

SECURITY CHALLENGES IN CENTRAL ASIA RUSSIAN-LANGUAGE PUBLICATIONS CONTENTS DIGEST

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We hereby present the eleventh issue of the Russian and Persian language publication digest on regional security challenges in Central Asia. This issue focusses upon several important trends, which may determine the balance of power and shape the political, economic, linguistic and demographic situation in the region in 2019.

We shall examine Washington's renewed historical attempt to build a foothold for its long-term political, military and economic presence in Central Asia; China's potential dividends from the coupling of the "One Belt, One Road" initiative; the Eurasian Economic Union (EAEU); and directing Chinese investments in the Eurasian integration processes. In addition, this issue of the digest shall touch upon Central Asian labour migration, economic liberalisation in Uzbekistan, the emigration of Slavs from Kazakhstan, and key trends in the Kazakh linguistic field.

In the next issues of our digest we will continue reviewing the above-mentioned topics, as well as other regional challenges covered by targeted foreign media. The views and opinions of the authors do not necessarily reflect the position of the Konrad-Adenauer Foundation.

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The U.S. in Central Asia: How to detach this region from Russia and China?

*Alexei Pakholin,
Expert on Central Asian Issues (Russia)*

According to Alexei Pakholin, Central Asia remains the only macro-region of the former USSR – a region in which Washington does not have satellite countries, and where it is eager to gain a foothold. Pakholin considers that the U.S. – following the logic of geopolitical competition with Russia and China – is struggling in its attempts to unite five Central Asian countries into a form of union under the U.S. umbrella. In the context of this game, American strategists have high expectations from U.S. – Uzbekistan cooperation.

However, as the Russian expert notes, the plans to create a U.S.-led regional structure are just a fantasy, since the political systems and economies of Central Asian countries have become too different since the collapse of the USSR. Kazakhstan and Kyrgyzstan are members of the EAEU and the Collective Security Treaty Organisation (CSTO). Tajikistan is included only in CSTO, and does not plan to join the EAEU. Turkmenistan and Uzbekistan, meanwhile, prefer to stick to a policy of neutrality. Four of the five regional countries, excepting Turkmenistan, are Shanghai Cooperation Organisation (SCO) members. Considering these disparities, it is almost impossible to unite them within a regional structure with common objectives.

Moreover, Pakholin warns that friendship with the U.S. always leads to unfavourable consequences for post-Soviet countries. He cites the example of once rich Ukraine, which today is a country with a regressing economy, a shrinking population, ethnic complications, and a smouldering war in the Donbass.

<https://www.fondsk.ru/news/2019/01/25/us-v-centralnoj-azii-kak-otorvat-etot-region-ot-rossii-i-kitaya-47500.html>

The EAEU and the Silk Road Interface: China is Changing its Strategy

*Vladimir Nezhdanov,
Expert with the Moscow-based Centre
for the Study of Integration Prospects (Russia)*

Vladimir Nezhdanov considers that Beijing's recent proposal to intensify cooperation between the Eurasian Economic Union and the "One Belt, One Road" initiative (OBOR) on international issues, energy and innovative technologies is primarily aimed to stimulate the faster growth of the Chinese economy. In Nezhdanov's opinion, the Chinese understand that by putting money towards the EAEU and fostering its economic growth and potential, they will ultimately make OBOR one of the key beneficiaries of their investments. Therefore, it is not a coincidence that Beijing recently granted 10 billion USD to a Russian government-owned "Vnesheconombank" to deepen integration processes within the EAEU.

At the same time, Nezhdanov notes that it is unclear how Beijing is going to cooperate with the EAEU on international matters, as this organisation is purely an economic union and its supranational authorities don't have jurisdiction to engage in dialogue on international politics. He also pays attention to Beijing's specific perception of the EAEU as primarily a Russian project, and not as an organism in its own right, made up of several members having equal voices. For Beijing, the EAEU is the Russian version of the OBOR, which can serve as one more pillar to develop Chinese – Russian collaboration. That's why, as Nezhdanov states, China's proposal to accelerate the interface between these two projects can be largely interpreted as a desire to widen cooperation between Moscow and Beijing.

