been killed by Uzbek landmines. One interpretation is that by adopting such policies, Tashkent sought to put pressure on its neighbours, so they either crack down on militant groups, or, if they are unwilling/unable to do so, let the Uzbek security services access their territories to solve the problem themselves. The second interpretation is that these are anti-import measures linked to the emergence of retail trade monopolies in Uzbekistan that seek to eliminate competition. Thus, border closure was needed to prevent penetration of goods from China. Given that Kyrgyzstan is a member of the WTO, there are no barriers in their way.

Border closure hurts the Uzbek side as well, as railway and highway routes are no longer operational. This contributes to poverty and to a feeling of neglect and isolation, since Uzbeks and Tajiks have been historically intermixed, and individual and collective effects of separation are painfully felt. At the same time, corruption smoothens the effects of the closed borders, only making smuggling operations more difficult and expensive. Consequently, although closed borders are a considerable irritant to the population, they are unlikely to trigger major conflict.

Complex boundaries are complicated by about seventy enclaves, i.e. parts of the land on the territory of one state surrounded by the territory of another state (mostly Kyrgyzstan). Their long-term existence seems unsustainable, and some solutions, such as joint jurisdiction, free economic zones or dual citizenship, will have to be found. However, despite all the frustration to do with travelling to and through the enclaves, the situation remains calm. The very existence of the enclaves was not seriously challenged either by the states or by the populations, and enclaves did not emerge as magnets for ethnic nationalism. Arguments like 'we-were-here-first, and thus this is our historical land, so you go away', familiar in the Caucasus, are not typical for the Ferghana Valley. Were they to emerge, this would be detrimental for stability. Instead, resentments between ethnic groups exist, aggravated by resource shortages and policies of kin states, but so do tensions within the ethnic groups themselves, i.e. between clans or regions. Given a long tradition of co-existence and community mechanisms to deal with such problems, they are unlikely to lead to an all-out war.

Perceptions of conflict potential in the Ferghana Valley due to competition for resources, interethnic mix and border problems have made the area a priority for many donors, including the EU. Competition between agencies and NGOs has been acute at times.¹⁰⁸ In concentrating on these pursuits, political causes emanating from internal dynamics of the states have been overlooked. However, the violence which unfolded in the Valley in 2005 – repression in Andijan in May and seizures of administrative buildings and lootings of state property in the south of Kyrgyzstan in the run-up to the ousting of President Akayev – stemmed from internal developments within the states, such as Islamism, popular discontent, a succession crisis and drug mafia interests. For ethnic or resource grievances to become drivers for conflict, more immediate political problems would need to develop first.

Security cooperation and policies of isolationism

It should be stressed that regional or cross-border problems impact upon systems of governance that are often too weak to cope with additional challenges. The leaderships are aware of the potential dangers, but as mutual suspicion in interstate relations prevails, it creates political and personal obstacles to cooperation. Thus, the wider security threats tend to upset already strained interstate relations, and the authorities tend to aggravate the impact with their own actions and policies. The only genuine cooperation unfolds among mid-ranking security officials who belong to the old Soviet network. Largely, the response to regional threats has been to erect as many barriers as possible. Although there has been hardly any interstate conflict, mutual hostility and numerous intra-regional disputes have become a characteristic of the post-independence period. The Aga-Khan Development Network has developed the concept of a *Rectangle of Concern*, i.e. a politically, economically and socially fragile region that includes Afghanistan, Tajikistan, southern Kyrgyzstan, the Ferghana Valley in Uzbekistan, Western China and Northern Pakistan.¹⁰⁹

Oil, gas and hydropower are both Central Asia's greatest assets and its curse. Following the end of the Communist system, the attention paid to water and energy issues as sources of potential conflict has been considerable. Indeed, disruptions in this sphere

108. Author's personal observation while working in the region.

109. 'Central Asia's Rectangle of Concern', Aga Khan Development Network: Background paper for the conference 'Afghanistan: a Model for Peace-Building', organised by the Norwegian and German governments (Berlin: 9-10 May, 2005).

have been painfully felt. The Soviet system provided a flawed but functioning regulatory mechanism for distribution and compensation within the region, seeking to ensure that nobody fared too badly. It also enforced rules and agreements among the Central Asian republics regarding water,¹¹⁰ energy and supply of goods. With the Soviet system gone, such enforcement and arbitration mechanisms have disappeared, and have not been replaced with suitable international legal frameworks, despite many efforts to work them out. Various regional institutions have been set up, but so far have had a limited impact.¹¹¹ As a result, stronger states can – and do – act largely unchallenged to the considerable disadvantage of the weaker states. The main hope of the smaller states is that the West or Russia can intervene on their behalf.

In the fifteen years since the end of the USSR, much of the former economic interdependency and social intermix has disappeared, having been surpassed by political and security considerations. The leaders view isolationism as a preferred way of preventing a spillover of regional instability. President Niyazov is by far the leader in this policy of isolationism, followed by President Karimov who closed the borders to an influx of refugees from Tajikistan during the civil war and would surely do it again, if turmoil were to unfold in Kyrgyzstan. More liberal Kazakhstan closed its border with Kyrgyzstan following the March 2005 events. Even Tajikistan grew more cautious about interaction with its northern neighbour, from whom it can expect trouble.

Trade routes are complicated by the hostile border regimes and rampant police corruption *en route* through the countries to markets in Russia. Railway and air links between Central Asian cities have been disrupted and visa regimes with immediate neighbours introduced. Transport routes that have to avoid Uzbekistan drive the costs up. Moreover, the official media – the main source of news – provides little coverage of Central Asian neighbours, unless they are affected by a crisis, and the coverage is mainly adverse. Thus, popular perceptions are often that life next door is infinitely worse than in one's own country. It is increasingly harder to make such a case for Kazakhstan; therefore efforts are made in Uzbekistan to restrict overland traffic to its wealthier neighbour, while relatively few can afford to fly.

Although there are good grounds for the Central Asian states to cooperate, this is hardly the case. Economic rationality aside, obstacles to cooperation are powerful.

110. In the Soviet days a system of 'compensations' was designed, when the upstream countries (Tajikistan and Kyrgyzstan) provided water and electricity to the downstream countries (Uzbekistan, Turkmenistan and Kazakhstan), which repaid them with oil and gas, and consumer goods. In the independence period upstream countries have to pay in cash for oil and gas, while providing water for free, as there are few means to deny water to the downstream countries.

111. UNDP HDR, *op.cit.*, p. 46.

Suspicious that a neighbouring state harbours militants ready to attack constitute paramount security concerns. The Turkmen leader accused Uzbekistan of the November 2002 assassination attempt on him. Tajikistan suspects that Uzbekistan provides a safe haven for the rebellious Colonel Mahmud Khudaiberdiyev, who attacked northern Tajikistan in 1998 from across the border. Uzbekistan accused Kyrgyzstan of hosting training camps on its territory for *jibadi* Islamists who were involved in Andijan, and used to accuse Tajikistan of tolerating the IMU, which set up bases in its territory. In particular, Uzbekistan has accused both states of letting the IMU through to attack Uzbekistan in 1999.

Thus, closed borders appear as the most suitable defences. The states are largely aware, as shown by the Batken events, that weak national armies have little to offer against determined militants. Vested interests that capitalise on closed borders and limited competition ensure that such considerations do not slide down the political agenda. Mutual resentments are fuelled by recent history, such as Uzbekistan's role in the civil war in Tajikistan or the falling out between Uzbekistan and Kyrgyzstan over the Andijan refugees. There are also 'soft' factors, such as personal relations between presidents, characterised by mutual distrust and disrespect, and cultural affiliations, such as rivalries between the Persian and Turkic worlds. Before Andijan, competition for regional leadership was one of the factors that poisoned the relationship between Kazakhstan and Uzbekistan. Recently, talk of 'regional leadership' has quietly subsided.¹¹² Kazakhstan, with its growing economy and balanced foreign policy, obviously came out as a winner. Islam Karimov, who made violent shifts between the rich Muslim states, the West and Russia, eventually came closer to becoming a pariah.

Regional cooperation organisations and initiatives have been numerous.¹¹³ It is not easy to tell the differences between security and economic ones, because their mandates are still evolving and too few practical outcomes are present to ascertain what these organisations actually do. Officially, President Nazarbayev was the greatest regionalist. In spring 2005 he again called for a unified Central Asia. Such aspiration did not preclude Kazakhstan from disadvantaging Kyrgyzstan when it served the former's interests.

The first prominent regional initiative was the Central Asian Cooperation Organisation (CACO), set up in 1994 and used to

112. Sergei Porter, 'Visit of Regional Significance', *Gazeta.kz*, 23 March 2006.

113. Annette Bohr, 'Regionalism in Central Asia: New Geopolitics, Old Regional Order', *International Affairs*, vol. 80, no.3 (London: The Royal Institute of International Affairs, May 2004).

114. *Ibid.*, p. 486.

unite Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan; but, in Bohr's view,¹¹⁴ it failed to develop an effective structure for the coordination of economic, trade or security policy and its resolutions remained of a declaratory nature. The Eurasian Economic Community (EurAsEC)¹¹⁵ included Kazakhstan, Kyrgyzstan, Russia, Belarus, Armenia and Tajikistan, i.e. a selected club of CIS members, with GUUAM¹¹⁶ been an alternative to it. After Andijan Karimov opted out of GUUAM (which consequently lost one 'U'), and Uzbekistan joined EurAsEC. The organisation has its origins in the Customs Union set up in 1994 at the initiative of Kazakhstan. In May 2001 it was transformed into EurAsEC and in October 2005 merged with the Central Asian Cooperation Organisation (CACO). The primary goals are the establishment of a common labour and capital market, free intercommunity trade and trade policy harmonisation. A EurAsEC bank has been created to provide loans for the member-states.

The CIS Collective Security Treaty Organisation (Tashkent Treaty) has been dormant since Uzbekistan opted out in 1999 and perpetually neutral Turkmenistan remained outside the grouping. Lately Moscow sought to breathe new life into it and promotes it as a regional security organisation. In June 2001 Uzbekistan joined the Shanghai Cooperation Organisation (Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan) that allowed it to revive cooperation with Russia. Neither organisation has confronted actual security threats yet. There were also aid-driven security cooperation efforts, such as those pursued by the UNODC or EU BOMCA/CADAP (see Chapter 4).

More recently Russia acted to broker better relations between Central Asian leaders, which is necessary if it wants to get large regional infrastructure projects going. There were some notable successes. At Russia's prompting, in November 2004 a meeting between the Presidents of Turkmenistan and Uzbekistan led to the signature of treaties pledging eternal friendship, and cooperation in such areas as cross-border fuel smuggling, the management of water resources, the development of the Kokdumalak oil-field, and the delimitation of the shared border between the two countries. President Nazarbayev visited Tashkent in March 2006 to build bridges after Andijan.

115. On EurAsEC see at <http://www.eurasec.org>.

116. GUUAM stood for Georgia, Ukraine, Uzbekistan, Azerbaijan, Moldova.

Conclusion

To sum up, transregional security threats are growing, but political obstacles to genuine security cooperation are too great. Moreover, national capabilities for dealing with the challenges are weak. External powers – Russia included – would have to compensate for this strategic weakness and broker alliances when necessary. The EU has to bear in mind that both drugs and crime, and Islamism, are the factors that will shape the future of Central Asia. The countries are likely to combat them in the ways that are habitual for their leaderships, but not appropriate from a European perspective. The EU can play a greater role in helping to create alternative and more humane solutions, but acknowledging the political realities of deep mistrust between the states of the region. Finally, the EU cannot shy away from its responsibility to help Central Asians, who are the victims of their location on the borders with Afghanistan, to cope with the drug trafficking challenge.

Security cooperation: alliances and rivalries

Since September 11 2001 the international focus on security in Central Asia, previously viewed as Russia's domain, has heightened, and intervention in Afghanistan has brought new players into the region. Recently an element of rivalry over Central Asia has entered the relationship between the West on the one hand, and Russia and China on the other, although their overall goals towards stability and security are parallel. This chapter assesses externally-driven dynamics in the region, warning of a danger of a new 'Great Game', reminiscent of the nineteenth-century competition between the expanding British and Russian empires for control over the broader Inner Asia,¹¹⁷ from where the term 'spheres of influence' originates. The difference with the Great Game of the past is that the Western powers are not looking for a permanent presence in Central Asia. Rather, the significance of the region derives from security concerns elsewhere, such as in Afghanistan. Thus, their long-term commitment cannot be taken for granted. But there are important similarities too, such as support for the local regimes in exchange for loyalty and friendly 'orientation', and a spirit of rivalry between the players.

Before September 11 the region was viewed largely as Russia's domain, although the message from the West was to strengthen Central Asia's independence and to look for alternatives to Russia. However, neither the US nor the EU had interests significant enough to warrant giving the region political priority. Since 2001, the engagement of the US and its allies in Central Asia has heightened considerably, making it the only region in the former Soviet Union which hosts a Western military presence.¹¹⁸ At the beginning, Russian-American cooperation in the Global War on Terror reached unprecedented heights when President Putin gave his blessing to the initially hesitant Central Asian governments to host the Western troops, but has scaled down since.

The Western engagement brought an element of competition into an otherwise neglected region. The initial effect was positive:

117. Including Kashgaria (modern Xinjiang), Pakistan, Afghanistan and Central Asia.

118. Most important, of course, has been the US military presence, especially during the early stages of the intervention in Afghanistan. However, EU countries also have had limited military presences.

Moscow became more disciplined in fulfilling its commitments, but eventually got involved in competitive behaviour, since the matters in Central Asia are central to its own priorities, while less essential to US foreign policy.¹¹⁹ China has its own reasons to be apprehensive about expansion of the US military presence; a position shared by Russia. Thus, a range of bilateral and multilateral instruments are currently employed to consolidate the presence of the two regional powers. Cooperation between the US/EU and Russia/China unfolds mainly through multilateral fora and high-level political networking.

The chapter discusses the main actors involved in Central Asia, starting with Russia and China, where it assesses their various tools for engagement. It proceeds to outline the burgeoning role of Kazakhstan in the political economy of the region, insofar as its dual nature – ‘with, but not in’ Central Asia – is concerned. The chapter analyses US policy, exploring what the differences between EU and US involvement are, and the scope for greater coordination between them. The discussion of actors concludes with the OSCE, which presently serves as a framework for EU policy in the region, and NATO, heavily involved across the border in Afghanistan. The chapter also deals with two functional issues, as they have acquired new significance on the EU agenda, namely energy and the focus on democratisation.

Russia

Russia’s policy towards Central Asia was ambivalent and chaotic throughout the 1990s.¹²⁰ Having been drawn into the Tajik civil war to keep some sort of peace, while Russia itself was not ready for peacekeeping in any meaningful sense,¹²¹ it regarded the region with caution. Burdened with its own problems, Russia did not possess either the capabilities or much willingness to seriously engage with the problems of Central Asia. Its regional initiatives, such as CIS, appeared premature or stillborn, as independent states grappled with pressing issues at home, such as collapsing economies or the need to secure power. Gradually, Moscow was losing its assets in Central Asia.

Putin’s second term reversed this trend. In Central Asia Russia seemed to have followed Dmitrii Trenin’s advice not to lament losses but to actively organise its environment so as to be able to

119. Macfarlane, *op.cit.*, p. 56.

120. On Russia’s retreat from Central Asia, see Lena Jonson, *Russia and Central Asia: a new web of Relations* (London: Royal Institute of International Affairs, 1998).

121. On peacekeeping in Tajikistan, see Dov Lynch, *Russia Peacekeeping Strategies in the CIS: the Cases of Moldova, Georgia and Tajikistan* (Basingstoke & London: Macmillan Press in association with the Royal Institute of International Affairs, 2000), pp. 155–72.

live in it.¹²² Moscow has mastered new instruments, such as use of political economy, humanitarian aid, support for education and culture, as well as alternative election observation by the CIS to counterbalance the influence of the OSCE. Capabilities to engage also grew thanks to energy revenues, stable leadership and improved bureaucracy. This propelled Russia into a strong position in Central Asia, and has brought some tangible successes.

Unlike Soviet planners who believed their own propaganda, the present Russian establishment is ruthlessly pragmatic and has quite a sober view of the world. Grand imperial dreams are not features of Putin's foreign policy, but rather concrete interests. By contrast, its critical partners in the West, such as the EU, are driven by an ambivalent combination of interests and values, which the Russian side sees as hegemonic interests in disguise. Russia's own interests for engagement are quite straightforward and consist of preservation of stability in a potentially volatile region, cultivation of friendly political regimes, the fight against drugs, crime and terrorism, and countering the US presence, as long as that does not lead to a serious aggravation of the overall state of relations. Engagement with China, which presents the advantage of enabling Russia to keep the latter in check, and economic interests, especially energy and mining sectors, are of interest but not crucial to Russia, and Russia's enthusiasm for them can change depending on the domestic situation.

The year 2004 was a turning point for Russian policy, when the grounds were laid for a counteroffensive *vis-à-vis* American advances. In contrast to the broad scope of Western engagement and mindful of limitations in its own capabilities, Moscow concentrated on gaining 'strategic heights'. For Central Asians it is easier to absorb Russian ways of engaging, as its concepts and rationale are more straightforward to comprehend. In exchange Moscow expects loyalty rather than implementation of awkward political reforms. There was – and still is – a tendency to disregard Russia's role in Central Asia as weak and as a case of Russia biting off more than it can chew.¹²³ Such thinking marred the vision of external actors and Russia's strategic comeback was overlooked.

Russia's policy instruments are diverse. Support for the leaderships to stay in power and personalised networking provide Russia with access to the heart of political systems in Central Asia, where outsiders are normally not allowed. This is not to say that Russians 'know it all' – the events in Kyrgyzstan took Moscow by surprise –

122. Dmitrii Trenin, 'The Southern Vector', *International Affairs (Russia)*, vol. 51, no. 4, 2005, pp. 72-8, esp p. 73. Trenin identifies the economy, language and culture as key factors of Russia's influence.

123. See, for instance, Yury Fedorov, "Boffins" and "Buffoons": Different Strains of Thought in Russia's Strategic Thinking', *Russia & Eurasia Briefing Paper*, REP 06/01 (London: Royal Institute of International Affairs, 2006).

but the Kremlin is the most likely place where leaders would turn for support in case of trouble. Russia has provided assistance to the Tajik President on numerous occasions to deal with security challenges,¹²⁴ and a means of escape for the Kyrgyz President. Askar Akayev is now a respectable professor at the Moscow State University. Thus, Russia plays the dubious role of a safe haven for rulers who fail. Leaders who are fearful that, given an opportunity, score-settling will begin and Ceausescu's fate might befall them, know that a friendly power – especially one with rescue capabilities – can prove an invaluable asset if a speedy retreat becomes necessary. It is unsurprising that the leaders have been keen to forge alliances with Moscow.

Moscow's own interest is cooperation in anti-terrorism, which coincides with that of Central Asian governments. Security officials in Russia preserved old ties with their counterparts. Moscow started to provide Russian pensions to those who formerly served in the Central USSR security structures, such as the KGB, aiming to give a boost to these networks. This is appreciated by local security personnel, whose official salaries are often below subsistence level. In return for information and access, Moscow can reciprocate favours by extradition of wanted criminals or political opponents. Before 2004 those experiencing problems with the regimes could comfortably live in exile in Moscow. Now opportunities for safe havens have become more limited.

The military remains a traditional instrument. A Russian airbase was established in Kant, Kyrgyzstan, in October 2003, and a year later the Russian 201st Motor Rifle Division (previously a peacekeeping force) was transformed into a military base. Both are being reinforced. From the perspective of small and weak states such as Tajikistan and Kyrgyzstan, the 'outsourcing' of security is attractive. Certain aspects of external defences do not have to be developed nationally, but can be taken care of by outsiders. The regimes can concentrate on 'domestic' (or their own) security and be less concerned with aspects such as air defences. From this viewpoint, the presence of Russian military bases is attractive, because it closes this gap. Moreover, Russian military presence is more predictable, while that of the US is dependent on political shifts.

Russia made a notable retreat from the Tajik/Afghan border. This was in response to a request from the Tajik government and surprised Moscow. Throughout 2004 Tajikistan's leadership advocated withdrawal of the troops, and an agreement between

124. Most recently in 2004 during Ghaffur Mirzoyev's revolt after his dismissal as Head of the Presidential Guard.

Russia and Tajikistan to this effect was signed in October 2004. The transfer of the border to the jurisdiction of Tajikistan was completed in July 2005. There has been much speculation about why this happened, ranging from the interests of drug mafias to US promises of heightened military and other assistance should the Russians leave. Irrespective of whether the US did mean to push the Russians out, or whether the development was inspired by an upsurge of nationalist feeling against the former colonial master, this sensation resonated with policy-planners in Moscow. The border troops withdrew, but Moscow did not forget what it saw as an American plot. Andijan provided a perfect opportunity to get even.

Russian withdrawal from the border was speedy. One explanation was that the grouping was demoralised and involved in drug trafficking. Since the withdrawal, Russia has adopted a multiple-tier system of anti-drug measures, including aid to build Tajikistan's own capacities, cooperation with Kazakhstan to strengthen its southern borders, improving controls on the Russian-Kazakh border and collaboration with international bodies in anti-drug measures.¹²⁵

The remaining US base in Manas in Kyrgyzstan is a source of irritation to the Russian military. Although it cannot threaten Russia directly, the base creates infrastructure for landing, servicing etc., which can be expanded if needed. From such a location, the US could threaten the east of Russia, where defences are weakest, as most capabilities have been relocated towards the Caucasus. This means that the US can challenge Russia into building defences in the east. Although politically such a scenario sounds fantastic, it is not so far-fetched in terms of military thinking.¹²⁶

Political and military tools have been supplemented by investment in energy and infrastructure. This matched what the Central Asian governments desperately needed. Semi-state companies, such as Gazprom and United Energy Systems (RAO UES, the Russian electricity monopoly) are important tools of Russian foreign policy. RAO UES has concluded an agreement of cooperation with the Foreign Ministry to this effect.¹²⁷

Russia also serves the market for consumer goods produced in Central Asia and attracts many labour migrants. As migration is the main safety valve, Moscow creates employment opportunities which can regulate the flow of immigrant labour as needed. However authoritarian the regimes might be, they would be unable to

125. Again, recommended by Trenin, *op.cit.*

126. Author's interview with Prof. Fedorov, London, March 2006.

127. *RIA-Novosti*. 29 March 2006: <http://rian.ru/economy/>.

cope with social protests if angry young men are turned away from Russia in large numbers. The poorer states are unable to print enough passports to satisfy the demands of would-be migrants.¹²⁸ Moscow's announcement that it is prepared to accept entrants with internal papers or Soviet passports came as a great relief.

Cultural and spiritual tools are among Russia's unrivalled assets. Because of linguistic and cultural proximity, it remains the main source of news and information. Support for higher education – significant contributions to universities in Bishkek and Dushanbe, maintaining a Russian school in Ashgabat and free places for Central Asians in its own universities – is very important. This policy dimension is expected to be strengthened.

Lastly, Moscow benefits from lingering frustration felt among the Central Asian States with the West, stemming from dashed expectations of what it would deliver and resentment at being lectured at.

While Kazakhstan and Kyrgyzstan's relations with Russia have been steady, Uzbekistan and to an extent Tajikistan have undergone shifts. *Rapprochement* with Uzbekistan started in late 2004 when relations with the US became politically costly. Tashkent needed political support to counterbalance the combined influence of the US and the EU investment, and expansion of security cooperation between them. Moscow was keen to develop an alliance with a key state in Central Asia, invest in gas production and transit, and create a counterbalance to Turkmenistan with regard to gas prices.

The EU embargo on weapons supply to Uzbekistan only strengthened military-political cooperation between Moscow and Tashkent.¹²⁹ It is likely to rejoin the Collective Security Treaty Organisation (CSTO),¹³⁰ from which it withdrew in 1999. In November 2005 Tashkent signed a mutual security pact with Moscow. This goes further than Russia's security arrangements with other states in so far as it commits Moscow to the military defence of Uzbekistan if it comes under threat from a third party. The pact provides for military facility sharing between the two sides, leaving open the possibility of a Russian military presence at the Kharshi-Khanabad base, vacated by the US troops in 2005.

After the events at Andijan Russian investment started to materialise. The Russian cellular operator Vimpelcom announced its acquisition of Uzbek mobile operators Buztel and Unitel for \$275

128. Reportedly, in Kyrgyzstan some were prepared to trade their land rights to get a passport to go to Russia: ex-Foreign Minister Rosa Otunbayeva speaking at TOSCA workshop 'Kyrgyzstan at the Crossroads', Oxford, March 2006.

129. In the words of Russian Defence Minister Sergei Ivanov, 'this embargo does not bother us a bit. Our relationships with Uzbekistan are getting stronger in all spheres, including military technical cooperation': <http://www.kommer-sant.com/page.asp?id=527&id=614838>.

130. CSTO consists of Russia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan and Armenia.

million.¹³¹ Russia negotiated access to uranium deposits, expressed interest in the aircraft factory and opened more direct flights to cities in Uzbekistan. In January 2006 Uzbekistan joined EurAsEC.

Still, Russian analysts warn that ‘the friendship with Uzbekistan might cost Moscow a lot. It might kill the diplomatic efforts to improve Russia’s image abroad. The partnership of Russia and Uzbekistan cannot be long and stable – it will last as long as Karimov’s presidency. Even if Karimov’s successor is one of his own henchmen, most likely he will reconsider all the agreements with Moscow and go to the West to ask for forgiveness.’¹³²

Dushanbe also moved away from the US orbit, albeit in a low-key fashion. *Rapprochement* with Moscow is based on a number of key concerns. The first is a guarantee of Russian support to the regime’s survival in case of an intra-elite coup. The second concerns the issue of Tajikistan’s \$300 million debt to Russia, which an impoverished country was in no position to repay. The debt was eventually partly written off and partly used as a down payment for the Russian military presence and as a contribution to joint infrastructure projects. The third is investment in a hydropower complex for which it was hard to find commercial funding. Fourthly, it was envisaged that Moscow would strengthen Tajikistan’s hand on energy prices and the border regime *vis-à-vis* Uzbekistan. Moreover, there was a hope Moscow would be able to put pressure on Tashkent to relax border regulations and allow transit from Tajikistan through its territory. Moscow, in its turn, is interested in securing its long-term military presence, and acquiring control over hydropower and aluminium.

Tajikistan’s hydropower energy was its main asset in Soviet times. Extensive cotton cultivation was a by-product of de-industrialisation of the country, following the decay of the hydropower stations. Given electricity shortages, Tajik Aluminium Plant performed at a reduced capacity rate. Efforts to attract donor funds or international lending did not bring results. The Tajikistan government maintained that if it had electricity, it could revive industries and sell electricity abroad, thus escaping poverty.

President Putin promised \$2 billion worth of investment during his October 2004 visit to Dushanbe. If Russia holds a stake in water resources in Central Asia, it will be harder for Tashkent to deny transit and dictate energy prices to Dushanbe, when it is backed by Moscow.

131. Radio Free Europe *Central Asia Report*, vol. 6, no. 3, 30 January 2006.

132. Yuri Chernogaev, Vladimir Soloviev, Mikhail Zygar, ‘Islam Karimov Hit by Boycott’, *Kommer-sant-Daily*, 5 October 2005.

In Turkmenistan, apart from gas deals, the rights of ethnic Russians, such as education (it was suggested to open more Russian schools, since the only Russian school at the Embassy cannot satisfy the demand) and the rights of pensioners who suffered as a result of pension reform,¹³³ have attracted the attention of the Foreign Ministry.¹³⁴ The situation of ethnic Russians is not enviable, but perhaps not as intolerable as sometimes presented by the media. Many among the Russian-speaking population and educated Turkmen are determined to leave eventually, depending on family circumstances, especially children's education, but find the situation bearable in the short run. The Russian Embassy provided a figure of 95,000 Russian citizens registered with the embassy, but there may well be more ethnic Russians who are Turkmen citizens only. Most Russians are concentrated in the capital, but have left Turkmenbashi (formerly Krasnovodsk, an industrial town on the Caspian shore) where they used to form a large community. Every month between 1,300 and 1,400 Russians are granted resettler's status from the embassy.¹³⁵ Such status allows them to privatise their property and be ready to sell, if need be. Many apply for the status in case their situation gets worse, but do not leave immediately. Exit visas which did not allow Russians to leave were significantly relaxed in early 2004 under combined Russian and international pressure.

Energy issues apart, Moscow's relations with Kazakhstan were characterised by efforts to find a new paradigm of border security. Withdrawal from Tajikistan meant that it was necessary for Moscow to secure its border with Kazakhstan. Closing the border is not practical due to demography – ethnic Russians live on both sides – and its length. Cooperation, such as joint patrols and intelligence operations, has been tried. The Russian officials reportedly approached the Commission for border support measures along the Kazakh-Russian border, an idea which has not inspired enthusiasm.¹³⁶

Kyrgyzstan's pro-Russian orientation has been a constant feature of its policy. Askar Akayev's careful balancing act secured the situation of 'peaceful co-existence' in which Russia's interests did not collide with those of the West. At present Kyrgyzstan is the only place that hosts both US and Russian military bases, albeit subject to different conditions. Russian troops are stationed at Kant under a CSTO agreement. Plans were announced to boost Russia's military presence, tripling the number of aircraft, bring

133. *RIA-Novosti*, 10 February 2006.

134. It is often assumed that there is a trade-off between the rights of Russians and gas prices. Another explanation is more plausible: Russia has to appear consistent in defending the rights of its ethnic kin to avoid accusations of political bias; if it does it with regard to the Baltics, it has to do something for Russians in such notorious place as Turkmenistan. Interview with Professor Yuri Fedorov.

135. Author's interview with the Russian Embassy in Ashgabat, 2004.

136. 'Central Asia: What Role for the European Union?', *Asia Report*, no.113, International Crisis Group, 10 April 2006.

equipment and increase the number of servicemen from 300 personnel to about 750. Russia also agreed to help train Kyrgyz pilots. After meeting with the Kyrgyz President, General Vladimir Mikhailov, Commander of Russia's air forces, announced 'our base is here forever.'¹³⁷

Apart from fostering bilateral relations, Moscow paid attention to getting the regional format off the ground. Central Asia is the only region which can be united around Russia-led initiatives. Recently, Russia-led regional fora gained momentum, giving way to amorphous CIS structures, of which EurAsEC appears the most promising.

The Shanghai Cooperation Organisation (SCO) became a vehicle for promoting the Russian-Chinese alliance in Central Asia. Cooperation in the security sphere is progressing, including peace mission exercises and joint positions on the US military presence.¹³⁸ In March 2006 Uzbekistan hosted the *Vostok-Antiterror* 2006 exercise under the aegis of the SCO. The exercise scenario involved countering an attempt by terrorists to attack state facilities.¹³⁹ The SCO economic dimension is also advancing, for example bringing Chinese investment into infrastructure projects in which Western investors and donor agencies are reluctant to get involved. The SCO established a Business Council for this purpose.¹⁴⁰

The SCO is an expression of the political commitment of Russia and China to Central Asia, but does not necessarily represent an exclusive commitment to work together. In this respect, transformation of the SCO into a closely-knit strategic partnership, like the Warsaw Pact, is unlikely. Still, it reflects the real interests of both powers in Central Asia, which can become a driving force for the development of the SCO. Nevertheless, there is scepticism. 'Prospects for the evolution of the Sino-Russian relationship into anything resembling an alliance are very limited. There is ambivalence in Russian policy towards China: is China a friend to be supported and strengthened, or is it a threat to be contained?'¹⁴¹

China

Since independence, China has consistently penetrated into the region.¹⁴² Presently, the security of borderlands, and the supply of energy and other raw materials, are key policy drivers. Adopting a

137. Radio Free Europe *Central Asia Report*, vol. 6, 24 February 2006.

138. The SCO adopted a joint declaration to combat terrorism and speed up strategic cooperation in a veiled allusion to the growing role of the US, in 'Central Asia summit declares war on terror' (Indo-Asian News Service, 5 July, 2005).

139. www.uzreport.com, 9 March, 2006.

140. Dmitri Mezentsev, 'Business Council of Shanghai Cooperation Organisation', 3 March 2006 http://www.interfax.ru/r/B/0/0.html?id_issue=11473859.

141. Neil Macfarlane, 'The "R" in BRICs: is Russia an emerging power?', *International Affairs*, vol. 82, no.1, 2006, pp. 41-57, esp p. 55.

142. Stephen Blank, 'China in Central Asia: the Hegemon in Waiting?', in Ariel Cohen (ed.), *Eurasia in Balance: The US and the Regional Power Shift* (Aldershot: Ashgate: 2005), pp. 149-82.

comprehensive approach, the Chinese view the simultaneous enhancement of the military, political and economic aspects of security as vital to its drive to global power status.¹⁴³

Throughout the 1990s, the most pressing issue was the prevention of Uighur separatist bids from being launched from bases and networks operating across the border. Uighurs, a Turkic ethnic group which populates Xinjiang Autonomous Region, also reside in Kazakhstan, Kyrgyzstan and Uzbekistan, to where they fled from the Chinese expansion. In the 1990s killings of Chinese citizens took place in Kyrgyzstan and Kazakhstan, for which Uighur separatists were allegedly responsible. Lately, the significance of the Uighur issue has diminished. Beijing impressed upon the governments of Kazakhstan and Kyrgyzstan that giving a platform to Uighur protest groups is not in their best interests.

The situation inside Xinjiang has also stabilised after the volatility of the 1990s, when murders of government officials and loyal mullahs were common. The Chinese government managed to eliminate most of the underground militant cells which operated in Xinjiang. Rapid, if heavy-handed, development and 'modernisation of ethnic minorities' have improved social and economic conditions.¹⁴⁴

More recently, China came to see Central Asia as an unstable region on its borders, prone to turbulent regime change, containing potential for popular unrest, disorder and Islamic radicalisation. Turmoil in Central Asia would inevitably have implications for Xinjiang, where stability cannot be taken for granted. More attention began to be paid to the stability of borderlands. The government came to see that framework treaties with border states are useful, as they make the political process more predictable. In the early 2000s agreements were signed with Kyrgyzstan, Kazakhstan, Russia, Pakistan and Uzbekistan. Non-support for separatist movements was one provision of the border treaties.

A demonstration effect of the independence of ex-Soviet republics did not go unnoticed in China. In dealing with Central Asia, 'Beijing knows that it must learn some painful lessons from the disintegration of the Soviet Empire and avoid similar outcomes'.¹⁴⁵ Thus, developments in Central Asia are presented in China as a disaster zone, with a message that might be summed up as 'look at what happens when you ditch Communism'.

In relation to Kazakhstan, energy is the main interest. The 1,000-kilometre pipeline linking Atasu in central Kazakhstan to

143. Russell Ong, 'China's Security Interests in Central Asia', *Central Asian Survey*, vol. 24, no. 4, December 2005, pp. 425-440, esp p. 440.

144. Author's interviews in Xinjiang, June 2005.

145. Russell Ong, *op.cit.*, p. 431.

Alashanku on the Chinese border was built in a joint venture between the state-run energy companies KazMunaiGaz and China National Petroleum Corporation. It was opened in December 2005. The envisaged capacity is to carry 20 million tonnes of oil annually. Also in 2005 China purchased Kazakhstan's previously Canadian-owned oil producer PetroKazakhstan. An oil pipeline linking Kazakhstan and China may have geopolitical ramifications, since it binds the interests of both in seeking autonomy from Russia. Increased use of oil and gas from Central Asia could be helpful in altering the energy mix of China's northwestern provinces.¹⁴⁶ This is supplemented with development aid: China is to provide Kazakhstan with \$600,000 to train civil servants and host them at Chinese educational institutions, where they are to learn skills and take Chinese-language classes.¹⁴⁷ China is active on the Kazakh market, where it moves fast, negotiates in a pragmatic manner and makes steady progress. Bilateral volume of trade reached \$6 billion in 2005 and is planned to increase to \$10 billion in the coming years.¹⁴⁸

The search for external oil supplies has led Beijing to pursue closer ties with Uzbekistan. After the Andijan events China promised to invest over \$800,000 into the Uzbek economy in the energy and telecommunications sectors. Still, all deals with Uzbekistan have been concluded at the intergovernmental level, as Chinese companies are not enthusiastic about investments without government guarantees.¹⁴⁹

Inroads were made in Tajikistan, facilitated by the opening of the Kulma border crossing into China with an access to Karakorum Highway. China's Export and Import Bank manages China's \$900 million soft loan via the SCO umbrella. Projects in Tajikistan financed by the Bank include investment into the Dushanbe-Khujand-Chanak road, modernisation of the telecommunications system, and the Lolazor-Khatlon and the South-North electricity transmission lines.¹⁵⁰

Despite these positive examples, apprehension of the growing Chinese presence is felt by Central Asians who observe with unease that withdrawing Russian professionals are replaced by advancing Chinese businessmen. This exacerbates concerns over illegal migration and uncontrollable movement of Han Chinese. There is a fear, especially in Kyrgyzstan, that territorial revision is possible and that small states might be incorporated into China, as Eastern Turkestan once was.

146. Zha Daojiong, 'China's Energy Security: Domestic and International Issues', *Survival*, vol. 48, no. 1, Spring 2006, pp. 184-85.

147. *Interfax-Kazakhstan*, 10 March 2006.

148. President Nazarbayev, Astana, 14 June 2006, *Interfax-Kazakhstan*, available at: http://www.interfax.kz/?lang=rus&int_id=10&function=view&news_id=1217.

149. Alisher Ilkhamov, 'Profit, Not Patronage: Chinese Interests In Uzbekistan', *Jamestown Foundation China Brief*, vol. 5, issue 20, September 27, 2005.

150. The credits to finance these projects would be given for 20 years, including a five-year grace period, with an annual interest rate of 2 per cent: 'China Agrees To Allocate Credits For Tajik Projects' (Avesta news agency, 11 March 2006).

Despite reservations about the projection of Russia's influence, stability led by Russia and China may be better than no stability in the region on the borders of Afghanistan. To reverse demodernisation, the region badly needs investment in energy and infrastructure, and support in the social and economic spheres. This can come only from Russia, China and Kazakhstan, thus tying these countries closer together. Russia's and Western security interests are fundamentally the same, i.e. to combat drugs and terrorism, and the recent cooling-off in relations needs to be rectified, as stakes are important enough for external players to find a common ground.¹⁵¹ The EU could play a role of bridging the gap between Russia and the US. For this, entry points into Russian economic and security interests have to be identified where there is commonality with those of the EU. Russia may well recognise common interests, such as improvements in governance – without which its EurAsEC mechanism could fall apart –, cooperation in anti-drugs measures or the stabilisation of Afghanistan.

Kazakhstan

Kazakhstan has emerged as the most prosperous country in the region and is reluctant to be treated in the same category as the rest, maintaining that the Soviet designation of 'Central Asia and Kazakhstan' is still valid. Its political economy is increasingly important for regional dynamics. The question is can Kazakhstan emerge as a leader and a stabilising force for the region, given its economic fortunes?

The country has enjoyed substantial economic growth – between 2000 and 2004 the economy has been growing at an annual rate of 10%, one of the fastest in the world. It maintained robust growth in 2005, with GDP rising to 9.4 %. Income per capita is expected to rise to \$3,200, some 75% higher than in 2000. Kazakhstan benefited from foreign direct investment mainly in the oil and gas sectors and high oil prices. Since independence, it has attracted some \$34 billion of outside investment, making it the highest FDI per capita rate among all CIS countries. There is some scepticism though whether the growth is sustainable.¹⁵²

Strong economic performance allowed accumulation of capital in a search for investment.¹⁵³ The National Fund, created to set

151. This argument is also made by Dmitrii Trenin; see, for instance, 'Russia and the Shanghai Cooperation Organisation: a Difficult Match', *CEF Quarterly, The Journal of The China-Eurasia Forum*, special edition: 'The SCO at One', July 2005, pp. 25-8.

152. 'Kazakh Economy Expands, But Experts Say Growth Unsustainable', *Radio Free Europe Central Asia Report*, vol. 6, no. 3, 30 January 2006.

153. Sergei Blagov, 'Energy Partnership between Russia and Kazakhstan: Meeting the Reality', *Eurasianet*: 19 January 2006: www.eurasianet.org.

aside surplus energy-sector revenues, rose from \$5.1 billion to \$8 billion in 2005.¹⁵⁴ The banking sector has performed particularly well. Presently, the Kazakhstan Development Bank needs to get a return on its money and plans to invest \$200 million in the CIS countries.¹⁵⁵

Central Asia is an obvious place to look for opportunities. Kazakhstan is a key investor in Kyrgyzstan, with investments in gas distribution, telecommunications and banking. An Agreement on Encouragement and Mutual Protection of Investments entered into force on 1 June 2005. In the first six months of 2005 foreign direct investment from Kazakhstan totalled \$14.1 million and constituted 71% of all CIS investment for the given period.¹⁵⁶ Turan Alem Bank opened its branch in Bishkek. Kazakh investors acquired control over Issyk-Kul resorts.¹⁵⁷ The Kazakh company Summer Gold became an investor in gold mining in the Taldy-Bulak left bank gold deposit.¹⁵⁸ The energy field can be the most strategic. Kazakhstan gas transporter KazTransGaz plans to acquire Kyrgyz infrastructure assets in exchange for the \$18 million Kyrgyzstan owes to it.¹⁵⁹ Later it declared that Kyrgyzstan owes \$19.5 million for the unsanctioned gas diversions, for which the country was unable to pay in cash, but Kazakhstan promised to find other ways of compensation.¹⁶⁰ The robust intervention of Kazakh capitalism is met with apprehension in Kyrgyzstan,¹⁶¹ but the truth is that Kyrgyzstan needs funds and does not have many choices open to it.

The potential lucrative market is Uzbekistan, but political obstacles have been put in the way of this. In 2004 the Uzbekistan government issued a confidential instruction to deny access to the Uzbek market to Kazakhstani companies by using administrative obstacles.¹⁶² This situation is now starting to change, as Uzbekistan does not have many friends and needs money. The issue of investment and economic cooperation was apparently discussed during the March 2006 summit in Tashkent. Trade is slowly growing, totalling \$425.9 million in 2004 and \$516.4 million in 2005.¹⁶³ Kazakhstan has proposed the construction of a border cooperation centre in Saryagash on the Kazakh-Uzbek border.¹⁶⁴ A delegation of over 60 business leaders accompanied Nazarbayev to Uzbekistan to explore investment opportunities.¹⁶⁵ The presidents agreed to form an Interstate Council to develop an economic cooperation programme for 2006-2010. Politically,

154. Radio Free Europe *Central Asia Report*, vol. 6, no. 6, 16 February 2006.

155. 'Kazakhstan State Development Bank plans to invest around \$200 million into economies of several CIS countries', *Interfax-Kazakhstan*, 31 January 2006: www.interfax.ru.

156. <http://www.inform.kz>, 27 August 2005.

157. 'Kyrgyz Ambassador in Kazakhstan lobbies for return of Issyk-Kul hotels', *Kazakhstan Today* quoted in: <http://centrasia.org/news>, 11 March 2006.

158. akipress.org, 14 March 2006.

159. Radio Free Europe *Central Asia Report*, vol. 6, no. 3, 30 January 2006.

160. Radio Free Europe *Newsline* vol. 10, no. 47, 14 March 2006.

161. 'Kyrgyzstan: A Faltering State', *Asia Report* no. 109, International Crisis Group, 16 December 2005, p. 21.

162. Author's interview with IWPR staff, Tashkent, November 2004.

163. Radio Free Europe *Newsline*, vol. 10, no. 52, 21 March 2006 www.rferl.org.

164. According to Industry and Trade Minister of Kazakhstan Vladimir Shkolnik, *Interfax-Kazakhstan*, 14 March 2006.

165. *Kazakhstan Today*, 21 March 2006: <http://www.kz-today.kz>.

Kazakhstan follows Russia's lead on Andijan.¹⁶⁶ Still, Nazarbayev has to tread carefully between Kazakhstan's interests in the region and the West. In November 2005 Kazakh police arrested a number of Uzbek citizens in Shymkent, Kazakhstan, and handed them over to Uzbekistan, but let a wanted Uzbek imam escape to Europe.