<http://eurasia.expert/sopryazhenie-eaes-i-shelkovogo-puti-kitay-menyaet-strategiyu/>

Russia Remains the Primary Destination for Labour Migration from Central Asia

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*Regnum Information Agency (Russia),
News website "UPL24" (Uzbekistan),
Analytical project "Ritm Eurasia" (Russia)*

Sergey Abashin, Professor of the European University at St. Petersburg, notes that Russia is still one of the most accessible and attractive labour markets for the citizens of Kyrgyzstan, Tajikistan and Uzbekistan due both to the lack of a visa regime and the geographical proximity. Russia is a big economy and remains able to take plenty of workers.

His statements are confirmed by statistical data. According to the Ministry of Employment and Labour Relations of Uzbekistan, almost 2.6 million people left Uzbekistan for work in 2018, of whom nearly 80 percent left for Russia. The second most popular destination was Kazakhstan, which received 15 percent of Uzbek labour migrants. The rest chose South Korea and Turkey. Most labour migrants were residents of the cities of Samarkand, Andijan, Fergana and Namangan.

Uzbekistan has also become a leader among the CIS countries in terms of remittances sent back to the home country from Russia. For the first three quarters of 2018, labour migrants sent home about 3.05 billion USD. According to the forecast of the Ministry of Employment and Labour Relations of Uzbekistan, labour migrants' remittances to Uzbekistan may grow to 7.2 billion USD by 2021.

Tajikistan ranked second in terms of the number of labour migrants in Russia - 780 thousand people, who in the first nine months of 2018 sent home 1.938 billion USD. Kyrgyzstan, meanwhile, has over 640 thousand of its citizens working in Russia. The amount of their remittances in 2017 reached 2.21 billion USD, and they brought the same amount to Kyrgyzstan in cash.

<https://regnum.ru/news/2540016.html>

<https://upl.uz/policy/9600-news.html>

<https://www.ritm Eurasia.org/news--2018-12-16--uzbekistan-ostalsja-liderom-v-sng-po-perevodam-deneg-iz-rossii-40124>

<https://www.ritm Eurasia.org/news--2018-12-01--migranty-iz-uzbekistana-k-2021-godu-budut-otpravljat-bolshe-deneg-na-rodinu-39886>

<https://regnum.ru/news/2570999.html>

Uzbekistan Enters the International Debt Market

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*News website "Gazeta.Uz" (Uzbekistan),
News website "Spot.Uz" (Uzbekistan)*

Uzbekistan continues to implement its strategy of integration into the world economy. In February 2019, Tashkent sold 1 billion USD of 5- and 10-year Eurobonds in its first foray into international debt markets. According to the Uzbek Ministry of Finance, the maturity dates of the debt bonds are set for February 2024 and 2029.

Investor demand exceeded the placement volume by almost four times, and amounted to 3.8 billion USD on the eve of the closure. Most of the 5 and 10-year papers were bought by investors from the UK - 39% and 32%, respectively; American investors accounted for 23% and 31%; investors from continental Europe, for 32% and 27%; and investors from Asian countries, the Middle East and North Africa, for 6% and 10%. The main buyers were management funds, at 75% and 78%, as well insurance companies, pension funds and banks.

Along with this, Minister of Finance Jamshid Kuchkarov has said that Uzbekistan plans to reduce the share of gold in its foreign exchange reserves and buy U.S. treasuries instead. This is due to the desire of Tashkent to diversify methods of managing their reserves. Currently, half of Uzbekistan's reserves are stored in gold.

www.gazeta.uz/ru/2019/02/14/eurobonds/
www.spot.uz/ru/2019/02/15/usa/

Reforms are Targeting Uzbek State-Owned Flagships

News website "Gazeta.Uz" (Uzbekistan)

Uzbekistan is preparing for the unprecedented attraction of private capital in key state-owned enterprises. According to Finance Minister Jamshid Kuchkarov, in 2019, the leading producer of electricity "Uzbekenergo" will be divided into two parts – electricity generation and electricity transmission divisions – and part of the company will be open for private investment through public-private partnership.