It is obvious that Kazakhstan is ready for a larger role. In 2003 it announced a bid for the chairmanship of the OSCE that was actively promoted by President Nazarbaev. The explanation for this lies in the creation of a modern political identity for Kazakhstan,¹⁶⁷ an experience that might set an example within the OSCE. The political establishment, having made some questionable policy decisions after independence, including bringing ethnic Kazakhs from Mongolia, has found a happy medium, elaborating a policy the cornerstones of which are a commitment to the country's multiethnic character, economic success, European social values, and Asian culture and traditions. Kazakh history and tradition enjoys official encouragement, but not at the expense of other peoples. This state orientation reflects a forward-looking project, based on future progress rather than dwelling on past injustices.

Following such thinking, the leadership of Kazakhstan believes that it has a role in promoting the positive experience of a multiethnic state in the post-Communist world. It also considers that the OSCE in future will concentrate more on Central Asia and that its Eurasian character should be strengthened by having a Eurasian power in the chair.¹⁶⁸

However, Kazakhstan's interest and ability to play a larger political role in Central Asia beyond its own interests is limited. Rather, its perspective on the rest of Central Asia is marked by its apprehensiveness regarding adverse developments that can negatively affect Kazakhstan. Astana is unlikely to venture on its own into potentially risky territories. More likely it will follow the Russian lead. Annette Bohr notes that 'Kazakhstan does not view itself as part of any exclusive Central Asian regional formation; rather, it considers Russia to be an integral part of any region or subregion to which it belongs.'¹⁶⁹ Initiatives are more likely to be pursued within broad policy parameters defined by Russia. There is little aspiration to play an independent game that might seriously annoy the Kremlin.

166. Nazarbaev told Karimov: 'I know that in Andijan you were protecting the peace of the 26 million people of Uzbekistan. Not only that of Uzbekistan's people, but also of Kazakhs, Kyrgyz, and Tajiks living here. Today, it is known for certain through the intelligence services that groups of trained extremists had entered Uzbekistan with the aim of destabilising not only you but also us.' Radio Free Europe Newline, vol. 10, no. 53, 22 March 2006.

167. On earlier exploration of Kazakh identity see Shirin Akiner, *The Formation of Kazakh Identity* (London: Royal Institute of International Affairs, 1997).

168. Toqayev in remarks at Wilton Park mentioned that Kazakhstan is the only Eurasian power, while the other four states are Asian (March 2006).

169. Annette Bohr, 'Regionalism in Central Asia', op.cit.

The US

The US's engagement in the region after September 11 has been a history of rise and fall. The importance of Central Asia for the US derives from its proximity to other places, such as Afghanistan, or to the causes it focuses upon, such as the Freedom Agenda of the current administration. Uncertainty over Iran and the emerging 'arc of instability' from Iraq to Pakistan means that the region might be scaled up on the US agenda, but it is equally possible that the debacle in Iraq has caused America to lose its appetite for engagement in difficult places. The US's interests appear to present a combination of different elements, while the importance of each can alternately go up or down the agenda.

The main reasons for the US involvement in Central Asia are Afghanistan, anti-terrorism and the non-proliferation of weapons of mass destruction. Added to these are efforts to find constructive ways to deal with Islamism, the effort to spread democratisation and the energy issue. Although energy from Central Asia does not reach the US domestic market, its companies, such as Chevron, have investments in Kazakhstan. Drugs from Afghanistan do not affect the US market, but it is still the main financial backer of the UNODC, to which it lends support in the form of personnel and expertise. More recently, the policy of promoting democracy and reform in the Middle East, conveyed in President Bush's second Inaugural Address in January 2005, has altered Washington's perspective on Central Asia. The Bush Administration's official line on the Middle East and Central Asia now emphasises change instead of propping up the regimes of disreputable leaders.

The US used to have two military bases in the region to support its operations in Afghanistan: Manas (Kyrgyzstan) and Karshi-Khanabad (K-2, Uzbekistan). Assistance to Uzbekistan, the prime ally in anti-terrorism, was considerable, but in the end brought little political capital. The US paid \$15 million for use of the airfield, and in 2002 provided \$120 million in military hardware and surveillance equipment to the Uzbek army, \$82 million to security services and \$55 million in credits from the US Export-Import Bank. With regard to Uzbekistan, the US was caught in a classic dilemma of trying to promote democratic values abroad while maintaining US military bases in non-democratic countries.

The Pentagon's argument was that 'strategic benefits of having US bases close to important theatres such as Afghanistan outweigh the political costs of supporting unsavoury host regimes'.¹⁷⁰ Indecisiveness over what to do about the base after Andijan and differences of opinion between the US military keen to 'stay the course', and the 'freedom constituency' which advocated withdrawal, led to the situation when the US lost the initiative and was asked to leave by Tashkent. At the request of Uzbekistan, the timeframe for the presence of the bases was included in a July 2005 SCO declaration which called for withdrawal of US military contingents from neighbouring countries.¹⁷¹ Tashkent requested the Karshi-Khanabad airbase to be vacated in 180 days and terminated cooperation with Washington on counterterrorism.¹⁷² The last US troops left in November 2005.

Tajikistan continues to benefit from US assistance, despite mounting pressure from the Tajik government upon the US NGOs. Washington has earmarked \$3.2 million in assistance to Tajik border guards in 2006 since 'drug control, border security, and training law enforcement officers have become spheres of success in Tajik-US cooperation'.¹⁷³ After receiving a withdrawal notice from Tashkent, US officials sought to explore options of relocating to Kazakhstan, Tajikistan or Turkmenistan where the US has used airfields for refuelling stops.¹⁷⁴ The visits of the Secretary of Defence Donald Rumsfeld and Secretary of State Condoleezza Rice to Central Asia seem to confirm US interest in exploring these possibilities, but in the current climate an expansion of the US military presence in the region appears unlikely.

The Manas base remains, but President Bakiyev asked to raise the annual rent from \$2 million to \$207 million. These arm-twisting tactics caused some frustration in Washington.¹⁷⁵ A potential US withdrawal, which the Kyrgyz government risks, would mean a significant loss of income for the government. Such a prospect is real. Unlike K-2, the semi-civilian Manas does not possess a high-security status, which means that about half of the aircraft cannot land there and already have had to be re-routed. In the present international situation, the base is not significant enough to keep it at all costs. After the embarrassment in Uzbekistan, Washington is unlikely to wait until it is asked to leave. There are some hopes in Washington that cooperation with Kazakhstan can be developed. US forces are scheduled to participate in the Kazakh-British Steppe Eagle counterterrorism exercises that are to take place in

170. Alexander Cooley, 'Base Politics', *Foreign Affairs*, vol. 84, no. 6, Nov-Dec 2005, pp. 79-92, esp p. 79.

171. See 'Statement of Uzbek Foreign Ministry on Khanabad airfield', *UzReport.com* 8 July 2005; and 'US Military Presence in Central Asia Defined By Russia-China Cooperation', Bishkek, *KABAR*, 7 July 2005.

172. 'Uzbekistan Cuts Off Ties To US On Fighting Terror', 2 October 2005, www.post-gazette.com.

173. The US Embassy in Tajikistan press release, quoted in *Radio Free Europe Newsline*, vol. 10, no. 46, 13 March 2006.

174. According to Cooley, *op.cit.*

175. Author's interviews in Washington, November 2005.

Kazakhstan in September 2006.¹⁷⁶

Providing a counterweight to Russia's influence and focusing on democratisation became more pronounced during the second Bush administration. During her visit to Tajikistan in October 2005 Condoleezza Rice stressed that 'we have expectations that we have clearly communicated and will continue to clearly communicate to the leaders about the need for democratic development to continue, for democratic development to meet international standards and for elections – which are one step along the democratic path – to be free, fair and inclusive.'¹⁷⁷ The effect is discouraging, as lectures by US officials are seen as a public humiliation by the Central Asian leaders. If they not interested in a US democratic discourse, how do the sides move forward?

To sum up, US assistance, which has expanded twofold since September 11, has not significantly changed the security or economic dynamics in the region. The US engagement proceeded well when there was a good spirit of cooperation between Russia and the US. When the US-Russia rivalry started, this backfired. As a result, the US is left outmanoeuvred on a number of fronts where it seemed to hold ground, while the remaining allies appear unreliable.

The US does not need to regard Russia as a rival, as its role in Central Asia is a stabilising one and thus broadly in tune with American interests, even if this means that Moscow will set the rules of the game. The US will continue to play a role in the regional balance of power, but the extent of its long-term involvement will depend on its relationships with Russia, China and Iran.¹⁷⁸ And the US short-term focus on democratisation can undermine its longer-term goals of building a secure environment in the region.

The OSCE

The states of Central Asia acquired membership of the OSCE by default as former constituent parts of the USSR.¹⁷⁹ OSCE offices have been established throughout the region, but its presence and scope do not match that in the South Caucasus. Central Asia has been a subject of a diverse OSCE portfolio ranging from electoral monitoring and protection of minority rights to environment and small arms control. While electoral monitoring became a battle-

176. Radio Free Europe *Central Asia Report*, vol. 6, no. 5, 10 February 2006.

177. 'Condoleezza Rice Remarks with Tajik Foreign Minister Talbak Nazarov', Dushanbe, Tajikistan, 13 October, 2005: <http://www.state.gov/secretary/rm/2005/54911.htm>.

178. On analysis of the US policy, see Ariel Cohen, 'Yankees in the Heartland: US Policy in Central Asia', in Ariel Cohen (ed.) *Eurasia in Balance*, op.cit., pp. 69-100, esp p. 96.

179. Strictly speaking, they had to voluntarily confirm their wish to become OSCE participating states in 1992, but it is unclear whether they fully comprehended the consequences at that stage.

ground between the countries involved and the OSCE, support for minorities and education in Kyrgyzstan have been more successful initiatives. Overall, the project portfolio is too broad to definitively assess its effectiveness. The call for an independent inquiry into the events in Andijan brought the OSCE into a frontline confrontation with the Uzbek government. The OSCE office in Kyrgyzstan played a positive role in the aftermath of the March events, such as providing assistance with the presidential elections (July 2005), but has not emerged as a leading actor in the political process thereafter. The donors largely united around the Donor Group which sought to influence the government. In 2006 the Foreign Ministry moved to restrict the OSCE field of operations, confining it to economic and social matters and excluding it from the security and political sphere.¹⁸⁰ Russia appeared uninterested in using the chance to work with the OSCE towards stabilisation of Kyrgyzstan, which could have been an opportunity to make the OSCE fulfil an agenda that was more reflective of Russia's understanding of what the organisation's role and function should be.

Arguably, the significance of the OSCE has diminished as compared with its heyday in the 1990s. In Central Asia the OSCE lacks a political strategy because the participating states have no consensus on what they expect the organisation to do, except for Russia with its negative agenda of blocking other actors from entering the region. Thus, the field missions have become focused on projects. The drive to micro-manage projects from Vienna coupled with bureaucratisation of the OSCE management, together with the refusal of Central Asian governments to expand international staff numbers in the missions, has meant that much of what the missions do are project-driven activities with the heavy administrative burden that this entails. The combination of mounting restrictions in Central Asia and an existential crisis of the organisation due to combined Russian-Belarusian scheming has resulted in a narrowing down of the mandates of OSCE offices. In such circumstances it is hard to be strategic, and the organisation has been diverted into more projects and less politics. It appears that space for OSCE operations is shrinking and its focus is becoming diluted. Russia's opposition to the OSCE has only gained in strength,¹⁸¹ thus making it less of an inclusive forum for dialogue, and more a battleground between the East and West.

The OSCE high-profile political actors, such as the Chairman-

180. Author's interview with Raya Kadyrova, Director of Foundation of Tolerance International, Soesterberg, April 2006.

181. Sergei Lavrov, Russia's Minister of Foreign Affairs, 'The Comparative Advantages of the OSCE are being eroded', Statement at the twelfth meeting of the OSCE Ministerial Council (Sofia, 7 December 2004) in *International Affairs* (Russia), vol. 51, no. 1, 2005, pp. 16-19.

ship or High Commissioner on National Minorities (HCNM), had tried to build leverage in the region without the advantage of membership of the EU being on offer. This was a different type of engagement, focused more on diplomacy rather than on conditionality. Such an approach may have utility in Central Asia, with little formal leverage but a focus on discussing and demonstrating how things might be done differently. Still, the tools for OSCE engagement in the region are more limited in comparison to the Baltics, where, for instance, it had a structure of incentives on offer, which is not the case in Central Asia.¹⁸² OSCE HCNM Rolf Ekeus' three visits to Turkmenistan in two years in order to advance an agenda of support for minority education made little impact on President Niyazov or on the situation of minorities.¹⁸³

As Central Asian governments largely side with Russia in their criticism of the OSCE, and the Bush administration prefers unilateral action, the future role of the OSCE in Central Asia may be diminishing. It still can make some contribution in Kyrgyzstan and to a lesser extent in Tajikistan, but the missions in Ashgabat and Tashkent only make sense if the internal situations rapidly deteriorate (due for example to the death of the leader) and the missions could serve as the basis for rapid development to address the aftermath. If Kazakhstan gets the chairmanship, it could make a big change, but the OSCE's character will perhaps have been significantly transformed by then. It is unclear whether the OSCE can be viewed as a 'regional organisation' in Central Asia, like, say, ECOWAS¹⁸⁴ in West Africa, or whether organisations such as SCO and EurAsEC would have more mileage there in future.

NATO

NATO's International Security Assistance Force (ISAF), deployed in northern Afghanistan, is the Alliance's most prominent military operation. Currently 26 Allies and 10 non-NATO countries contribute 9,000 personnel to ISAF. In 2006 it is planned to increase ISAF by 6,000 personnel, potentially bringing the total number to 15,000.¹⁸⁵

Understandably, NATO has to maintain favourable relations with Central Asians. In October 2004 it signed a bilateral transit agreement with Tajikistan on support for ISAF. In October 2005 a

182. Author's interview with Neil Melvin, former senior advisor to the OSCE HCNM, March 2006.

183. Radio Free Europe *Newsline*, vol. 10, no. 44, 9 March 2006.

184. ECOWAS stands for Economic Community of West African States.

185. 'Revised operational plan for NATO's expanding mission in Afghanistan', http://www.nato.int/issues/afghanistan_stage3/index.html.

new NATO liaison coordinator for relations with Central Asia was appointed.¹⁸⁶ Kazakhstan participates in a tailored NATO Individual Partnership Action Plan. Kazbat, a unit of the Kazakh army, is trained to become interoperable with NATO forces.¹⁸⁷

CSTO (also known as the Tashkent Treaty), a military-political alliance, intends to transform itself into a multi-level organisation capable of engaging with different kinds of threats, including drug trafficking and terrorism. According to Nikolai Borduja, Secretary General of CSTO, cooperation within the organisation is proceeding well, because it is easier for the security officials from post-Soviet countries to find common ground. CSTO argues for closer security cooperation between SCO, CSTO and NATO ISAF to pull together in the same direction. In 2005 President Putin approached NATO with a proposal to cooperate more closely with CSTO in such areas as drug-trafficking, terrorism, and response to natural and man-made disasters. NATO has been rather reluctant, citing CSTO's insufficient institutionalisation, although some movement has been happening since. From Russia's perspective, such reaction derives from NATO's lack of political will to cooperate with CSTO rather than from genuine doubts about the latter's capacities.¹⁸⁸ NATO, in its turn, prefers to deal with the countries on a bilateral basis rather than through a Russia-led alliance.

Some argue that in future the EU would need to define its role against NATO¹⁸⁹ and the OSCE. A growing EU presence, and development of CFSP and especially ESDP, would encroach onto their territories, as is already happening in the Balkans. This may provide new impetus for ESDP. Certainly, the question of EU relations with NATO and the OSCE in and around this region will have to be addressed.

The energy issue

Prompted by the January 2006 gas crisis – when gas deliveries from Russia to Ukraine were cut off for two days because of a disagreement over prices – which revealed high levels of non-commercial risk in dealing with Russia, energy assumed a new importance in EU security thinking. Energy issues have gone up the EU Central Asia agenda. This can possibly benefit two states – Kazakhstan and Turkmenistan. Kazakhstan already enjoys considerable FDI from

186. Radio Free Europe *Newsline*, vol. 9, no. 189, 6 October 2005.

187. 'NATO Representative Holds Talks in Central Asia', <http://www.nato.int/docu/update/2005/09-september/e0929a.htm>.

188. Interview of CSTO Secretary General Nikolai Borduja to *Versiya* newspaper, 22 March 2006.

189. Paul Cornish and Geoffrey Edwards, 'The Strategic Culture of the European Union', *International Affairs*, vol. 81, no. 4, July 2005, pp. 801-21, esp p. 818.

Europe, while Turkmenistan has proved to be a difficult partner.

Oil from Kazakhstan is interesting for the EU, but is not regarded as crucial. At present, the bulk of oil goes westwards via Russia, and tankers ship some oil across the Caspian Sea to enter the Baku-Ceyhan pipeline. In future, more oil is likely to go eastwards. China-Central Asia routes have large potential and will create a new dynamic in the energy market. Transneft's monopoly may be ending and alternative routes may emerge, including through the Caspian region. The US government has repeatedly urged Kazakhstan to take such an initiative, citing its 'leading role to promote additional energy transit routes'.¹⁹⁰

Gas is a more strategic commodity. Gazprom is Europe's main supplier. However, Gazprom is making little new investment in gas fields in Russia, meaning that the significance of gas from Central Asia in Gazprom's deliveries to Europe will grow. With major fields yielding less as they age, Gazprom has chosen to maintain its gas balance by purchasing gas on the side, including in Central Asia, rather than develop Arctic fields.¹⁹¹ If Russia's and Central Asia's combined production declines, a supply gap may follow. This means that Turkmenistan and Uzbekistan will be important for future EU energy needs, and their political isolation might need to be rebalanced. Politics, such as the events in Andijan, will have to be factored into the EU energy security equation.¹⁹²

In 2006 the search for alternative gas sources intensified, and the plans for a pipeline from Turkmenistan to Azerbaijan under the Caspian Sea bed, dormant for nearly a decade,¹⁹³ were rejuvenated. This is because the EU and others felt the need to reduce their dependency on gas deliveries from Russia by exploring various possibilities for diversifying its energy supplies.

There are two schools of thought on the feasibility of this option.¹⁹⁴ According to one, a Trans-Caspian pipeline is feasible. President Niyazov is aware that an alternative to Gazprom has to be found. A pipeline through Iran can only be a partial solution, given that Iran is a major gas exporter and is affected by political problems of its own. A route via Afghanistan to India has – physically and metaphorically – a long way to go. By 2020 Azerbaijan's gas reserves may dry up and it will need additional gas to keep the pipeline going. Gazprom's Blue Stream, an underwater pipeline to deliver gas from Russia to Turkey built in partnership with ENI, has demonstrated that such construction can be done quickly and

190. Cited at Radio Free Europe *Newsline*, 15 March 2006, vol. 10, no 48, www.rferl.org.

191. Former Deputy Energy Minister Vladimir Milov in *Novaya gazeta*, 26 December 2005.

192. Presentations at Wilton Park Conference 'Caspian and Central Asia: Regional Stability, Political and Economic Change', 6-10 March 2006.

193. John Roberts, *Caspian Pipelines* (London: Royal Institute of International Affairs, 1996).

194. Both options are based on the author's discussions with European Commission officials, March 2006.

safely. Private investors are interested in financing a Trans-Caspian pipeline.

According to this view, the EU's role would be to facilitate access and resolution of problems rather than act as an investor. The EC has initiated a Caspian-Black Sea Energy dialogue, known as the *Baku Process*¹⁹⁵ to enable international companies to gain easier access to energy markets and supplies. The EUSR met with President Niyazov in February 2006 to discuss possible energy supplies to Europe, and Turkish Energy Minister Hilmi Guler has confirmed that Turkey and Turkmenistan are holding talks on the construction of a Trans-Caspian gas pipeline.¹⁹⁶

The second school of thought is that construction of such a pipeline is unrealistic. Diversification of gas deliveries most likely would go eastwards rather than westwards. China, rather than European investors, will be the driving force, since the country will demand more energy as its economy continues to grow. Earlier attempts by Western companies to strike a deal with Niyazov ended in frustration and no progress, while the Chinese investors would be able to cope with a difficult partner. Thus, the interesting market for the Turkmen (and potentially Uzbek) gas is China, while the market opportunities in Europe are less obvious.

Additionally, the relationship between Turkmenistan and Azerbaijan is too problematic for pipelines between the two countries to be built. Moreover, it is difficult for EU companies to do business in countries like Turkmenistan because of governance issues. The companies will be constrained by OECD standards and by the Turkmen government's record in human rights, while Chinese and Russian investors can disregard such considerations. The President already benefits from a steady flow of cash from Gazprom that satisfies the regime's needs. The possibility of getting a better price from the West may not be so attractive, as he already has enough to finance his initiatives. Thus, while Niyazov is in office, little progress can be made.

In general, the developments around Turkmen gas are characterised by a high level of complexity and uncertainty. They are driven by Turkmenistan's desire to find alternative routes to those that go via Russia, and make Russia pay more for the gas it buys. At the same time, none of the optional routes is easy, while President Niyazov has caused such frustration among his country's neighbours and foreign energy companies that their enthusiasm for

195. It is a part of INOGATE, one of the Commission's regional programmes.

196. Radio Free Europe *Central Asia Report*, vol. 6, no. 61, 6 February 2006.

cooperation with Turkmenbashi has become lukewarm.

Lately, as Niyazov sought to explore alternative export routes and get better prices, his level of activism has increased. Firstly, there were tensions over gas prices between Iran and Turkmenistan.¹⁹⁷ Eventually, the Iranian President consented to paying a higher price for Turkmen gas of \$65 per 1,000 m³ from February 2006 instead of \$44. The two sides agreed that Iran would increase its annual gas purchases to 14 billion m³ in 2007. Iran is set to import 8 billion m³ of gas from Turkmenistan in 2006.¹⁹⁸

Secondly, discussions started with the US and Turkish envoys over a Trans-Caspian pipeline.¹⁹⁹ As most of the Turkmen gas currently produced is committed to Russia, only new gas can be supplied through the Trans-Caspian route. However, the terms of future gas production are obscure and this may act as a disincentive to potential investors.

Thirdly, the idea of deliveries to Pakistan and India has been revived and a steering committee for the Turkmenistan-Afghanistan-Pakistan gas pipeline took place in February 2006 in Ashgabat, with India as an observer. An agreement on a \$3.5 billion pipeline was signed in 2002, but no progress was made.

Fourthly, a pipeline to China may become a reality. Niyazov went to China in April 2006 to sign an agreement on gas exports. The agreement calls for Turkmenistan to export 30 billion m³ of gas a year to China through a pipeline to be built via Uzbekistan.²⁰⁰

Fifthly, there is a row with Ukraine over gas prices and Ukrainian debts. Turkmenistan says the debt stands at \$158.9 million, and President Niyazov has urged Ukraine to pay up,²⁰¹ while Ukraine reluctantly admitted a debt of \$68 million,²⁰² promising to pay in supplies of industrial goods.

Lastly, Niyazov managed to get a better deal from Gazprom. He has some leverage to negotiate prices, as Gazprom has to satisfy domestic demand. Gas prices were discussed with Alexei Miller, head of Russia's Gazprom, and with President Putin, when Niyazov asked for a share in the export profits from the resale of Turkmen gas. The Turkmen President then declared that he intended to raise the gas price from \$65 to \$100 per 1,000 m³. Russia's reaction was that if Turkmenistan raises the price, the gas price formula for Ukraine would have to go up. Russia controls the transit route from Turkmenistan to Ukraine, and Ukraine must arrange

197. Arefi, Embassy of Islamic Republic of Iran, Wilton Park conference, 6 March 2006.

198. Turkmen official news agency TDH quoted in Radio Free Europe *Newsline*, vol. 10, no. 42, 7 March 2006.

199. Radio Free Europe, *Central Asia Report*, vol. 6, no. 4, 3 February 2006.

200. Radio Free Europe *Central Asia Report*, vol. 6, no. 4, 3 February 2006.

201. *RIA Novosti* <http://en.rian.ru/business/20060329>.

202. Radio Free Europe *Newsline*, vol. 10, no. 52, 21 March 2006.

deliveries of Turkmen gas through Gazprom. Before the Niyazov initiative, in 2006 Ukraine was to receive 34 billion m³ for \$95,²⁰³ which is likely to go up in the next round of negotiations.

Meanwhile, Russia has become active in the energy sector in Central Asia, especially in gas and hydropower. Gazprom's interests are expanding. Its Board ruled to step up investment and purchases of Central Asian gas. In 2005 it purchased 19 billion m³ and plans to buy 25.8 billion m³ in 2006. Investment in the pipeline system is planned to rehabilitate and expand the existing capacity in Uzbekistan and Kazakhstan, and to lay new pipelines. Gazprom signed a contract with Uzbekneftegas to invest \$1 billion, as a result of which Gazprom would increase gas imports threefold²⁰⁴ and has reached an agreement to buy 9 billion m³ of gas at \$60 in 2006. The price represents a 25-percent increase on Russia's 2005 purchases from Uzbekistan.²⁰⁵ In Kyrgyzstan, Gazprom signed a memorandum of intent to form a Kyrgyz-Russian joint venture for energy sector projects. In Tajikistan gas exploration started in Sarykamysh and Western Shaambary.²⁰⁶

The Russian energy company, RAO UES, plans to develop the Sangtuda-1 hydropower station at Vakhsh river in Tajikistan, in which it will hold a 75% stake. Construction, at a cost of over \$500 million, is to be accomplished in four years. UES will invest \$200 million of its own money, which is the company's largest foreign investment.²⁰⁷ *RusAl*, the Russian aluminium giant, is investing \$1.5 billion in Rogun hydropower station and in aluminium production in Tajikistan, expanding its capacity to 100,000 tonnes per year. Two new aluminium production facilities are envisaged,²⁰⁸ including a new plant with a capacity of 200,000 tonnes, into which *RusAl* plans to invest \$600 million.²⁰⁹ In March 2006 construction started on the Sangtuda-2 hydroelectric power complex, in which Iran is the main investor with \$180 million. Symptomatically, when Russia disapproved of the performance of the Sangtuda-1 management team, the decision to change it was announced by the Russian Ambassador, rather than by Tajik officials.²¹⁰ RAO UES has interests in Kambarata hydropower stations in Kyrgyzstan, but these pale in comparison with investment in Tajikistan.²¹¹

203. Radio Free Europe *Central Asia Report*, vol. 6, no. 7, 24 February 2006.

204. 'We open seven projects for Gazprom. These are 34,000 km²', Islam Karimov quoted in *Nezavisimaya Gazeta* (26 January 2006).

205. Radio Free Europe *Central Asia Report*, vol. 6, no. 3, 30 January 2006.

206. *RIA-Novosti*, 30 November 2005. <http://rian.ru/economy/company/20051130/4226795.html>.

207. According to Anatolii Chubais, head of RAO UES, quoted in *RIA-Novosti*, 15 April 2005.

208. *RIA-Novosti*, 25 November 2005.

209. 'President of Tajikistan Met with the Head of Basic Element Holding', *RIA-Novosti*, 8 September 2005.

210. *RIA-Novosti*, 22 November 2005.

211. *RIA-Novosti*, 21 January 2004

The focus on democratisation²¹²

Western political values are part of the EU agenda. One of them is a focus on democratisation, which superseded the ‘War on Terror’ discourse. The democratisation stance has become a bone of contention between the Euro-Atlantic community and Central Asian governments.

Much money and effort has been dedicated to democracy promotion by the US, followed by the European donors. Some of the activities that form part of the ‘Democratisation Project’ have repeated in Central Asia what has allegedly been successful in other contexts, such as in East Europe. Such approaches often disregard local contexts and tend to overestimate existing human capacity – often quite limited – and the real needs of people on the ground. Strategies of empowerment are often overlooked. Hence such projects are not only a threat to ruling elites but fall short of the immediate needs of the people. They fail to address issues in their environment, such as the corruption of local administrations, the prohibitive behaviour of the state against the small trade and bazaar business, or the threat to the survival of cotton-growing farmers as a result of the imposition of state prices.

Instead, ‘democratisation’ has become an ideological battleground.²¹³ The Central Asian perspective is that the experience of *perestroika* was a lesson that democratisation can unleash forces in society that can bring about the collapse of the whole system.²¹⁴ In the absence of a democratic tradition, any process of transformation should be gradual and controlled. Democracy-building is a long process that requires patience. There is also a frustration with western criticism and with western countries appearing to set themselves up as models of ‘real democracy’. For example, Kazakh Foreign Minister Qasymjomart Toqayev proposed conducting an analysis of electoral legislation in all OSCE member-states to obtain exact criteria to determine whether elections in all these countries conform to international standards.²¹⁵

Moreover, the ideas of secular democracy in Central Asia have been discredited after the Kyrgyzstan ‘revolution’. While for the West ‘democratisation’ means a system of political values and

212. For earlier discussion regarding democratisation see Anna Matveeva, ‘Democratisation, Legitimacy and Political Change in Central Asia’, *International Affairs*, vol. 75, no. 1, January 1999, pp. 23–44.

213. Thomas Carothers, ‘The Backlash Against Democracy Promotion’, *Foreign Affairs*, vol. 85, no. 2, p. 55, March–April 2006.

214. Foreign Minister Toqayev of Kazakhstan, Wilton Park, March 2006.

215. At the meeting with Christian Strohal, director of the OSCE’s Office for Democratic Institutions and Human Rights (ODIHR), who came to develop ‘amendments and changes’ to Kazakhstan’s election law. *Radio Free Europe Newsline*, vol. 10, no. 50, 17 March 2006.

practices, in Central Asia it has come to be viewed as a tool of influence. The democratisation discourse is regarded by the leaders and large segments of society as transplanting Western models to a region whose social and political realities are different, or as a conduit of Western interests in disguise. There is little desire to engage with a concept of value-based 'democratisation'. 'Today the target population is well aware of the basic Western alternative and is largely rejecting it.'²¹⁶ The more Central Asians are lectured about democratisation, the more defensive they become. Civil society actors, who try to speak about democratisation, are seen as siding up with these external interests and suspected of having ulterior motives. In the words of President Rahmonov, 'what makes the danger worse is that our home-grown *provocateurs* now have skilled coaches who have learned how to use provocations.'²¹⁷

One argument is that the space for 'democratisation' is shrinking and its constituency is disappearing. The authoritarian regimes left limited space for independent actors to operate, branches of international NGOs have been closed down, many pro-democracy groups emigrated, and persecution created a culture of fear. The social fabric is not conducive to an open system based on meritocracy, as patronage and kinship play a major role. Therefore, little can be gained by putting undue emphasis on democratisation.

The counter-argument is that it was a wrong model of democratisation that was promoted as a 'standard package' in post-Communist times, laying stress on structures, formal rules and procedures. This model not only did not succeed in Central Asia, but led to resistance towards the whole idea. Thus, a democratisation agenda needs to be re-legitimised and re-introduced. To do this, the approach to democratisation needs to be reframed in a functional way, laying emphasis on its problem-solving capacities.²¹⁸

The question is how and whether democracy can be crafted, if there are no basic freedoms left and even nascent democratic developments have been suppressed. Statements of the ex-President Akayev to the effect that his government's democracy-leaning stance made chaos and mob rule possible resonated widely in Central Asia. Francis Fukuyama argues that 'before you can have democracy or economic development, you have to have a state'.²¹⁹ The Tajik civil war and the Kyrgyz experience conveyed the notion that experiments with 'democracy' can undermine a state, with disastrous consequences.

216. Zeyno Baran, 'Fighting the War of Ideas', *Foreign Affairs*, vol. 84, no. 6, Nov-Dec 2005, pp. 68-78.

217. In a reference to recent protests in Bishkek in Radio Free Europe *Newsline*, 10 January 2005.

218. Author's interview with Marc Berhendt, *International Alert*, London.

219. Francis Fukuyama, "'State-ness' First", *Journal of Democracy*, vol. 16, no. 1, January 2005, pp. 84-8, esp p. 84.

A conduit of the democratisation agenda was ‘civil society’, which the EU supported alongside USAID and other bilateral donors. However, a focus on civil society is often an excuse to buy time and ignore the political constraints and demands of a given society.²²⁰ Limited understanding of the social fabric has led to an exaggerated faith in civil society, and a narrow understanding of what it is made up of in Central Asia.²²¹ Civil society as understood by NGOs and the media is a deeply Western concept. Overwhelmingly, NGOs survive on foreign grants. Inevitably, this raises the question of to what extent NGOs can be taken as the voice of society, if they are ultimately accountable only to donors.²²² NGOs on the whole have had a limited influence, at times having been steered to play the role of an opposition in lieu of absent political parties. The governments started to distinguish between ‘good’ NGOs, i.e. those who repair water supply systems, and the ‘bad’ ones, who talk about politics.²²³

Conclusion

To sum up, although Russia and China may not be global players, they are relevant powers for Central Asia. Their role in the political economy is crucial and can be a catalyst for regional cooperation. The cultural influence and the educational facilities Russia offers are here to stay and will continue to produce a political impact. From the perspective of many Central Asians this is positive, as Russia’s influence is European and secular in nature.²²⁴ It provides the only alternative to the trend towards Islamisation coming from Pakistan and the Gulf.

The key regional trend is a re-assertion of Russia’s influence, a consolidation of Chinese strategy and the formation of a tactical alliance between them. Both have started to dedicate more attention – albeit still on a modest scale – to military cooperation and counter-terrorism, which they feel threaten their own stability. By contrast, the US and its allies are in retreat, reconsidering options and reasons for continuation of engagement, despite the fact that after September 11 the US and its EU allies have made inroads into the military and political sphere in Central Asia. The climate between the two ‘camps’ has been rather competitive.

Economic trends, previously dominated by the issues around Western companies’ investment in the oil and gas sector in

220. Olivier Roy, ‘The Predicament of “Civil Society” in Central Asia and the “Greater Middle East”’, *International Affairs*, vol. 81, no. 5, October 2005, pp. 1001-12, esp p. 1011.

221. For an analysis, see Sabine Freizer, ‘Neo-Liberal and Communal Civil Society in Tajikistan: Merging or Dividing in the Post War Period?’, *Central Asian Survey*, vol. 24, no. 3, September 2005, pp. 225-243.

222. For criticism of foreign-generated civil society in Kyrgyzstan see, for instance, Boris Mathieu Petric, ‘Post-Soviet Kyrgyzstan, or a Birth of a Globalised protectorate’, in *Central Asian Survey*, vol. 24, no. 3, September 2005, pp. 319-32.

223. For instance, ‘Tajik General Warns Against Forces Which Undermine Central Asian Stability,’ *Avesta News Agency*, Dushanbe, 22 December 2005.

224. In the 2004 *World Bank Public Opinion Survey* 41 % of respondents said that they consider Russia the most important partner as compared to 9% for the US and 4% for European countries, quoted in UNDP Report, op.cit., p. 48.

Kazakhstan, have become more interesting and more diverse. For example, hydropower energy has grown in significance. Kazakhstan is emerging as a Central Asian powerhouse with ready money in search of investment opportunities. As the economic situations in Russia, China and Kazakhstan have improved, they are more ready than they were ten years ago to engage in projects in their neighbourhood. They are likely to be active economic players, whose interests companies from the EU would have to take into account.

The other trend is the emergence of the Shanghai Cooperation Organisation (SCO), which Russia and China promote as a regional organisation capable of dealing with a wide range of issues. There is considerable scepticism about regional organisations in Central Asia, whose record so far has been miserable. However, SCO may prove more to have a more effective impact. Some international actors, such as the ADB, have already started making connections with it. The same goes for EurAsEC, which may be able to make some improvements in economic governance and free trade and transit in Central Asia, leading to a better investment climate. The EU should not dismiss these initiatives out of hand, but consider case-by-case cooperation to give it a chance.

US-EU relations over Central Asia are largely extremely cooperative, being motivated by a common concern over the stabilisation of Afghanistan, where both actors are involved for the long haul. The US has responded with understanding to the European concerns over proliferation of drugs from Afghanistan and become a large contributor to the anti-narcotics efforts. However, policy differences over Central Asia and over global issues exist. At times lack of coordination with regard to the provision of assistance hampered cooperation in the field, especially since the two actors tend to move at a different pace. Moreover, the short-term goal of the current administration to promote its 'freedom agenda' may undermine its longer-term goal to enhance stability and security. The EU needs to be careful not to be tarnished by the same brush by being perceived as echoing the ideological crusade of the Bush administration.

The space for the OSCE to operate in Central Asia is narrowing down and the tendency is for the missions to implement projects in the social and economic sphere rather than for the organisation to play the role of a political actor. The trend towards restricting the OSCE's in-country mandates is likely to continue. It would

not be effective for the EU to continue to rely heavily on the OSCE as a framework for its policies. Instead, it would be more useful to learn from the OSCE experience in order not to fall into the same trap.

The crucial issue is that it is unclear whether any of these external actors are prepared to engage with deteriorations in internal situations, as for example the situation currently unfolding in Kyrgyzstan. This may reflect a current gap in the international response strategies that the EU has to bear in mind.

Given Russia's influence, establishing a working relationship with Russia is a must. Continuation of the 'Great Game' paradigm risks making external relationships and alliances unstable and in constant flux, as it provides scope for Central Asia's regimes to turn to a rival suitor whenever it appears politically expedient to do so.

At present, dialogue between Russia and the EU on Central Asia is not institutionalised, but issues are regularly raised in bilateral meetings. The EU and Russia are rather ambivalent over engagement with each other on Central Asia: both sides are not against it in principle, but neither feels that it ultimately needs the other and nobody takes the initiative to explore what the common ground might be. This is not to say that Russia's and the EU's interests are identical. Their respective stance on civil liberties and human rights is quite different, while Russia prefers to ignore the governance patterns of Central Asian regimes rather than challenge them directly. On energy and pipeline issues Russia is more in competition with China, rather than with the EU, as the prospects of EU investment in the energy sector in Turkmenistan and Uzbekistan are very remote, while the Kazakh market is largely divided. However, given the importance of security concerns to both sides, it is worth making an effort to find a common meeting ground.

In search of a strategy

Throughout the 1990s, Central Asia was not a priority for the EU, but September 11 brought the region into the spotlight. The EU perspectives on it are influenced by what constitutes its evolving interests in Central Asia. There was a wave of enthusiasm for the region's energy and mineral resources in the 1990s, but opportunities for investment by EU companies proved limited. Currently, the EU's core interests are its security concerns, i.e. how to prevent drugs, terrorists and illegal migrants from reaching the EU's borders and how to stabilise a potentially explosive region in close proximity to Afghanistan. This essentially constitutes an agenda aimed at preventing adverse developments, rather than a view of the region as a land of opportunity.

Thus, the EU's direct interests in Central Asia are essentially about security, specifically in the following areas:

- stability and improved capacity of the states to deal with threats, such as terrorism, which otherwise may proliferate outside their borders and beyond;
- support for the ongoing military engagement in Afghanistan;
- combating drug trafficking and crime, and preventing a merger between organised crime and politics;
- preventing state fragility and readiness to deal with crises, when and if they unfold.

After the January 2006 gas debacle between Russia and Ukraine which prompted the EU to look for alternative gas suppliers for Europe, energy security²²⁵ became a new priority on the EU agenda in Central Asia. Energy, especially oil, already reaches the EU markets, and European companies invest heavily in Kazakhstan²²⁶. In other countries there is far less direct investment from the EU, and economic interests are of secondary importance,

225. EU Energy Ministers have laid the foundations for a new European energy policy at the Energy Council, underlining 'intensified diversification of energy sources and with respect to supplier countries and transport routes' (Brussels: 14 March 2006), 7009/06 (Presse). http://ue.eu.int/ue-Docs/cms_Data/docs/pressData/en/trans/88806.pdf. Kazakhstan is supposed to benefit: 'European Commission wants closer energy relations with Kazakhstan' (Press Releases, Brussels: 13 March 2006).

226. In 2003 38.8% of total FDI came from the EU, mostly from the UK, Italy and the Netherlands, the headquarters of leading oil companies. http://europa.eu.int/comm/external_relations/kazakhstan.

such as trade links – mainly cotton from Central Asia²²⁷ and sales of European luxury goods.

There are also the wider stakes involved, such as support for moderate Islamic countries, which are well-disposed towards Europe, and a potential to work cooperatively with the US, Russia and China. Global issues, such as the non-proliferation of weapons and illegal migration,²²⁸ are also of concern for the EU. Moreover, the costs of non-involvement may prove significant. A compelling argument can be made that, while at present there is still a positive inheritance there, if current trends towards degradation continue, putting the region back on the road to peace and prosperity may be difficult. Given that the EU is the largest donor, measures to prevent long-term aid dependency have to be designed before it is too late.

All this necessitates the development of a comprehensive EU policy towards integrating long-term security, crisis management, political relationship and development strategy. The appointment of the EU Special Representative in July 2005, vested with responsibility for proposing such policy, and elaboration of the Commission's new Regional Strategy for 2007-2013, makes it an opportune moment to reflect on these issues.

This chapter outlines the EU record in the region, such as political frameworks, the Commission's assistance in the development and security spheres, and in promotion of civil society, and the emerging role of the Council. It goes on to discuss where rethinking of the EU's premises is needed, arguing for better links between politics, security and development, stronger diplomatic capacity and for realism in the EU perspective. This includes seeing the five distinct states individually rather than as a geographical whole, recognising the need for strengthening of the states and the limitations of Western-driven 'civil society', and a move away from a 'transition paradigm'. The last section deals with the recommendations, i.e. what the pillars of the new policy might be, arguing for a country-specific approach, greater coherence, a larger role for the EUSR and a pragmatic approach towards external partnerships.

227. Kazakhstan is the EU's largest trading partner in Central Asia. Bilateral trade between the two totalled in excess of €10 billion (0.3% of total EU trade) in 2005, with the EU running a bilateral trade deficit of €2.5 billion. http://europa.eu.int/comm/external_relations/kazakhstan.

228. 'Migration is a relatively new part of EU assistance. The European Union has been more active since June 2003 when 31 new recommendations were adopted with a strong emphasis on the region. Future projects will be aimed at institutional and capacity building activities to strengthen asylum systems in Central Asia and labour migration management.' Speech by Adriaan van der Meer, Head of Delegation of the European Commission to Kazakhstan, Almaty, 31 January 2006. <http://www.acarci.com/eurocom/pr/rus/proj/first.php?a=216>.

The record so far

The EU has been engaged in Central Asia through the medium of its various bodies: the European Commission, the Council and the rotating Presidency, which takes a lead in setting the political agenda for its period in office. The European Parliament focuses mainly on human rights, including roundtables and meetings with NGOs and letters/reactions to disquieting events and developments. Initially, the Commission had been the most involved, but lately the political role of the Council has become more pronounced. Still, geographical distance, powerful Russia's interests, difficult political partnerships and the lack of a lobbyist for Central Asia in the EU structures have all contributed to its low profile.²²⁹

The Partnership and Cooperation Agreements (PCAs) constitute the basis for relationship with Kazakhstan, Kyrgyzstan, Uzbekistan and Turkmenistan; however their political and institutional framework is less substantial than that which has been elaborated with Russia and Ukraine. The PCA with Turkmenistan is not enforced, as ratification procedures are frozen. The PCA with Tajikistan was delayed by the civil war and the perceptions of instability in the country. Signed in October 2004, it will take another two to three years for all EU member states to ratify the Agreement. The current relationship with Tajikistan is based on a more narrow Trade and Cooperation Agreement, which excludes discussion of political issues or justice and home affairs.²³⁰

PCAs established several institutional formats: the Cooperation Council (annual ministerial meetings led by the Presidency), Cooperation Committees run by the European Commission and the Parliamentary Cooperation Committee with the European Parliament.

PCAs with Central Asian states were signed in 1996, brought into force in 1999 and are due to expire in 2009. Unlike ENP (launched in 2004),²³¹ PCAs reflect the package typical for the transition period. Their ability to act as a guide to the EU's political engagement and development strategy in the present circumstances is limited.²³² The reality of engagement has been more *ad hoc* and issue-based. In the absence of clear goalposts it is hard to regard PCAs as a tangible political framework towards which to work.

229. Dov Lynch outlines the reasons why so little attention was paid by the EU to a geographically much closer South Caucasus, these are only reinforced in the case of Central Asia: see chapter by Dov Lynch in 'The South Caucasus: a Challenge for the EU', *Chaillot Paper* no. 65 (Paris: EU Institute for Security Studies, December 2003), pp. 171-95.