The preparation process for the privatisation of three flagships of Uzbek industry – the "Navoi Mining and Metallurgical Combine" (NMMC), the "Almalyk Mining and Metallurgical Combine (AGMK), and "Uzmetkombinat" – will also be launched. NMMC will be divided into two parts – a state-owned enterprise for the extraction and processing of uranium, and a joint-stock company for the extraction and processing of precious metals. The state stake in the newly created joint-stock company will be transferred in trust to professional management companies on a competitive basis until December 1, 2019.

In addition, a republican commission will be created to reform the mining and metallurgical industry. The commission should develop a concept for reforming and developing the industry's largest enterprises, and attracting investors exclusively through initial (IPO) and secondary (SPO) public offerings on domestic and international stock markets. To

increase the attractiveness of investing in these enterprises' shares, Uzbekistan will cease their policy of secrecy with regard to produced and sold gold volumes.

The government is gearing up to launch the privatisation of non-agricultural land plots by Uzbek legal entities and individuals from July 1, 2019. The money obtained from the privatisation of land plots will be accumulated in the Urban Development Fund under the Ministry of Economy and Industry.

<https://www.gazeta.uz/ru/2019/01/19/mining/>

<https://www.gazeta.uz/ru/2019/01/11/land/>

Sociologists: Slavs are Leaving Kazakhstan

*Amina Jalilova,
Journalist (Kazakhstan)*

Over the past ten years, according to official data, more than 300 thousand people left Kazakhstan. These are mainly representatives of Slavic ethnic groups. About 70% of them are people of working age with higher education. Experts note that the main reasons for their emigration are the competition in labour markets, frustration with corruption, the lack of social mobility, the growth of nationalist sentiments, poor social infrastructure and the administrative pressure on business.

Irina Chernykh, Chief Research Fellow at the Kazakhstan Institute for Strategic Studies, notes a significant decline in the quality of human capital in Kazakhstan due to the "brain drain". The trend of increasing youth migration from Kazakhstan is also alarming, since, when leaving to study abroad, young people often remain there, setting up permanent residence.

She also emphasises the so-called "deferred migration potential", which occurs when people try not to make long-term economic and intellectual investments in their home country, such as with the purchase of real estate, opening their own business, learning the state language, or participating in creative social activities, because they want to maintain increased mobility in case of a sharp deterioration of the situation in their country.

Marat Shibutov, political analyst, member of the public council of Almaty, indicates that Kazakhstan has begun to generate labour migration flows, and that since the 2008 crisis there has been a decrease in the growth of available jobs. Labour migrants predominantly leave for work to the EAEU countries and South Korea. Their number has already exceeded 100 thousand people.

<https://eodaily.com/ru/news/2019/02/14/iz-kazahstana-uezzhayut-preimushchestvenno-slavyane>

Why No one Wants to Learn the Kazakh Language

*Saule Isabaeva,
Journalist of "Central Asia Monitor" newspaper (Kazakhstan)*

According to Askhat Asylbekov, a Kazakh public figure and journalist, even thirty years following the fall of the USSR the majority of Russian-speaking citizens don't want to learn the Kazakh language, and so the indignation of Kazakh national patriots is quite understandable. Instead, they prefer to learn foreign languages. Kazakh nationals see how the Russians try to learn English, and how much they invest in it, and this contrasts sharply with their absolute passivity in learning Kazakh. In Asylbekov's opinion, the main reason for this lies in the lack of economic need for learning the state language, since Russian and English dominate in the main sectors of the national economy. The role of the Chinese is also growing.

Asylbekov points out that another reason for the Russian reluctance to learn the Kazakh language might be the preservation of their imperial consciousness and the dominance of Russian media in Kazakhstan's information space, which are increasingly pushing ideas of USSR reincarnation. At the same time, the Kazakh expert believes that the growing role of English and Chinese will gradually narrow the Russian language space in Kazakhstan, and will lead to an overall decrease in the number of Russian speakers in the foreseeable future.

<https://camonitor.kz/32538-kazahskiy-yazyk-nikto-ne-hotel-izuchat.html>