230. The legal framework for EU-Tajikistan bilateral relations is the Trade and Cooperation Agreement of 1989 between the EU and the former Soviet Union, which was endorsed by Tajikistan by exchange of letter in 1994. <http://europa.eu.int>.

231. For analysis of ENP, see Karen Smith, 'The Outsiders: the European Neighbourhood Policy', *International Affairs*, vol. 81, no. 4, July 2005, pp. 757-74.

232. The agreements are thin on political commitments and specify mostly economic and technical questions, such as trade, business and investment issues and economic cooperation. They include provisions for combating illegal activities, such as drugs and immigration (pp. 38-9). http://europa.eu.int/comm/external_relations/ceeca/pca/pca_uzbekistan.pdf.

233. http://europa.eu.int/comm/external_relations/kyrgyz/intro/index.htm.

234. Aid to Tajikistan by EC TACIS and Food Security programmes was suspended in December 1997 when a TACIS expert was kidnapped and his wife was killed. In December 2001 technical assistance was resumed.

235. http://europa.eu.int/comm/external_relations/kyrgyz/intro/index.htm.

236. EIDHR spent €2,165 million on micro-projects in the Kyrgyz Republic between 2001-2005 and €2,02 million on regional projects. http://europa.eu.int/comm/external_relations/kyrgyz/intro/index.htm.

237. ECHO activities will decrease from €10 million in 2003 to €3 million in 2006. Attention will be paid to linking relief, rehabilitation and development assistance (LRRD) during the phasing out of ECHO. http://europa.eu.int/comm/external_relations/tajikistan/intro/index.htm.

238. The first disaster preparedness Action Plan for Central Asia (DIPECHO) was launched in March 2003. Of the €3 million available for Central Asia, around €2.4 million is being spent by the EC in Tajikistan. http://europa.eu.int/comm/external_relations/tajikistan/intro/index.htm.

239. Between 2002 and 2004, Turkmenistan received some €2 million per year in assistance, increasing to €4 million per annum under the Indicative Programme for 2005-6. http://europa.eu.int/comm/external_relations/news/fehlero/2005/sp05_15-09-05.htm.

240. http://europa.eu.int/comm/external_relations/turkmenistan/intro/index.htm.

241. TRACECA envisions construction of a vast east-west corridor linking the EU to the South Caucasus and Central Asia via the Black and Caspian Seas with technical aid and infrastructure rehabilitation projects to facilitate trade and transit from east to west, rather than south-north, as

The scale of assistance

The Union, together with its member states, is the largest assistance provider totalling €1.132 billion over 1991-2004.²³³ Out of this, €516 million has been provided through the Technical Assistance to the Commonwealth of Independent States Programme (TACIS).²³⁴ Aid is administered through several budget lines, as follows:

- TACIS is the main tool to support implementation of PCAs. It is to expire at the end of 2006, and from 2007 assistance will be allocated via the Development Cooperation and Economic Cooperation Instrument;
- Food Security Assistance to Tajikistan and Kyrgyzstan includes budget support combined with technical assistance. Between 1997 and 2004 the FSP provided the Kyrgyz Republic with €74.5 million of budget support.²³⁵
- The European Initiative on Democracy and Human Rights (EIDHR) which supports projects targeting civil society, such as NGOs and the media.²³⁶
- The European Commission Humanitarian Office provides humanitarian assistance to Tajikistan and is being phased out.²³⁷
- The disaster preparedness programme of the ECHO (DIPECHO) targets mainly Tajikistan.²³⁸
- TEMPUS supports education.

Currently in force are the TACIS Central Asia Regional Strategy Paper 2002-2006 (with IP 2002-2004) and the Central Asia Indicative Programme 2005-2006. Unlike other TACIS partner countries, there are no individual Country Strategy Papers. The main recipient countries were Tajikistan and Kyrgyzstan which have adopted Poverty Reduction Strategy Papers (PRSP) to be used as a framework for assistance. The other three also benefited, including Turkmenistan,²³⁹ despite its political estrangement. From 1992 to 2002, the Community budget has provided €350 million to Tajikistan – the poorest CIS country – most of it in the form of grants. However, Kyrgyzstan benefits from the highest level of Commission assistance per head among the five states.²⁴⁰ The EC in its Action Plan adheres to a regional approach to Central Asia. Its major regional programmes are BOMCA/CADAP/NADIN, Transport Corridor Europe-Caucasus-Asia (TRACECA) and Interstate Oil and Gas Transport to Europe (INOGATE).²⁴¹

Assistance to Kazakhstan, Kyrgyzstan and Tajikistan has been managed out of the Regional EC Delegation Office in Almaty, while Kyrgyzstan and Tajikistan have non-resident Heads of Delegation. As the EC Office in Kazakhstan is destined to move to Astana, a fully-fledged Delegation in Bishkek is planned to be established in 2007, from where some regional programming could be done. Assistance to Uzbekistan and Turkmenistan has been managed from Brussels. 'Europa House' in Uzbekistan acts as a liaison office, but does not represent the EU officially. An idea was floated to open an EC Delegation office in Uzbekistan,²⁴² but the events in Andijan spelt the end of that initiative. National coordination offices are present in each country to facilitate the governments' relationships with the EC and to monitor implementation. The political and operational arms of the EC assistance are separate. Political input is provided by the DG RELEX in Brussels and the section of the Delegation's office in Almaty.

Overall EC assistance is €120 million for 2005-2006.²⁴³ Before September 11 2001 assistance to Central Asia was reduced twice, but when the region became prominent on the international agenda, this was restored to the previous levels. Current priorities are poverty alleviation, good governance and regional cooperation. The intention of EuropeAid is to choose priority sectors for 2006 and to have larger programmes in two sectors per country only in the new five-year cycle. The priority countries will be Tajikistan first and Kyrgyzstan second. It is unclear whether assistance will be increased or decreased in the next funding cycle.

Lately, the enlargement of the EU has brought more attention to the countries on its new periphery, which benefited the South Caucasus, included into the European Neighbourhood Policy (ENP), unlike Central Asia.²⁴⁴ Instead, in May 2005 Central Asia was moved from Directorate A to Directorate D in EuropeAid,²⁴⁵ separating it from the rest of the CIS, as these countries would not be eligible for assistance under the Pre-Accession Instrument or the European Neighbourhood and Partnership Instrument²⁴⁶. This reorganisation spelt out a previously implicit understanding that the prospect of EU membership does not extend to Central Asia. Only Kazakhstan was disappointed at being grouped together with countries in need of development assistance,²⁴⁷ while other states have been resigned to this.

was the predominant case during the era of the USSR. INOGATE embraces 21 countries in an 'umbrella agreement' on the integration of oil and gas transport systems. In Central Asia INOGATE includes the technical audit of oil and gas pipelines, rehabilitation of gas transport systems and co-ordination of national energy policies. Both programmes exclude Russia.

242. Discussed at the sixth meeting of the Cooperation Council, Brussels, February 2005. http://europa.eu.int/comm/external_relations/uzbekistan/intro/cc6.htm.

243. Split as follows (in millions of euro): 'Regional Cooperation' is 30 million, allocations by country are Uzbekistan 16 (before Andijan), Kazakhstan 13, Tajikistan 13, Kyrgyzstan 10 and Turkmenistan 8; another 30 million is allocated for poverty alleviation in five regions of three countries (Tajikistan, Kyrgyzstan and Uzbekistan).

244. The ENP was presented by the European Commission in 2004 and the first Action Plans with partner countries were adopted in 2005. http://europa.eu.int/comm/world/enp/welcome_en.htm.

245. Directorate A used to cover assistance to the Western Balkans, CIS and Mongolia, since 2006 Directorate D covers Asia and Central Asia.

246. 'Proposal for a Regulation of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument', COM (2004), 628 final (Brussels: 29 September 2004).

247. Kazakhstan's Foreign Ministry has expressed interest in the ENP. It has also proposed to develop Kazakhstan's bilateral foreign policy with EU member states through the broader framework of its policies towards the EU. http://europa.eu.int/comm/external_relations/kazakhstan/intro/index.htm.

Security sector

Since September 11 the Commission has rendered massive assistance to the security sector in Central Asia, and member states have provided significant bilateral aid. The Border Management Programme in Central Asia (BOMCA) is a flagship EU regional programme. Closely related are CADAP (Central Asia Drug Assistance Programme), NADIN (anti-drug measures) and 'Development and Modernisation of Efficient Central Asian Customs Administrations'. The overall objective of BOMCA is to assist the five countries with the effectiveness of border management. It is the largest EU intervention in border management and drug action in the CIS with a total expenditure of about €44 million for 2004-2009.²⁴⁸ The programmes have been designed as technical projects managed by TACIS and are implemented by UNDP in partnership with UNODC, the OSCE and the International Organisation for Migration (IOM).

The origins of BOMCA and CADAP are different. CADAP preceded BOMCA by at least five years and was a French government initiative after President Chirac's declaration in 1996. The rationale was that drugs from Central Asia mostly threaten the EU countries, and the Union should have a special programme to tackle this problem. Initial assessments were carried out in 1997 and the French Customs have promoted the programme in the EU.²⁴⁹ It took longer than expected to get the programme off the ground and it began in January 2001. September 11 brought new prominence to the region and consequently more funds into CADAP. The Action Plan on Drugs between the EU and four Central Asian states (excluding Turkmenistan) was signed in October 2002 in the Commission's Framework of Horizontal Drugs Group. The plan is considered as a political framework and a follow-up to the French/British proposal of 1996. The European Drugs Coordination Unit for Central Asia was to translate the Plan into action.²⁵⁰

BOMCA was more of a response to September 11. The US approached Austria in its capacity as the then Chair of the OSCE to design measures to promote peace and security in Central Asia. Ideas for a police academy were discussed. The Austrian Interior Ministry made assessments and designed a proposal for training and capacity building for borderguards in the Ferghana Valley (originally 'Border Management in Ferghana Valley', or BOMFER). The intention was to establish a medium-sized programme funded by Austria. However, the proposal proved popular with the

248. <http://www.eu-bomca.org>.

249. The programme consisted of legal advice, training, strengthening law-enforcement capacities, forensics, and intelligence gathering together with preventative measures, such as anti-drug projects in prisons. Emphasis was put on transfer of the EU's know-how; author's interview with Pierre Cleostrate, EC, Brussels, March 2006.

250. 'Action Plan on Drugs between the EU and Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan,' (Brussels, 2 October 2002, 12613/02 (Presse 299)).

Commission, which expanded it on a larger scale and linked it to CADAP. The idea was to bring the political will of the EU, expertise of the member states and the EC money together in an all-inclusive initiative.

From the start, there were unresolved political questions. Borders between Central Asian states were to be targeted. The idea was both to facilitate more humane practices of border management and to create better conditions for border guards. However, from the CADAP's anti-drug perspective, the border with Afghanistan should have been key. With regard to BOMCA, concerns existed that establishment of border posts and checkpoints in an interdependent region where borders have not been delimited may lead to tensions. Attacks by local populations on checkpoints in the Batken-Isfara region (Kyrgyzstan-Tajikistan), which had happened already in 2002, cannot be ruled out in future. There were fears that BOMCA may act as a catalyst for further border restrictions where communities used to enjoy free interaction before.

UNDP was chosen to implement the programme. One attraction was that UNDP would link security with development, which, in the Commission's view, has been slow to materialise.²⁵¹ No cooperation was envisaged with the Russian side, engaged in border protection and training of border guards in Tajikistan. This initially led to less enthusiasm on Russia's part to cooperate.

It took a while for BOMCA/CADAP to find its focus. The programme evolved rather than followed a certain vision and strategy. When the withdrawal of the Russian border troops from Tajikistan became a reality, the embassies of the EU member states got involved in the programme, having now been alerted to an unforeseen danger. The programme was adjusted on the initiative of the UK with an emphasis on the Tajik/Afghan border, where the UK was already involved in anti-drug assistance on a bilateral basis. It has allocated £2 million and contributed personnel to BOMCA in Tajikistan. Following this, the EC Delegation in Afghanistan successfully lobbied the Commission to support a component for Afghanistan on the Tajik border.²⁵² The revised programme became fully operational in 2005.²⁵³ At the Dushanbe Conference in 2005 the German Ambassador congratulated the EC on the successful programme. Currently Germany, the lead country on training the police force in Afghanistan, is taking steps to attract further attention to the border problem in Afghanistan.

251. Interviews at the EC, Brussels, March 2006.

252. Author's interview at the EC Delegation in Kabul, Afghanistan, March 2005.

253. Vladimir Socor, 'International assistance focusing on Tajik-Afghan border', *Jamestown Foundation Eurasia Daily Monitor*, vol. 2, no. 182, 30 September 2005.

Although the programme has led to the implementation of many good projects, the critical view is that BOMCA's approach has been mainly technical, and lacking in political direction. The pitfall of the programme was that the BOMCA/CADAP overall strategy and the EU's political role remained unclear. Although the EC provided a technical expert to monitor and advise UNDP on implementation, political oversight has been lacking. Prior to agreeing on BOMCA, the Commission did not negotiate the terms and mutual obligations with the beneficiary governments due to time pressure in preparing the Action Plan. This allowed the governments to obtain assistance for their security agencies without reciprocal commitments, for instance, to alter their border regimes or to fight corruption. This also gave the EU no opportunity to insist that measures should be implemented as a package, but instead allowed the governments to pick and choose *à la carte*.

Moreover, insufficient political oversight put the programme in a precarious situation in relation to Uzbekistan after Andijan. Although national assistance has been reduced significantly, the line was that regional programming proceeds as planned. At present, BOMCA is actively engaged with the security sector in Uzbekistan, for example in the construction of a training centre for the border guards at Termez and provision of border security infrastructure and equipment in Surkhandarya, allowing resumption of the Uzbek government's demining programme on the Tajik-Uzbek border. There have been notable successes: BOMCA has been asked by the Uzbek government to expand this work to the Ferghana Valley to the Tajik-Uzbek border near Kokand, and to the Uzbek-Kyrgyz border, where it made a contribution to easing border restrictions. For example, the Karasuu bazaar, which featured prominently in the Andijan uprising, and is a bone of contention between Uzbekistan and Kyrgyzstan, benefited from the introduction of border infrastructure and controls on both sides of the border at Karasuu, including repair of the main bridge. The two governments have agreed to add Karasuu to the list of official crossing points.

The current paper argues that such activities should continue because they are important both for the EU's security and for promoting stability in Central Asia, especially given the effort it took BOMCA to get to this point. However, it is a legitimate question to ask how the ongoing engagement with the Uzbek government in

the security sphere relates to the EU's overall political stance. At times, it is hard to blame the Uzbeks if they get confused.

Political engagement

Central Asians have not traditionally been the focus of much attention from EU politicians. On the contrary, until recently the political presence of the EU was hardly felt. No summits with Central Asian countries happened, but occasional ministerial *Troika* visits took place. On a rare occasion Javier Solana, High Representative for the CFSP, becomes involved, such as during the 2005 crisis in Kyrgyzstan.²⁵⁴ However, more often than not the EU speaks to the Central Asians through its resolutions, expressing criticism of developments of which it disapproves, such as in Uzbekistan²⁵⁵ and in Kazakhstan.²⁵⁶

The rotating EU Presidency is a key actor in scaling up or down the significance of a particular issue/region on the EU agenda. Although Central Asia never really had a lobbyist in the EU, lately it has begun to attract more attention. In 2004 the Dutch Presidency launched a regional political dialogue between the EU and Central Asia, in which the EU was represented by its *Troika*. The Austrian Presidency (first six months of 2006) has been active, and made a focus on Kazakhstan a centrepiece of EU policy, seeking to promote Kazakhstan as a regional leader. During its Presidency, the EU Cooperation Committee took place (in April 2006), as well as the EU-Kazakhstan Interparliamentary Cooperation Committee (June 2006), and a high-profile seminar on Kazakhstan in Astana, originally scheduled for June, is due to take place in the autumn.²⁵⁷ The other pressing issue for the Presidency has been Uzbek refugees from Kyrgyzstan in Europe. The focus on the CIS in general and on Central Asia is expected to continue when Germany takes up the position in 2007. The German intention is to make the involvement more strategic and to bring more consistency to the EU's policies and operations.²⁵⁸

Still, political engagement has been modest. The main initiative was the EU *Troika* 'regional dialogue' intended to act as a confidence-building mechanism and to create a format required for the Commission's regional programming.²⁵⁹ Three meetings (in December 2004 in Bishkek, June 2005 in Brussels and in April 2006 in Almaty) discussed issues such as trade and economic

254. Javier Solana, EU High Representative for CFSP, called Rosa Otunbayeva, acting Foreign Minister of Kyrgyzstan, soon after the March events (S131/05, Brussels, 28 March 2005) and met with President Kurmanbek Bakiyev in the margins of the UN General Assembly, 15 September 2005, S300/05.

255. 'Declaration by the Presidency on behalf of the European Union on the Parliamentary elections in Uzbekistan' (published in The Hague on 27 December 2004), P/05/2 Brussels, 11 January 2005 5204/1/05 REV 1 (Presse 3) or Declaration of the Presidency on Uzbekistan, http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/cfsp/88706.pdf.

256. See, for instance, 'Statement by the Presidency of the European Union on the Preliminary Findings and Conclusions of the OSCE/ODIHR International Election Observation Mission for the Presidential Elections in Kazakhstan' (5 December 2005) & 'Joint Motion For A Resolution on Kazakhstan', European Parliament (15 March 2006, B6/0167/2006).

257. Ambassador Heidmaria Gurer at Wilton Park Conference, March 2006.

258. Interview with Rolf Schultze, Wilton Park Conference, March 2006.

259. Officially, the objectives of the regional dialogue with Central Asia are: (1) help the countries in the region to address common problems and contribute to the establishment of a positive climate of mutual trust and confidence; (2) support the Commission's regional assistance strategy for Central Asia; (3) respond to the wish of Central Asian countries for closer relations with Europe; (4) complement and reinforce the EU's bilateral relations with each of the countries of Central Asia, in particular those carried out in the framework of the PCAs. EU Delegation to Kazakhstan, Kyrgyzstan and Tajikistan, <http://www.delkaz.cec.eu.int>.

cooperation, justice and home affairs (migration and drug trafficking) and environment and water management. A similar initiative of regional dialogue for conflict prevention is promoted by the Japanese government via the Japanese International Cooperation Agency (JICA). The JICA process started in August 2004, earlier than the EU process.²⁶⁰ The EU and Japan maintain regular communication on progress. The Central Asia Regional Economic Cooperation Programme (CAREC) is another forum for regional high-level networking.

Apart from gathering all parties in one forum, the dialogue enabled the EU to conduct bilateral engagements with such states as Uzbekistan and Turkmenistan on the fringes of the meetings. However, so far the dialogue has been more a matter of procedure than substance. The question is how much added value it can bring in the future and in what ways it is different from other dialogue processes. Confidence-building talks cannot proceed indefinitely, at some point serious policy debate with decisions has to follow. One such issue to debate may be what the Central Asian states expect from the Commission's new Assistance Strategy for 2007-2013, for which the process of consultation with the beneficiary governments can be useful.

The EU political role was boosted by the appointment of the EU Special Representative with the office in Brussels,²⁶¹ which meant an activation of the European Security and Defence Policy (ESDP) in Central Asia. Jan Kubis, a former Chairman of the OSCE, was appointed in July 2005.²⁶² The momentum for such an appointment was built up over time, but coincided with Andijan, and was seen in the region as a response to it. The mandate is:

To follow political developments in Central Asia by developing and maintaining close contacts with governments, parliaments, judiciary, civil society and mass media; encourage the countries to cooperate on regional issues of common interest, develop contacts and cooperation with the main interested actors in the region, contribute, in close cooperation with the OSCE, to conflict prevention and resolution by developing contacts with the authorities and other local actors; promote overall political coordination of the Union in Central Asia and ensure consistency of the external actions of the Union without prejudice to Community competence; assist the Council in further developing a comprehensive policy towards Central Asia.²⁶³

260. 'Japan and five Central Asian nations prepare for a second round of policy dialogue among their foreign ministers in August', *Malaysian National News Agency*, (Tokyo: 4 July 2005), at http://www.bernama.com/bernama/v3/news_lite.php?id=143216.

261. The budget allocated in July 2005 was €470,000. A German diplomat working for the EUSR is posted to the delegation in Almaty and the EUSR has a Latvian political adviser.

262. 'Javier Solana Welcomes Appointment of Jan Kubis as EU Special Representative for Central Asia', 28 July 2005. http://ue.eu.int/ueDocs/cms_Data/docs/pressdata/en/declarations/85874.pdf. In February 2006 Kubis's mandate was extended until February 2007.

263. 'Appointing a Special Representative of the EU for Central Asia', Council Joint Action L199/100, 2005/544/CFSP (*Official Journal of the European Union*: 29 July 2005).

The creation of the EUSR position was long overdue. The EUSR took up office at a difficult time with three pressing issues on the agenda. Firstly, relations with Uzbekistan were at their lowest point. On 3 October 2005 the General Affairs and External Relations Council meeting announced its decision to make Uzbekistan pay for its actions in Andijan. Secondly, Kyrgyzstan, – a recipient of significant EU assistance, – was still in crisis. Thirdly, there was a falling-out with Russia over Andijan and other matters.

Uzbekistan is politically the most sensitive issue. The EU took the unprecedented step of partially suspending the PCA with all subcommittees, and the Cooperation Committee was suspended indefinitely.²⁶⁴ An arms embargo has been put in place, while a year-long visa ban has been imposed upon 12 Uzbek officials. Assistance was reduced by €2 million and funds were reallocated towards poverty alleviation from other programmes.²⁶⁵ Technical meetings under PCA were also suspended. The Cooperation Committee meeting due in February 2006 did not take place.²⁶⁶ The EU has no desire to marginalise and isolate the largest Central Asian country, but it has not found a *modus vivendi* after Andijan. Nor does it have the tangible means to bring about an international investigation, although the then British Foreign Secretary, Jack Straw, insisted the EU could back up its demands: ‘We can bring a great deal of pressure to bear in Uzbekistan.’²⁶⁷ The two sides have no meeting ground, as it is hard for Uzbek officialdom to comprehend that after Andijan the EU could not pretend that nothing serious had happened. The Uzbek Foreign Minister Elver Ganiev suggested that the sides should move on: ‘We should not get stuck in an event even if it is a tragedy. Life goes on. We should do a painstaking analysis of the past events and arrive at the right conclusions. Then we should go on with our lives.’²⁶⁸

Thus, the tasks facing the EUSR are manifold and can be summarised as follows:

1. In the absence of a coherent EU strategy to work towards, the role of the EUSR is an idea-generating and a strategy-formulating one. Its first mission is to define the EU’s security interests and agenda more clearly.
2. The main stakeholders would have to endorse such an agenda,

264. Conclusion to the General Affairs and External Relations Council meeting on 3 October 2005: http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/gena/86441.pdf At the same time, the PCA with Uzbekistan states that ‘Nothing in this Agreement shall prevent a Party from taking any measures which it considers essential to its own security in the event of serious internal disturbances affecting the maintenance of law and order, in time of war or serious international tension constituting threat of war’; article 82 ©, p. 44. http://europa.eu.int/comm/external_relations/ceeca/pca/pca_uzbekistan.pdf.

265. In 2005 €11,250 million was disbursed through TACIS; http://europa.eu.int/comm/external_relations/uzbekistan/intro/index.htm.

266. The last Cooperation Council meeting was held on 1 February 2005.

267. ‘EU Threatens Action Unless Uzbeks Allow Inquiry,’ *Reuters*, 17 July 2005.

268. ‘EU treats Uzbekistan the same way it treats Belarus’, *Pravda.ru*, 5 October 2005. <http://english.pravda.ru/world/ussr/05-10-2005/9024-uzbekistan-0>.

so that it integrates the efforts of the Council and the Commission, and reflects the interests of those member states who have a stake in the region. The process of consultation with the stakeholders would be necessary to bring more coherence to the EU and member states' operations, which are currently disunited.

3. The Commission's 'regional cooperation approach' (tendency to view the region as an integrated whole and promotion of region-wide projects²⁶⁹) which reflects the TACIS philosophy towards Central Asia, needs to take into account the reality of powerful political obstacles that stand in its way. A pragmatic balance between bilateral relations with individual states and 'regional cooperation' has to be achieved.
4. The EU's political role in the region has not matched the scale of its technical assistance: politics and the development package provided by the Commission have often been disconnected. These are no small problems, given the scale of the assistance and engagement in difficult political terrain. Oversight of the development aid was lacking and political means to resolve problems in the field have been insufficient, and can be boosted by help and guidance from the EUSR.
5. The EUSR would need to act as a 'special envoy' of the EU, acting upon its 'difficult partnerships'. The first challenge is to facilitate a way forward with Uzbekistan, a key Central Asian state. Second, an alliance on a number of tricky issues ranging from influencing the Uzbek leadership, energy and infrastructure projects and involvement in Afghanistan has to be built with the two powerful neighbours in the region, Russia and China.

Until recently, the Central Asian governments saw the EU mainly as a source of financial support. Largely, they are not active *demandeurs* of an increased EU role, except in areas which serve their direct interests.²⁷⁰ Kazakhstan is interested in the EU backing its bid for chairmanship of the OSCE, or, more realistically, at least not voicing opposition to it. The line is that 'Kazakhstan is currently pursuing a policy of integration with all European countries, and considers its relationship with Europe as a priority'.²⁷¹ By contrast, the Uzbek government has begun to defy the EU. In June 2005 it denied an entry visa to Michael Matthiessen, Javier

269. For criticism of the 'regional approach' see the author's *Central Asia: a Strategic Framework for Peacebuilding* (London: International Alert, 2006) and 'Central Asia: What Role for the European Union?', *Asia Report*, no. 113, International Crisis Group, 10 April 2006.

270. Dov Lynch, *op.cit.*

271. 'Jan Kubis, EU Envoy for Central Asia, Arrives in Kazakh Capital Astana' (Foreign Policy Centre News Release, 26 October 2005).

Solana's human rights representative, who intended to persuade Islam Karimov to allow an international inquiry, and did not respond to Solana's letter.²⁷² The falling out with the US and the EU was presented by Karimov as a showcase of what the West would do to those who defy it.²⁷³ There is some mileage in such propaganda in the region and more widely in the CIS.²⁷⁴

To sum up, the EU has taken a sound but belated step to boost its political role in Central Asia. This came at a politically sensitive moment when many relationships between countries have been upset. At present, the EUSR's role is not to kickstart projects, but to invest in dialogue and relationship-building, listen and learn, and bring about a better culture of interaction among stakeholders, in Central Asia and beyond. At the same time, the EU advantage is that Central Asia is still largely 'virgin territory' – apart from Russia's influence, – when it comes to political presence, unlike the South Caucasus where the EUSR has to fit into space already ploughed by many other international actors. Thus, this may work to the EU's strategic advantage.

Rethinking the premises for policy

The attractiveness of the EU in terms of leadership by example or prospects of membership does not apply to Central Asia. The question is where the region fits into the EU vision. So far, the lack of clarity over the EU's interests and reluctance to acknowledge Central Asian realities has somehow obscured its vision. In formulating a new policy, the EU has to agree on a realistic agenda for Central Asia, be mindful of the challenges to achieve it, and be responsible about how this could be done. It may well decide that Central Asia is essentially derivative of its other concerns, such as finding ways of dealing with Islamism, improving ties with Russia or helping stabilisation in Afghanistan, than a policy focus *per se*. When the EU formulates what its interests in the region are, this can replace technical and project-driven approaches which reflect a vague desire to have some kind of ill-defined role in Central Asia. If the aims are sufficiently clear, the EU can be more pragmatic about the choice of means, working closely with multilateral agencies such as the UN agencies on some issues, and with Russia, the US and China on others, and employ bilateral and regional approaches as appropriate.

272. 'Uzbekistan: EU, Uzbek Relations Heading For Showdown Over Andijan', RFE/RL NewsLine, 7 June 2005. <http://www.rferl.org/features/article/2005/06/2a3fb273-fd0a-448b-8504-e44dced0c0c7.html>.

273. Victoria Panfilova, 'Europe condemned Karimov, but failed to scare him', *Nezavisimaya Gazeta*, 16 November 2005.

274. Dina Malysheva, 'Estranged Uzbekistan: Islam Karimov Gets Public Caning', *Novaya Politika* (New Politics) 6 October, 2005. <http://www.novopol.ru>.

When discussing the future for the EU's involvement, a degree of political realism has to be borne in mind. The EU is looking at a vast number of engagements and has critical issues, such as Turkey, the Balkans or Iran, to deal with. A case for Central Asia has to reflect its position in respect to other pressing priorities, bearing in mind that the EU's influence is likely to be secondary to that of the US, Russia and China, so the geopolitical impact that the EU can have should not be overestimated.

Linking security and development

Since security is a sensitive sphere, it cannot be addressed by the EU in purely financial and technical terms. The question for the future is how political oversight of technical assistance in the security sphere is to be ensured and by whom.

The current paper argues that BOMCA/CADAP can be used as a vehicle and a pilot case for advancement of EU thinking on common security policy, including security sector reform. In conceptual terms, there are different perspectives on the role and meaning of BOMCA, as it has evolved.

The first view, coming from certain member states, is an ESDP-oriented one. Although BOMCA is a Commission-led activity, the fact that it engages with the security sphere – which is a second pillar for the EU and thus a domain of the member states – allows the latter to become involved in BOMCA. The failure of the European Constitution limits the role of the Commission at this stage. BOMCA should act as a vehicle for pulling together expertise of the member states in security and law enforcement, i.e. be a kind of a pilot EU common security programme. From this viewpoint, the EU should not subcontract a common security programme to an outside agency (UNDP), but lead on its implementation instead.²⁷⁵ To illustrate this point: while the Commission financed and drove the programme, it stood alone and the ownership by the member states was weak. When BOMCA acquired a specific rationale that presented interest for the member states, i.e. a focus on the Afghan border, they came with offers of support. For example, at the initiative of the Commission a consultative group of security officials from the embassies was formed to act as a quality control mechanism and to advise on implementation.

Others, mostly within the UNDP and some within the Commission, view BOMCA as primarily being about promoting trade

²⁷⁵ Such as for instance in the case of the EU Border Assistance Mission to Moldova and Ukraine, which is headed by an EU official and includes 69 experts from 16 EU member states, working closely together with the team of the EUSR for Moldova. UNDP is an implementing partner for some activities, but within the framework supervised by the ESDP Mission; on the establishment of EU BAM see EU Factsheet, 'EU Border Assistance Mission to Moldova and Ukraine', December 2005. http://www.eubam.org/files/0-99/79/Factsheet_BM_Moldova_Ukraine.pdf.

and transit. Such a view tends to brush aside political choices and sensitivities involved, and lays emphasis on economic cooperation. This misses the point that border management reform achieves both improved security and facilitation of movement of goods and people, and both are vital to the broad human security agenda.

However, neither the Commission nor the member states presented BOMCA/CADAP as an exercise in SSR, although there are good grounds to regard it as such, i.e. an expansion of civilian control of the security sector. Arguably, this is a territory where the Council and the Commission can meet and make such a case together.

The idea of SSR is not a new one. The European Security Strategy acknowledges the need for supporting the third countries in the SSR in a broad context of institution building.²⁷⁶ But, as noted by Scheye & Peake, a ‘conceptual – contextual divide’ still exists between SSR’s stated goals and its actual implementation.²⁷⁷ In July 2005 the Political and Security Committee of the Council discussed ‘Initial elements for an EU Security Sector Reform Concept’, adopted ‘EU Concept for ESDP support to Security Sector Reform’²⁷⁸ and invited the Council Secretariat and the Commission to develop a draft concept for ESDP support to SSR which resulted in the Commission’s background paper on EC support to Security Sector Reform.²⁷⁹

The UK Presidency was constructive in advancing EU thinking on SSR by linking security, state fragility and development. It has put forward the SSR concept on the agenda to adopt a more coherent approach.²⁸⁰ The argument presented by the UK NGOs (International Alert and Saferworld) was that the EU needs a strategy to integrate SSR, Disarmament, Demobilisation and Reintegration (DDR) and conflict prevention in fragile states.²⁸¹ Saferworld, arguing the case for the EU strategy on SSR, advocates establishment of EU task forces jointly operated by the Council and the Commission, and headed by the EU Special Representatives. Such task forces may develop implementation guidelines for SSR.²⁸² In the case of Central Asia, there is a concrete programme upon which an EU task force can focus. The EUSR can take the lead in such an initiative, linking the Council and the Commission together.

The second issue to explore is the borderline between security assistance and development aid. The distinction is a fine one, rais-

276. ‘A Secure Europe in a Better World’ (European Security Strategy: Brussels, December 2003), p. 22.

277. Eric Scheye, Gordon Peake, ‘To arrest insecurity: time for a revised security sector reform agenda’, *Conflict, Security & Development*, no. 5, 3 December 2005.

278. 13 October 2005, doc 12566/4/05.

279. ‘Security Sector Reform: European Commission, External Relations Directorate General Directorate CFSP & ESDP Commission coordination and contribution’ (16 November 2005). On the EU approach to security sector governance, also see Heiner Hanggi and Fred Tanner, ‘Promoting Security Sector Governance in the EU’s Neighbourhood’, *Chaillot Paper* no. 80 (Paris: EU Institute for Security Studies, July 2005).

280. On 28 November 2005 the UK Presidency in cooperation with the Commission organised a seminar in Brussels on ‘Developing a Security Sector Reform Concept of the EU’, arguing the need for an EU strategy on SSR.

281. International Alert/Saferworld, ‘Developing an EU Strategy to Address Fragile States: Priorities for the UK Presidency of the EU in 2005’, *Enhancing EU Impact on Conflict Prevention Project* (London: June 2005).

282. Damien Helly, ‘Developing an EU Strategy on Security Sector Reform’, *European Security Review*, no. 28 (Brussels, ISIS Europe, 28 February 2006).

ing the question of where and how the two join. The OECD DAC²⁸³ policy and guidelines could serve as a starting point. What is 'ODA-eligible' is not clear-cut. The extension of Official Development Assistance (ODA) eligibility in the area of security, decided by the OECD DAC High Level Meeting in March 2004, means that a wider spectrum of SSR activities can be financed by development cooperation funds than before. This encompasses all civilian aspects of SSR and activities in relation to civilian control of the military parts of SSR. But there is no consensus to broaden ODA eligibility to include expenditure items within the security sector itself, and expenditure on training and equipment supply.²⁸⁴ There is an unease that development aid is becoming more 'securitised' and is being used to service the EU's security interests.²⁸⁵

In addition to assistance in ODA-eligible areas, the EC is also engaged in non-ODA support. The OECD Guidelines on Security Sector Reform and Governance state that in addressing deficiencies in professionalism of security actors, OECD governments may need to draw upon non-ODA sources, and adopt an approach which allows other government departments to provide the assistance.²⁸⁶ However, in the case of the EU as a supranational body, the Commission so far has been the only source. It is not clear whether the new Stability Instrument would be used for non-OECD assistance instead. For example, can activities financed under BOMCA, such as training in intelligence analysis for law-enforcement agencies, construction of border infrastructure (crossing points and guard posts), equipment to border guards and police, mobile interdiction teams, training in border controls and body search techniques, be regarded as ODA?

Thirdly, a policy framework for SSR in Central Asia can be developed. Strengthening the external dimension of security is essential to address challenges facing the EU such as terrorism, migration and organised crime. The rationale is that states which enjoy stability, rule of law, good governance and sound institutions will be more effective in preventing domestic threats, which might otherwise spill over and affect the EU.²⁸⁷

Lastly, links between security and development can be strengthened. The EC funds both BOMCA/CADAP and a poverty alleviation programme which operates in the Ferghana Valley, but they are not interrelated in a security/development nexus. The Commission has chosen the Ferghana Valley for poverty allevia-

283. The Development Assistance Committee of the Organisation for Economic Cooperation and Development is the principal body through which the OECD deals with issues related to co-operation with developing countries. www.oecd.org/dac.

284. 'Eligibility of Peace-Related Assistance as ODA', box 6, *Helping Prevent Violent Conflict* (OECD-DAC Guidelines, 2001), p. 40.

285. Ngairé Woods, 'The Shifting Politics of Foreign Aid', *International Affairs*, vol. 81, no. 2, March 2005, pp. 406-07, pp. 393-411.

286. 'Security Sector Reform and Governance', OECD DAC *Guidelines and Reference Series*, p. 40 <http://www.oecd.org/dataoecd/8/39/31785288.pdf>.

287. Adapted from an internal European Commission background paper on EC support to 'Security Sector Reform', European Commission, External Relations Directorate, General Directorate CFSP & ESDP, Commission coordination and contribution (Brussels: November 2005).

tion because of the closed borders and high concentration of population. The thinking was that such a combination can create a potential for social explosion. 2005 indeed witnessed violence in the Valley, but the causes were political, rather than derived from poverty. By the same token, conflict-prevention aspects of BOMCA target local communities, while conflict potential arises out of the policies adopted in the capitals. Thus, a political lead is needed to integrate the security and development aspects. BOMCA/CADAP can be an agent of this, provided that it is reinforced with appropriate mandate and expertise.

The same can be applied to the anti-drugs field. Drug trafficking is often linked to poverty and many people resort to becoming narcocouriers due to basic survival needs. Criminal prosecution is only a partial solution. Integrating anti-drug and development assistance in the areas which lie on the main trafficking routes, such as in Khatlon province on the Tajik/Afghan border, is essential. The EC has already allocated assistance to Khatlon, but unrelated to drug prevention. In future, poverty alleviation should be linked to drug prevention much more closely. The Ferghana Valley may not be as important as other areas on the major smuggling routes.

Crisis management

The appearance of stability in Central Asia can be deceptive and the region's explosive potential should not be underestimated. The EU has to be prepared for eventualities and should take a closer look at what tools can be employed to foresee and react to crises in Central Asia. So far, its capacities for monitoring and analysis of the region have been limited. Kyrgyzstan, which is affected by an acute crisis due to state fragility, constitutes an interesting case for the EU debate on crisis management.

With the development of ESDP, crisis management has become a priority on the EU's agenda, and the Council's role has become more prominent. The Council meetings at Feira in June 2000 and Goteborg in June 2001 represented milestones in the EU's resolve to engage in civilian crisis management. The EU Civilian Headline Goal 2008, adopted in 2004, embodied a planning framework for civilian preparedness. Missions in the Balkans and a future EU role in the stabilisation of Kosovo may become landmarks in the evolution of effective ESDP instruments. Recently,

288. Guus Meijer, Anna Matveeva, 'Training on Civilian Aspects of Crisis Management', *EIDHR Evaluations* (Utrecht Human European Consultancy with the Netherlands Humanist Committee on Human Rights and the Danish Institute for Human Rights: January 2006).

289. Author's interviews with the Council Secretariat officials, Brussels, March 2006.

290. An EU Border Monitoring Mission was originally planned which would have been more in line with a concept of an ESDP mission, but it was difficult to generate enough political will to do it, so a Rule of Law mission was undertaken instead; Chatham House roundtable, 21 February 2006.

291. Author's interviews in the Council, Commission and with the EUSR.

292. Following the prison riots of October 2005, the government approached the EU to finance the rehabilitation of a high security prison. This is not unusual, given that the UNDP in Georgia, financed by the Commission, has rehabilitated Rustavi Prison. (no. 6: <http://www.undp.org.ge/Projects/Prison.pdf>), and the UK is financing the construction of a high-security prison in Afghanistan.

293. Author's interview at the Commission, March 2006.

294. A programme of 'Interaction with Internal Affairs Organs' in Kyrgyzstan was signed with the Akayev government in August 2003. One of the goals is to separate the civil function of the police from army and paramilitary-style policing. The pillars of the proposed programme are: radical change in police culture from force into service; strengthening of professionalism, decentralisation and flexibility; enhancement of community relations; improvement of legal basis and improving of police working conditions. *Kyrgyz Republic: Police Reform Strategy* (Vienna: OSCE, December 2004).

more ESDP missions have been deployed and efforts have been made both by the Commission and the Council to improve EU capabilities in military, police and other civilian aspects of crisis management. The Commission has financed a 'European Group on Training' Project in Civilian Aspects of Crisis Management, which has trained over 750 EU civilian experts in such aspects as rule of law, civilian administration, conflict resolution etc.²⁸⁸

In Central Asia the EUSR can make a case for activation of the ESDP instruments; however, there should be a crisis to justify its use.²⁸⁹ But exactly when a crisis is a crisis in the ESDP sense is unclear. For example, a civilian ESDP Rule of Law Mission was deployed in Georgia. In reality it was hard to distinguish it from development projects run by the Commission, as it provided advice on reform of the justice system and was not centred on ethno-political conflicts in Georgia.²⁹⁰ An idea for a similar rule-of-law mission for Kyrgyzstan was discussed by the Council and the Commission,²⁹¹ given the emergence of a law-and-order crisis there and the requests of the Kyrgyz government for help from the EU to stabilise the law-and-order situation in the country.²⁹² The EUSR's recommendation was that although there is a need for a rule-of-law mission, the absorption potential of the country is too low for holistic reform of justice and home affairs. Moreover, the recommendations of the ESDP Mission in Georgia have yet to be implemented, and it is too early to gauge the impact of the mission.

An alternative view²⁹³ was that rather than design a reform agenda which a crisis-ridden country has no capacity to implement, Kyrgyzstan needs a more hands-on police and criminal justice mission, as implemented by the EU and by the OSCE in the Balkans, i.e. teams of police advisors and judges to work alongside the local national counterparts. This would enable coaching, mentoring and problem-solving to take place together, and help to restore the citizens' shaken faith in the rule of law. So far, however, no such initiative has been taken.

Meanwhile, other international actors are involved in the law-enforcement field, for example the OSCE. Its office in Kyrgyzstan has undertaken a programme of police reform to create a police service by January 2010²⁹⁴ – a long-term reform process which presupposes a high degree of government ownership. A potential ESDP mission and the OSCE project do not have to be seen as mutually exclusive. At present, unfolding tensions in Kyrgyzstan

are not of an emergency nature. But a situation of a breakdown of authority might come about in the future, so that nobody is really in charge. This may be an occasion for an ESDP mission, unlikely to be a military or peace-keeping one, but one with police or other civilian components could be possible.

In practice ESDP instruments are constrained by the member states' lack of interest in Kyrgyzstan, where they have hardly any embassies. Political will is not sufficiently present. Still, the EU should not ignore a crisis in Kyrgyzstan because it is too remote. Otherwise its substantial development assistance could easily go to waste. Instead, it has to start somewhere – not with an extensive reform agenda, but some practical interventions in crisis management.

The other ESDP tool is Crisis Response Teams (CRTs). Deployment of CRTs in Central Asia is feasible only if an acute crisis occurs due to political succession. In such a situation Pillar II can send a technical/preparatory mission to pave the way for a longer-term mission to lead a reform process.²⁹⁵

The Commission engages in situations of crisis and immediate post-crisis through the Rapid Reaction Mechanism (RRM) set up in 2001. It has enhanced the Commission's capacity for crisis intervention, because unlike TACIS it can disburse money quickly. For example, RRM was used for urgent electoral assistance in Kyrgyzstan in 2005. However, BOMCA – not a rapid reaction, but a long-term programme – benefited from it in July 2003, when BOMCA 3 was funded under the 'kickstarting' RRM. The new Instrument for Stability, which comes into operation in 2007, is intended to tackle crises and instability in third countries and address transborder challenges including the fight against trafficking, organised crime and terrorism.²⁹⁶ There is no intention to use it in Central Asia, but this prospect cannot be excluded.

Early warning and crisis management is also important for the EU's preparedness to cope with asylum-seekers. Before Andijan, it seemed improbable that a refugee crisis in Central Asia would affect Europe.²⁹⁷ However, in 2005 Uzbek asylum-seekers from Kyrgyzstan arrived on the EU's doorstep in Romania.²⁹⁸ If there are more popular uprisings, the EU may have to deal with the challenge of taking in more asylum-seekers, not a welcome idea in the current climate. The EU's readiness to accommodate more refugees cannot be taken for granted. Another question is how the EU should react, if a country, such as Ukraine, sends asylum-seekers back to be prosecuted by their government.

295. Author's interview at Council Secretariat.

296. 'On the Instruments for External Assistance under the Future Financial Perspective 2007-2013...' Communication from the Commission to the Council and European Parliament.

297. Kyrgyzstan refused to return some 453 refugees who fled Uzbekistan after the Andijan uprising; all but four of the refugees have since been resettled in third countries by the UNHCR.

298. Refugees were flown from Kyrgyzstan to Romania, pending relocation to other countries. 75 have been accepted in Europe for permanent resettlement. In addition, in September 2005 the Netherlands, Finland and Sweden agreed to accept eleven out of the remaining fifteen Osh detainees. 'UN evaluates 11 Uzbeks from Kyrgyzstan', Radio Free Europe, 16 September 2005.

Assistance strategy: linking the technical and the political

Despite many individual successes, the EU got insufficient political mileage out of its large aid package, and its mission as a development agent has been rather passive. The EU has a potential to play a larger role in Central Asia and become a genuine development force, but for this some re-thinking both on policy and implementation levels is needed. There would be more of a chance that measures would be welcome by the 'target countries' for these policies, if Central Asians are involved in their design and their perspectives are factored in. In this respect, communication of policy approaches in a way that the target audience can comprehend and share would be of paramount importance. And straight talking on political priorities would leave less room for ambiguity and suspicion.

▮ *Paradigm shift is required.*

The 'countries in transition' paradigm still influences the EU in its approaches to development in relation to Central Asia, which implies that the countries are following the same path as those in Eastern Europe, but the transition will take slightly longer. TACIS programme documents speak about 'democratic transition' and 'addressing social consequences of transition'.²⁹⁹ However, this paradigm is misleading, as the states may not be moving towards 'democracy', but have entered a political grey zone instead.³⁰⁰ Rather, it is time to start thinking about the development patterns of Central Asia in relation to its regional neighbours, i.e. Iran and Pakistan.

▮ *Development in crisis.*

Political events, such as power change in Kyrgyzstan or repression in Uzbekistan, affect programmes on the ground, but there has been little way of managing such risks. EC assistance is supervised by technical project managers and is at times outsourced to European firms, whose consideration of strategy can be narrow.³⁰¹ This becomes an issue during crises, when it is unclear how assistance programmes should operate. More input on how to respond to a crisis in the field would be beneficial, as well as a user-friendly mechanism of termination/modification of projects in circumstances like Andijan. Although there are no ready-made answers, the OECD Fragile States Group, in which the Commission is represented, pilots 'Princi-

299. 'TACIS Central Asia Indicative Programme, 2005-2006,' adopted by the Commission on 20 August 2004.

300. Thomas Carothers, 'The End of the Transition Paradigm', *Journal of Democracy*, vol. 13, no. 1, 2002, pp. 5-21, esp p. 9.

301. Author's interview with international development official based in Bishkek, March 2006.

ples for Good International Engagement in Fragile States: Guide to Donors' in nine mostly African countries.³⁰² The EC pilots Zimbabwe, but in the future could take up Kyrgyzstan to give the Principles a different geographical angle.

The question is whether in crisis conditions it is possible to achieve genuine 'development', or only implement development projects? Donors in Kyrgyzstan, including the EC,³⁰³ are concerned with the lack of a government vision, around which they can unite. Perhaps it is unrealistic to expect that in conditions of perpetual instability the government would put forward a long-term development plan. Instead, it may be more feasible to leave the strategy aside and concentrate on practical projects at a local level.

▀ ***Tighter links between poverty alleviation and causes of poverty.***

Causes of poverty derive not only from the lack of capital and poor infrastructure, but also from administrative barriers and social factors. Assistance in poverty alleviation needs to be more squarely linked to the causes of poverty. Otherwise it risks merely preserving the *status quo*, i.e. ensuring survival, but would be unable to put people on the road to prosperity. Anti-drug and anti-poverty measures can be better integrated together.

▀ ***Preventing long-term aid dependency.***

In the case of Kyrgyzstan the scale of the problem is such that the government has applied to the International Monetary Fund and the World Bank to sign up for the Heavily Indebted Poor Countries Initiative, a debt relief scheme for the poorest countries.³⁰⁴ Moreover, the question of the economic development of the mountainous areas of Tajikistan and Kyrgyzstan must be addressed. In these areas, both countries are likely to continue to be dependent on donor aid, unless sensible resettlement schemes are designed.

▀ ***Greater concentration for larger impact.***

A revised approach to implementation is needed, so that assistance could make a larger impact. Although the EU TACIS Strategy 2002-2006 contains a commitment to concentrating on fewer programmes and priorities, the practice suffered from too many discreet projects in too many areas. Lack of focus means that it is more difficult to identify big successes on a

302. 'Piloting the Principles for Good International Engagement', *OECD Fragile States Group*, DCD (2005) 11/REV 2. There are 12 principles, the main ones are: Take Context as a Starting Point, Move from Reaction to Prevention, Focus on State-Building as the Central Objective, Align with Local Priorities/ Systems, Recognise Political – Security – Development Nexus, Do no Harm, Mix and Sequence Aid Instruments to Fit the Context, Act Fast, But Stay Long Enough to Give Success a Chance.

303. Author's interview with Carina Scareby, Head of Section, EC Regional Delegation, November 2005, Bishkek.

304. 'Kyrgyzstan Grapples With Huge Debt', *Reporting Central Asia*, IWPR, no. 440, 24 March 2006.

national level.³⁰⁵ As the TACIS programme has been disconnected from politics, it is unclear to what extent the efforts produced the desired impact overall. It would be appropriate to *conduct a critical impact evaluation of major TACIS programmes* in the last five-year period before the new strategy for 2007-2013 is agreed.

Emphasis on State building

The belief in a functioning state, which delivers basic public goods and resolves problems, still exists in Central Asia. The prevailing sense is that if the state governs fairly and in the interests of all, there will be no conflicts in society. But the quality of governance and statehood remains low. With the exception of Kazakhstan, the challenge for the governments is to secure the act of governing amidst the decline of infrastructure and social standards. Thus, strengthening of the state is a priority, especially in Tajikistan and Kyrgyzstan where most of the assistance is likely to go.

Instead what has happened is that the community-based approach to development became popular with donors, such as the World Bank³⁰⁶ and USAID. TACIS poverty alleviation programmes, administered by UNDP, also follow a similar community-driven path. However, moves away from traditional infrastructure towards support for NGO and community-based approaches may have gone too far. Creating parallel structures to the local government, propped up with donor funds, only serves to undermine the already struggling authorities. It may be better to start stressing simple ideas that are not based on the unsustainable development of alternative community-based organisations, and to help local governments in practical ways. It would be useful if future evaluations would engage with the question of whether or not a community-driven approach strengthens the functioning of the state.

State-building is impossible without *government ownership*. However, the recurring problem has been that the governments' ownership of the aid programmes was deficient. Interface with the governments has been problematic both at the political and technical levels. There are many explanations for this, such as differences in visions. From the governments' viewpoint, although all help is welcome, what they need is large-scale investment in infrastructure projects, rather than microfinancing schemes for com-

305. Author's interview with Sanne Jaegersborg, EuropeAid, Brussels, March 2006.

306. For instance, 'The World Bank Community Driven Development (CDD)', in P. Dongier, S. Alkive, A. Bebbington, T. Esmail, E. Ostrom et al., *The PRSP Sourcebook* (Washington D.C.: The World Bank, 2000), p. 5.

munities. But the government's profound confusion as to how the donor world operates also plays a role. It has not been easy for inexperienced governments to navigate through multiple funding opportunities, to match the donors together to get larger projects going and to educate donors about the local realities. EuropeAid started to tackle the problem with a seminar in Almaty in October 2005 for national coordinators. This is only a beginning; more hands-on engagement is needed with coaching and communicating in the field.

Fighting against corruption is an essential part of state-building, but outsiders can do little unless there is sufficient political will at the top. The EC has implemented a project on 'Fundamental Steps' in legislation, i.e. measures designed to eliminate some opportunities for corruption. From the EU perspective, fighting corruption in the security sector should be a key priority. Corruption is a burden for the states, but it becomes a security problem when the rot is in the law-enforcement sphere. It is worth remembering that terrorist attacks in Russia have been facilitated by corruption among security and law-enforcement personnel. Thus, developing a 'security consciousness' and anti-corruption measures in the domain of law-enforcement is vitally important.

Regional approach

The EC adheres to a regional approach, in which it is not alone, as this was taken up by most multilateral donors. The UNDP is a strong advocate of the 'regional cooperation approach', arguing that many problems affect more than one state and have to be solved jointly.³⁰⁷ The Asian Development Bank, a promoter of regional cooperation, has been the driving force behind the CAREC.³⁰⁸

However, the question is whether a 'region' can be constructed, given the right incentives, and 'regional cooperation' can be organised by outsiders. The *International Alert Report* outlines compelling obstacles, such as the quest to entrench sovereignty, huge power unbalances between countries, political grievances among leaderships and mutual suspicion of threats from neighbours. In short, economic incentives notwithstanding, security considerations come first, and this is what matters.³⁰⁹

The EU should be mindful that its 'regional perspective' on Central Asia has its limitations. Too often it would like to see Cen-

307. Johannes Linn et al., 'Bringing Down Barriers: Regional Cooperation for Human Development and Human Security', UNDP Central Asia Human Development Report (New York and Bratislava: UNDP RBEC, 2005), pp. 45-6 and Chapter 7.

308. CAREC members are Azerbaijan, China, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Uzbekistan and Afghanistan. Russia has observer status pending its application as a full member.

309. Anna Matveeva, *Central Asia: a Strategic Framework for Peacebuilding* (London: International Alert, 2006).

tral Asia as a 'region' with common values and united by a shared infrastructure, along similar lines to the EU. However, 'regionalism' – understood as an active process of change towards increased cooperation, integration, convergence, coherence and identity – has not been an obvious feature of security (or other) policy interactions in Central Asia.³¹⁰

The crucial impediment to the 'regional cooperation approach' is the wishes of the political leaderships in Central Asia. At times, regional cooperation was promoted without sufficient regard for the will of the governments who tend to see it as a donor-driven agenda in which they have little stake. The issue is how much a 'regional cooperation' approach reflects the thinking of the Central Asian governments themselves and whether there are real partners for it.

Thus, a belief in 'regional cooperation' may have gone too far. TACIS IP states that 'regional cooperation is the most effective, if not the only, way to deal with problems like terrorism, drugs, water, energy and environment degradation'.³¹¹ From the perspective of Tashkent or Ashgabat, quite the opposite is true. The Commission's intention to 'create a comprehensive regional perspective, notably through the compatibility of reforms and convergence of the legal harmonisation processes in each country'³¹² is well-meaning, but more embedded in Brussels' strategising than in Central Asian realities. It has to be noted that support to 'regional cooperation' cost the EC €30 million in 2005-06, while it is unclear whether its goals and values have been advanced considerably.

The EU 'regional approach' needs refining, making it more imaginative and more pragmatic. Central Asian thinking on the matter should be factored in, and substantial agreements with the beneficiary governments need to be worked out. Regional structures led by Russia may be the best available vehicles and have to be seriously considered, while recognising that their downside is that they tend to be dominated by Russia. A 'regional cooperation approach' may be a valid long-term aspiration, but not necessarily a current guide to the practice of the EU, especially since it does not have real leverage to deal with the non-compliance of those actors who are reluctant to play a 'regional game'.

310. Roy Allison, 'Regionalism, regional structures and security management in Central Asia', *International Affairs*, vol. 80, no. 3, May 2004, pp. 463-83.

311. TACIS CA IP 2005-06, p. 6.

312. TACIS, p.8.

Civil society

The EU stance for the developing world is to encourage human rights, good governance and democracy.³¹³ The PCAs with Central Asian states include references to consolidation of democracy, protection of human rights and those of minorities,³¹⁴ but the 'democratisation agenda' is not as strongly promoted as by the current US administration. It would be prudent for the EU not to be seen as blindly following in the US's footsteps. The EU's distinct role in Central Asia may be to use its 'soft power' to make practices of participation and accountability more acceptable. It needs to also acknowledge the existence of an uncomfortable tension between the processes of state-building and democracy promotion.³¹⁵

There is a rising anti-western tide, mostly targeted against US policy and its NGOs, OSCE electoral monitoring or the prescriptions of the IFI. Even in post-revolutionary Kyrgyzstan, which is not subjected to 'preaching' about democratisation, such sentiments linger.³¹⁶ The EU has not been a focus of this antipathy chiefly because its political presence has not been very noticeable, but it should be mindful of such a possibility arising. It should also choose the battles that it has a realistic chance of winning, otherwise it may face the danger of marginalisation and declining influence over hopelessly lost causes.

EU policies in Central Asia do not have to be about head-on advancement of the EU's political values, such as pluralistic democracy or an independent media: such an approach is simply not realistic. However, the EU's social values, such as gender equality or the rights of children, have more mileage in them and it may be more feasible to concentrate on those.

The European Initiative on Democracy and Human Rights (EIDHR) and TACIS provided funding to promote 'civil society, participation in public decision-making and overseeing government actions in e.g. PCA implementation issues, justice and home affairs'.³¹⁷ However, the governments demonstrated throughout 2005 how quickly support for NGOs and independent media can be brought to a halt. Restrictions upon NGOs receiving foreign funding meant that their ability to function effectively became virtually non-existent in Turkmenistan and Uzbekistan, was very

313. *The European Consensus on Development*. The Joint Statement of the European Parliament, Council and Commission (2006/C 46/01), Official Journal of the European Union.

314. See, for example, PCA with Uzbekistan. http://europa.eu.int/comm/external_relations/eca/pca/pca_uzbekistan.pdf.

315. Fukuyama, op.cit., p. 87.

316. TOSCA workshop on Kyrgyzstan, Oxford, March 2006.

317. *EU TACIS Central Asia Strategy Paper & Indicative Programme*, p. 9.

limited in Tajikistan,³¹⁸ and constrained in Kyrgyzstan and Kazakhstan. Overall, the question is whether this investment has yielded the desired return. Nowadays, local people who worked in these NGOs find it hard to find a place in society. Some resort to emigration, as the alternative of staying in their home country can be worse. This has brought 'civil society' to the verge of extinction.

The governments in Central Asia are not only irritated by the NGOs' opposition stance, but even more so by the fact that outsiders finance such activities. NGOs are often seen as agents of Western imperialism rather than as a constituency driven by humanistic considerations. Perhaps it is worth encouraging the governments, such as in Kazakhstan, to explore domestic sources of finance for the charity sector and to bring experience of how such funding is organised within the EU countries.

Elsewhere, rather than continue to promote 'civil society', it is more feasible to support the 'intelligentsia' in a traditional sense, such as local educationalists, researchers, journalists in the state media, cultural figures and environmentalists. Although this is unlikely to facilitate a speedy political transformation, it has more of a chance of being sustainable, preserving human capital and preparing the societies to take up new opportunities when they become available.

318. Valentina Kasymbekova and Cholpon Orozobekova, 'Central Asian NGOs Under Fire', *Reporting Central Asia*, IWPR, no. 439, 18 March 2006.

Throughout 2005, adverse security trends developed in Central Asia and the limits of Western influence over domestic politics in the region became increasingly obvious. Still, these setbacks are not a reason for disengagement. On the contrary, new policy approaches are needed to stabilise a potentially risky situation. Afghanistan, Islamism and state fragility make the case for engagement quite real, albeit constrained by the difficult regional environment.

The EU has direct security interests in the region, embodied by unconventional dangers such as *jihadi* terrorism, drugs and criminal networks. Moreover, the Union's energy dependence on external supply makes the Caspian attractive for brave explorers. *Brave*, because a great deal of political courage and patience is needed for engagement in the region where the EU faces difficult political regimes, poor governance, often dismal records in human rights and geopolitical competition between Russia, China and the US. However, the costs of non-involvement are also high. While the positive potential in the region still exists, the situation could get worse in a decade if the current trends continue. Concerted international and European action is needed before an opportunity is lost and to prevent state failure and regional conflict.

Opportunities exist indeed. 'Europeanness', a legacy of the USSR, still holds some attraction for the peoples of the region without raising any unrealistic expectations of membership of the EU or placing financial demands on the Union. There is a chance to strengthen moderate Islamic states, which are well disposed towards Europe, and to promote harmony between Islam and secularism in these societies. There is also the opportunity to connect European stabilisation efforts in Afghanistan to the positive experience of development in Central Asia. Central Asia policy for the EU could also provide a way to improve ties with Russia and China, whose engagement in the region is growing and whose overall goals are parallel to those of the EU.

In Central Asia, the challenge facing the EU is to design a real foreign policy beyond the enlargement paradigm. As such, the EU must define what its priorities in the region are (such as transnational threats, the stabilisation of Afghanistan and a diversification of the energy supply) and what its main interests are, and develop tools to advance these. Acting in such a deeply constrained environment, the Union should approach Central Asia with a sober eye and be mindful of its political and social realities.

Before providing policy prescriptions, a realistic vision of what can be achieved needs to be articulated. The states of Central Asia are unlikely to grow together in a regional integration dynamic reminiscent of Eastern Europe, as the social fabric of the societies and the structure of incentives is very different. It is also doubtful that they will become free-market economies with strong connections to international markets any time soon. They are more likely to become an economic backwater of rising China. Russia's influence is not going to just disappear. Both will be lasting factors in Central Asia politics, economy and security. The EU, in defining its own role, would have to accommodate this basic premise.

The political vision for EU engagement in the region has to serve both the interests of the member states and of Central Asia as well. Achieving this may not be easy, given the factors which place limitations on the EU's engagement, such as the region's remoteness from Europe, a lack of political leverage, the stubbornness of the Central Asian leaderships and constraints on engagement posed by the EU's own values of human rights. But there are opportunities as well: as because the stakes are largely security-related and this region, contrary to others in the CIS, does not raise the issue of enlargement but rather only a foreign policy question, it makes it easier for the EU to act there than in the South Caucasus. Moreover, as there is no 'colonial legacy' of a member state, there are no strong vested interests or barriers to cross.

Thus, by the same token as for the South Caucasus,³¹⁹ the EU would serve its interests best by adopting a low-key, 'low-expectations' but long-term political approach. It does not need to push any grand initiatives. Rather, it needs to invest in relationship building and prepare political foundations upon which its policy in the region would rest. It can also act as an honest broker between the US, and Russia and China to avoid a counterproductive repetition of the Great Game. A historical chance to work together towards prosperity and security of the region is all but

319. Dov Lynch, 'The South Caucasus: a Challenge for the EU', *op.cit.*

gone. It is in the EU's interests to ensure that this trend is reversed. Two interrelated goals – stability and security, and prosperity and development – should guide its actions.

Lastly, the EU as an external actor, while planning policy and development interventions, should factor in the domestic context and approach the region in a sober perspective with regard to expected political transformation. Support for the achievements of the Soviet era may be the most sensible way to go before they are lost entirely. Only gradual development of the economy, education and social mobility could create a positive momentum towards political modernisation. The EU can be effective in this climate if it thinks long-term, plans carefully and invests time and energy in relationship building.

Country- and context-specific approach

The EU has to understand the concrete conditions that pertain specifically to each country, avoid being mechanistic in its approach and see five distinct states with their problems and opportunities. Each Central Asian country in its own right is valid for the EU, in terms of concrete issues, such as energy or drug trafficking, but also with regard to the less tangible, but vitally important, challenges of Islamism or potential state collapse. A multi-vector approach with no assigned 'regional leader' is more suited to Central Asian realities and more sustainable in the future, than putting all one's eggs in one basket.

The current EU focus is on the promotion of Kazakhstan as a regional leader. The policy of rewarding the best and richest pupil is understandable given the setback in Uzbekistan. However, the EU should not fall into the trap of substituting policy towards Central Asia with policy towards just one country, especially since its political role is just taking shape and domestic practices are too uncertain. Policy towards Kazakhstan is just what it is, policy towards one country, and cannot serve as a substitute for a Central Asia policy, especially since engagement with Kazakhstan only partly addresses the question of European security. Besides, Kazakhstan's position in Central Asia is nowhere influential enough to serve as a springboard for the EU's involvement in the region. It sees itself only partially 'in' Central Asia, while its desire for close integration into European and global structures is

growing. Moreover, other states – Uzbekistan especially – are likely to see this engagement of the EU with Kazakhstan as preferential treatment, which would complicate relations even further.

The EU should not give up on ‘difficult partnerships’ altogether. It may need to explore whether and how its relationship with Uzbekistan can be gradually mended and dialogue can be established. Currently, the EU is under pressure from human rights groups to ban President Karimov from travelling to the EU (where he does not go anyhow) and suspend Uzbekistan’s participation in NATO’s Partnership for Peace programme. The effectiveness of these moves in altering the political stance of the Uzbek leadership is not clear; they are more likely to anger it even more and result in more restrictions and prosecution of those local people who used to work with internationals. Expectations that Tashkent would agree to an independent inquiry are unlikely to be fulfilled while the current president is in power. Perhaps a dialogue on humanitarian grounds, concerning amnesty and the use of torture, may yield more results, conveying a signal that the EU is interested in improvements. In this regard the role of the EUSR could be to facilitate a political dialogue to move beyond the current stalemate. In Turkmenistan the EU should follow the opportunities of diversification of energy supplies, if and when they arise, but keep its expectations over Turkmen gas modest.

Defending EU security interests

Given the limitations which the EU faces in this region, it needs a non-military strategy. EU security policy has been reactive to developments. This needs to change into a proactive, preventative stance and an improved capacity to deal with the emerging trends. The building blocks should be an enhanced ability to predict deterioration, and to recognise early stages of state fragility³²⁰ by better analysis and regular monitoring of political and security trends. This should also involve acquiring a better understanding of the causes of the rise of Islamism and *jihadi* terrorism in Central Asia. This can bring insights that would have added relevance with regard to Islamism in Europe.³²¹ Otherwise the risk is to start discussing remedies without having a clear diagnosis of the problem.

Pillars for security strategy would need to take account of the following points:

320. ‘The European Consensus on Development’, The Joint Statement of the European Parliament, Council and Commission (Official Journal of the European Union, 2006/C 46/01).

321. On Islamism in Europe, see ‘Jihad in Europe: the Wider Context’, *Survival*, vol. 47, no. 3, Autumn 2005, pp. 63-72.

- ▶ Strengthening national capacities of Central Asian states to combat drugs and terrorism, while being mindful of their severe limitations in the face of serious threats;
- ▶ Security of the border between Afghanistan and its northern neighbours of Tajikistan and Turkmenistan is crucial;
- ▶ Anti-drug trafficking measures throughout Central Asia need to be linked to Iran, the Caspian and Russia.

Cooperation with the US already exists in some of these areas. However, measures would be more effective if cooperation with Russia could be secured on issues of mutual interest. Little can be gained by efforts to create a security system in Central Asia envisaged as an alternative to a Russia-led one, while a lot can be achieved with Russia's goodwill, since its own security concerns are similar.

The EU already has an agent in the field to advance its security agenda. The BOMCA/CADAP programme had a bumpy ride at the beginning, which was frustrating for all involved. This, however, may prove an invaluable experience, if lessons can be extracted from it, as follows:

- ▶ Political risk assessment prior to implementation is vitally important and monitoring of developments on the ground is needed to foresee emerging trends;
- ▶ Negotiations with beneficiary governments with regard to mutual commitments are a necessary precondition. Programmes in the security sector should not be provided as a free gift from the EU, they should imply reciprocal commitment to improve policy and practice;
- ▶ Political guidance is paramount, especially when conditions rapidly alter, as for example after Andijan;
- ▶ Coordination with other security actors in the field is needed before implementation starts;
- ▶ Ownership of the EU member states involved in assistance to the security sector in a country/region is important, otherwise their tendency is to focus on crisis only.

The EU should not regard BOMCA/CADAP merely as a technical project, as its true value is much greater. BOMCA/CADAP can act as a nucleus of the EU common security programme. Its additional advantage is a link to a twin programme in Afghanistan. It can become a catalyst for the development of the EU operational

capacities in the external dimension of security policy, as well as in refining its SSR strategy. It is worth exploring which capacities need to be strengthened for BOMCA/CADAP to become a vehicle to promote SSR in Central Asia, to advance conceptual thinking on SSR more broadly and for security issues to be addressed in the context of state fragility.

As terrorism has affected EU countries, European experts seek to understand the factors which drive *jihadi* Islamism, as aspirations of suicide bombers in the West cannot be attributed to repressive state actions. It is more likely ideological causes and psychological reasons are at work. At the same time, the quality of the dialogue with the Central Asians on the causes of terrorism remains low and can be improved. Joint exploration of these matters can be helpful for the EU to achieve an insight into a dangerous phenomenon little understood in the West. Such discourse could be more productive, if it involves not only security officials, but also academics, Muslim clergy and community leaders.

Development assistance

In future, technical assistance would require more political direction and closer links with a security rationale. The current disconnect between the political and technical dimensions needs to be overcome. Although the appointment of the EUSR has created new possibilities, the link between high-level political networking and development assistance still remains insufficient. There is a clear need for more coordination between the EUSR and the Commission. To ensure this, the following steps are necessary:

- ▶ Reinforce the EUSR mandate to highlight a larger coordination role;
- ▶ Gradually deploy more staff from the Council to the region, but only when their roles have been clearly defined. The first step could be to deploy Council staff to BOMCA/CADAP (which deals with all states) to reinforce it with a political mandate and guidance;
- ▶ Second Commission staff to the EUSR Office, or appoint an existing staff member in a liaison role to ensure continuous dialogue between the EUSR office and the Commission;

- ▶ Strengthen the EUSR office in Brussels with experts on Central Asia to provide inputs into strategy and build up in-house analytical capacity;
- ▶ Ways could be defined for the EUSR to be involved by the Commission in the critical impact evaluation of its major projects, with a view to providing guidance for the future.

New approaches to development may not require significant new funds, but rather more ‘EU labour’, such as political guidance, more interaction with national stakeholders, and closer programmatic support for design and implementation of technical assistance. The EU’s *savoir faire* is best transferred by deploying personnel to work with government agencies hand-in-hand rather than designing reform strategies for them to implement. A cautionary note must be sounded: it is worth putting more EU people on the ground only if high-quality staff can be guaranteed. Each EU appointee is an ‘ambassador’ for the Union, and would be perceived as such by Central Asians.

The EU as a major donor should be mindful that if the current trends continue, a long-term aid dependency might emerge in Central Asia. In the same way as low-income African countries, Kyrgyzstan and Tajikistan are such candidates. While these trends are still reversible, efforts to prevent physical and social demodernisation should be stepped up.

While there is disagreement on the whole issue of ‘democratisation’, it may be worth investing in social values which have a constituency among Central Asian societies, such as gender, minority issues, education and culture.

An approach to regional cooperation

A regional cooperation approach does not have to be promoted as a value in its own right, but only as a tool to solve practical problems. Artificiality in the approach needs to be avoided, recognising that there are no common incentives and opportunities in Central Asia, unlike, say, in Eastern Europe. The EU should be mindful of its limitations in being a driving force behind regional cooperation. While the latter remains a valid long-term goal, given the political realities of the region and the state of its countries in the post-

independence period, it does not need to inform most policy initiatives or assistance programmes at this stage. The end goal can be maintained and strengthened in such dimensions as shared culture and education, while reckoning with the reality of political obstacles to practical projects.

Rethinking is needed concerning:

- ▶ The tendency to view Central Asia as an integrated region where the same problems require the same solutions;
- ▶ Investment in structures meant for ‘regional cooperation’, which often leads to competition for ‘leadership’;
- ▶ The efforts to solve the sharing of resources (water and energy) and infrastructural problems in a regional format, unless there are viable chances for success.
- ▶ The assumption that solving a practical issue leads to a general improvement in wider political relations: the opening of a physical bridge does not necessarily mean a metaphorical bridge towards peace.
- ▶ Cross-border activities are best viewed in their own right rather than presented in the context of a regional format. Cross-border work such as regulation of the shuttle trade or of local resource-sharing disputes is important for the communities, but does not resolve wider issues of border and trade regimes.

What may be more feasible in future?

- ▶ To identify two/three practical issues on which bilateral cooperation can develop and expand the format of such cooperation, where possible, but not against the wishes of the prospective participants.
- ▶ To utilise the regional cooperation organisations, led by Russia and China, such as SCO and EurAsEC, to raise the standards of good governance and of the orderly process of dispute resolution.
- ▶ To explore how the EU can help those who suffer most from the lack of cooperation, i.e. Tajikistan and Kyrgyzstan. It may be necessary to state openly what is implicitly understood: a need to insulate Tajikistan and Kyrgyzstan from Uzbekistan’s obstinacy, ending cross-border projects with it which achieve little and only demonstrate to citizens how powerless the Westerners are.

- To tackle the issue of Uzbekistan's non-cooperation with its weaker neighbours. For instance, alternative roads bypassing Uzbekistan may need to be built. This may include opening options for energy supply and engagements through multilateral organisations.

Linking with Afghanistan

A crucial reason for EU engagement in Central Asia in the first instance was Afghanistan. However, in the main, member states only paid attention to the Central Asia/Afghanistan angle once they had their military contingents across the border, especially in the case of Germany, France and the UK. Otherwise, the overall EU vision is ambiguous. Central Asia is not regarded as a part of South Asia together with Iran, Afghanistan and Pakistan, although restructuring in the Commission should enable more programming with Afghanistan in future. Although placing Central Asia together with Afghanistan, as the US has done, may be premature, because the EU engagements with the two are quite different, more active linkages between the EUSRs and EU Delegations in Central Asia and in Afghanistan could be developed. The EU has already started to factor in Afghanistan in its programming in Central Asia, and vice versa, such as in the context of border management, but this dimension can be strengthened further by building political linkages.

Four areas are important:

1. The NATO/ISAF presence in the north of Afghanistan is in for the long haul, and many EU countries have deployed contingents within it. This will require a degree of military and security cooperation with the Central Asian governments, e.g. over flight rights and supplies routes, which means that political relations have to be maintained. Meanwhile Uzbekistan's Foreign Ministry has informed the German government that Germany could lose its base in Termez, Uzbekistan, if it fails to invest \$24 million in local infrastructure.³²²

322. The German foundation Friedrich Ebert Stiftung has been practically the only foreign organisation still registered in Uzbekistan which continues dialogue. German parliamentarians Hedi Wegener and Wolf Bauer visited Uzbekistan in February 2006 in an effort to ease tensions. Radio Free Europe *Central Asia Report*, vol. 6, no. 5, 10 February 2006.

2. Drugs from Afghanistan affect both the EU and Russia, but cooperation between the two in this dimension is insufficient and needs to be stepped up.
3. The Turkmen/Afghan border is a big unknown. The ability of international security officials to work productively with national counterparts in Turkmenistan has so far proved to be extremely limited. But perhaps better opportunities exist on the Afghan side of the border, where NATO/ISAF expanded its presence in 2005.
4. The EU needs to develop an analytical perspective on Central Asia in the context of the future of Afghanistan. This means more analysis on how developments in Afghanistan would affect Central Asia, such as population growth, long-term presence of NATO forces, requirements for the supply of troops, development of the Afghan economy, and transport infrastructure. It may be worth commissioning research on trends and scenarios for Afghanistan, and their implications for Central Asia.

Engagement with Russia

The Great Game dynamic that has unfolded between Russia and the West has been ill suited to driving the EU security agenda forward. If such a trend continues, the Central Asian leaders will be increasingly tempted to turn to a rival suitor when relations with one or the other become politically expedient. Russia carries considerable weight in Central Asia and its long-term interests do not contradict those of the EU. Attempts to create a security system in which Russia is marginalised are counterproductive and likely to backfire. Only working together – in parallel or in cooperation – towards the same broad goals can create a favourable climate for engagement. This does not mean that the EU could or should see eye-to-eye with Russia on everything and establish an ‘eternal friendship’ with Moscow. Andijan has exposed the limits to cooperation. There is a divergence in terms of the stance on electoral standards and human rights, intrinsic to the EU identity, while Russia has its own concerns that it feels the EU does not acknowledge. However, an issue-based engagement is possible and desirable. For this, some attitudes may need to be reconsidered:

principally, a tendency to view all previous developments in Central Asia as a waste ('now let's do everything the Western way'), a belief that Russia is irrelevant and has no role in the region, and an inclination to see Russia's initiatives as potentially ineffective and doomed to failure. In order to engage in a strategic dialogue, the EU does not have to accept Russia's positions on every political issue, but should rather take into account Russia's assets, such as its regional expertise.

Thus, the trend of falling-out with Russia over Central Asia needs to be reversed, and common interests and entry points have to be identified, such as:

- ▶ Dialogue on the security of Central Asia in relation to Afghanistan, especially concerning drug trafficking;
- ▶ Good governance in the economic sphere and investment climate;
- ▶ Working together for stabilisation and state-building in Kyrgyzstan;
- ▶ Combined efforts to secure common social values, such as education standards, rights of minorities, gender equality;
- ▶ Exploring how Russia can be involved in TRACECA and other EU regional programmes, while the EU can make links with EurAsEC and SCO.

Fundamentally, Russia needs the EU and would not want to fall out with it over Central Asia. However, there is an inherited tension between Russia's focus on pragmatically defined interests and the EU's preoccupation with liberal values, which makes the dialogue difficult at times.³²³ A suitable role for the EUSR would be to initiate an informal political dialogue with Russian experts and policy-makers to explore how mutually acceptable approaches can be elaborated.

Engagement with partners in the West

The transatlantic dimension is important, since the EU and the US share much of the same agenda, especially when it comes to international intervention in Afghanistan and anti-terrorism. The US role in provision of military assistance to Central Asia has been substantive as compared to that of the EU member states; this is also true of its development assistance which enjoys high visibility

323. Dov Lynch, 'Struggling with an indispensable partner', in Dov Lynch, (ed.) 'What Russia Sees', *Chaillot Paper* no. 74 (Paris: EU Institute for Security Studies, 2005), pp.121-22.

compared to that of the EU. However, having a high profile comes at a price: the US carries an enormous symbolic weight, and its war in Iraq and pressure on Iran appear to be in contradiction with the peaceful message it seeks to promote in Central Asia. The EU should be mindful of the effect that the Bush Administration has upon the Islamic world – not least in Central Asia – and also of its limited power to influence the US current stance. Instead, it should seek better coordination on a level of practical policy to avoid parallelism in security and development engagements.

NATO, by the same token as the US, due to the legacy of the Cold War carries a disproportionate symbolic weight in the region, although the actual extent of engagement via NATO's Partnership for Peace programme has been quite limited.

Presently, the EU intends to use the OSCE for its Central Asia policy. The organisation is important for the Union, as twenty-five out of the fifty-five OSCE states are members of the EU which contributes 70% of its budget. The EU's intention to use the OSCE as a policy framework for its engagement with Central Asian states may need to be reassessed. Arguably, this is not going to be as effective as it might have been five years ago, for the following reasons:

- There are stark disagreements between the OSCE and the Central Asian governments on what the organisation should do: lead on political matters, electoral monitoring and human rights, or pursue economic and social projects;
- The OSCE no longer functions as an inclusive forum, given the opposition of Russia and its allies, and the US preference to act through a 'coalition of the willing'. Decision-making by consensus means that the process is slow, subject to veto and ultimately it is unclear who is in charge;
- Field missions are severely constrained by the mandates approved by the governments, leaving them little room for manoeuvre. Moreover, choosing staff on the basis of balancing nationalities meant that the quality of appointments has been uneven;
- Some bridges between the sides have been burnt which would take time to repair, and the atmosphere has not been conducive for a meaningful dialogue.

It may be more useful for the EU to learn useful lessons from the OSCE experience and apply its best practice. Jan Kubis with his OSCE background is uniquely well placed to do this.

Ownership and communication

Interaction among EU stakeholders

EU policies work better when they are supported by the member states. It is worth further refining the process of their engagement. It is not realistic to expect that all twenty-five EU members will have an active interest in Central Asia, but some of them do. Such member states have perspectives on these countries and capabilities to intervene. At the same time, none of the member states has strong vested interests in Central Asia due to historical reasons. This is helpful for the formation of CFSP towards Central Asia and pulling efforts together in the same direction.

Interested member states can be more involved in consultations on strategy and policy formulation over Central Asia. It is important to go through such consultation when a new Strategy Paper is being prepared. Otherwise, when the approaches are largely defined, discussion centres on technicalities. What is needed is more ‘meeting of minds’ to produce a better sense of ownership. The EUSR can facilitate the consultation process to help the member states articulate their needs and interests.

Local ownership

The ownership by the Central Asian states of interaction with the EU has been insufficient. This needs to be improved; otherwise the engagement risks becoming a one-way street. But to increase local ownership, the EU would have to do two things: take into account the political realities of Central Asia (outlined in this Paper) and patiently listen to what the states have to say about their needs and priorities. These include a straightforward development agenda, such as building roads to go from the south to the north, investment in infrastructure, and rehabilitation of schools and hospitals. Even if the EU does not agree with everything or cannot respond to the vast needs of the region, acknowledging the validity of the local perspectives is already a step forward. Moreover, if the EU could play more of a policy-coordination role at least within Europe, some requests that appear huge could be tackled by the concerted efforts of a number of external players.

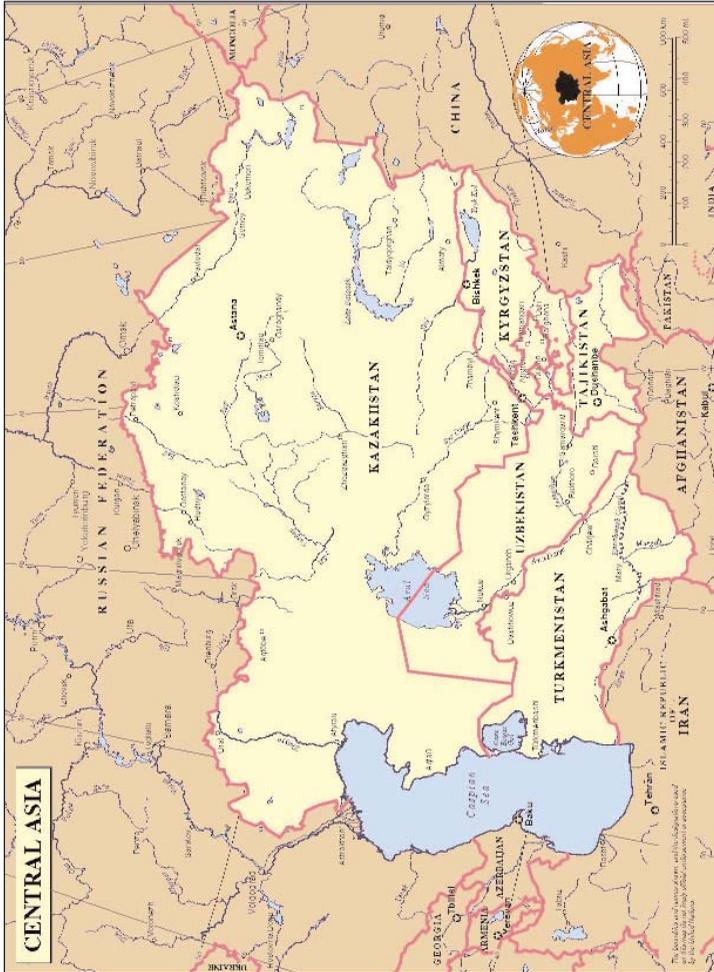
The tone of the discourse

Central Asia is one of the Muslim regions where 'Europeanness' is a pole of attraction, and the EU is still held in high esteem, despite an understanding that membership of the Union is not an option for countries in this region. There is generally enough goodwill there towards European culture and values. For example, the Danish cartoon row of 2005/early 2006 did not appear to generate anti-Western sentiment in Central Asia, unlike in the other parts of the Islamic world.

It would be a great loss if the EU's patronising and moralistic tone started to produce an alienating effect. The tone of the discourse with Central Asians needs to become subtler in order to make dialogue possible. At present, both sides are locked in their own discourse, resembling two parallel monologues. From the perspective of Central Asian states, the meaning of value-based 'democratisation' language is lost because it is seen as steered against them. They feel that they are being lectured on what the right values are and how to go about acquiring them. The EU will have to come to terms with the fact that its ability to win 'the hearts and minds' of Central Asians through moralistic arguments has a shrinking audience, and it should not be oblivious to regional perceptions of neo-imperialist 'Western ideology'. The democratisation discourse needs to be qualified against the reality that the EU's chances of influencing internal political processes in Central Asia are limited. Adopting the high moral ground is counterproductive and only leads to frustration. If the EU moves its discussions with Central Asians onto a more manageable level of shared aspirations and concerns, there may be better chances for success.

Map

Central Asia



Source: United Nations Department of Peacekeeping Operations Cartographic Section, Map No. 3763 Rev.6, June 2005.

Abbreviations

ADB	Asian Development Bank
AKDN	Aga-Khan Development Network
BOMCA/CADAP	Border Management in Central Asia/Central Asia Drug Action Programme
CA	Central Asia
CAREC	Central Asia Regional Economic Cooperation
CARICC	Central Asia Regional Information and Coordination Centre
CFSP	Common Foreign and Security Policy
CIS	Commonwealth of Independent States
CSTO	Collective Security Treaty Organisation (Tashkent Treaty)
DG	Directorate General
DIPECHO	Disaster Preparedness Programme of the ECHO
EC	European Commission
ECHO	European Commission Humanitarian Office
EIDHR	European Initiative for Democracy and Human Rights
ENP	European Neighbourhood Policy
ESDP	European Security and Defence Policy
EurAsEC	Eurasian Economic Community
EUSR	European Union Special Representative
FDI	Foreign Direct Investment
FSP	Food Security Programme
GU(U)AM	Georgia, Ukraine, (Uzbekistan), Azerbaijan, Moldova
HCNM	OSCE High Commissioner on National Minorities
HuT	<i>Hizb-ut-Tahrir al-Islami</i> (Party of Islamic Liberation)
IFI	International financial institutions
IMU	Islamic Movement of Uzbekistan
INOGATE	Interstate Oil and Gas Transport to Europe
IP	Indicative Programme
IRP	Islamic Renaissance Party
ISAF	International Security Assistance Force (NATO in Afghanistan)
JICA	Japanese International Cooperation Agency
NATO	North Atlantic Treaty Organisation
NGO	Non-governmental organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OSCE	Organisation for Security and Cooperation in Europe

PCA	Partnership and Cooperation Agreement
PRSP	Poverty Reduction Strategy Paper
RAO UES	Russia's United Energy Company
RRM	Rapid Reaction Mechanism
RusAl	Russian Aluminium Company
SCO	Shanghai Cooperation Organisation
SSR	Security Sector Reform
TACIS	Technical Assistance to the Commonwealth of Independent States
TRACECA	Transport Corridor Europe-Caucasus-Asia
UES	United Energy Systems
UNDP	United Nations Development Programme
UNODC	United Nations Office on Drugs and Crime
USAID	United States Agency for International Development
UTO	United Tajik Opposition
WTO	World Trade Organisation

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For much of the 1990s, Central Asia was not on the EU radar screen, as the Union was preoccupied with more urgent priorities, such as the Balkans. Lately, however, it has started to matter for the EU. The ongoing European military commitment in Afghanistan, the events in Andijan in Uzbekistan, the violent change of power in Kyrgyzstan – all of these highlight a highly volatile region. This *Chaillot Paper* seeks to help the EU understand the region better, to define EU priorities and interests and explore how and where the EU should act.

Being the poorest and most remote parts of the USSR, the five republics of Central Asia – Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan – were an international backwater throughout the 1990s. The region rose to prominence first through the involvement of the energy companies, and thanks to the activities of multilateral organisations such as the UN and OSCE. Although the region has achieved some notable successes in peace and stability, state fragility is a real problem and creates a potential for chaos. In particular, the situation in Afghanistan, in whose neighbourhood the new states lie, provides channels for negative and dangerous developments affecting the region such as *jihadi* ideology, drug trafficking and organised crime.

The key threats that the *European Security Strategy* outlines – terrorism, regional conflicts, state failure and organised crime – are all relevant to Central Asia. The EU now aspires to make its engagement in Central Asia more strategic, and in this context its appointment of a new Special Representative (EUSR) for the region is significant. In support of a rising EU profile, this *Chaillot Paper* explores how and in which areas the Union may become more active in the region.

published by
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