

**SECURITY CHALLENGES IN CENTRAL ASIA
RUSSIAN-LANGUAGE PUBLICATIONS CONTENTS DIGEST**

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We hereby present the ninth issue of the Russian and Persian language publication digest on regional security challenges in Central Asia. This issue is dedicated to the analysis of certain economic, financial and energy processes in Central Asia, which are currently dynamically unfolding. These processes are, in turn, raising a whole range of important questions on the future of the regional situation.

One of the events potentially capable of changing the regional situation is Russian President Vladimir Putin's visit to Uzbekistan. This resulted in the signing of a few hundred agreements and the construction launch of the first nuclear power plant in Central Asia.

The bilateral agreements are aimed not only to further cement Russia-Uzbekistan relations, but also to sustain the dynamics of Russian regional policy. This all occurs within a context of escalating trade wars between the members of the Moscow-led Eurasian Economic Union (EEU) and the renaissance of the Trans-Caspian pipeline project, which has rekindled competition over Turkmen natural gas between Russia and the West. The Kremlin direly needs to retain its leading role in Central Asia since it views this region as an important foothold from which to start its efforts towards the 'dedollarisation' of Russian trade with Eurasian states. We shall additionally touch upon the ongoing disputes over the possible introduction of a visa-free regime by Kyrgyzstan for Chinese citizens, as well as upon the problem of youth Islamisation in urban Kazakhstan.

In the next issues of our digest we will continue reviewing the above-mentioned issues, 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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To win Uzbekistan away from the West, Russia will pay billions of dollars

*Sergey Aksenov
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The attention of Russian and Central Asian experts was gripped by Vladimir Putin's visit to Uzbekistan, owing to the unprecedented bilateral economic outcomes thereof. The parties reportedly signed the economic cooperation programme for 2019-2024 as well as 800 bilateral agreements worth nearly 27 billion USD, of which 21 billion USD would be comprised of Russia's direct investments in Uzbekistan. Russia and Uzbekistan agreed to set up 79 green-field joint enterprises, two dozen new trading houses and 10 logistic centres. The largest bilateral project will be the construction of the 2.4 MW nuclear power plant (NPP), which

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should provide Uzbekistan with low-cost electricity. The project will be carried out by the Russian Rosatom State Nuclear Energy Corporation. The Uzbek branch of the Russian Dmitry Mendeleev University of Chemical Technology will undertake the task of preparing specialists for the future NPP.

Andrei Grozin, Head of the Department of Central Asia and Kazakhstan at the Institute of CIS (Commonwealth of Independent States) Countries, believes that Uzbekistan, with its rapidly growing population, presents potentially lucrative economic prospects for Russian businesses, particularly retail chains and agricultural companies. His opinion is corroborated by statistical information, as per which, the Russian-Uzbek trade turnover skyrocketed by 20 percent to 5 billion USD due to the green corridor for the Uzbek fruit and vegetable products opened after President Mirziyoyev's visit to Russia in April 2017. Grozin also views Uzbekistan as a prospective market for Russian high-end products. He especially emphasises the importance of the visit of 80 Russian university rectors to Uzbekistan for the launch of the personnel training programmes, a project which aims to increase the quality of the Uzbek labour force while also enabling the Russian language expansion in this country.

<https://svpressa.ru/politic/article/213604/>

Trade wars within Putin's Union

Information and analytical portal "Haqqin" (Azerbaijan)

The members of the Eurasian Economic Union (EAEU) are currently engaging in trade wars with one another. In each independent case the countries in question are pursuing either political objectives or their own commercial interests, and ignoring the common interests of the EAEU countries taken as a whole. Given this backdrop, experts are increasingly saying that the EAEU is becoming anachronistic.

According to Dmitry Oreshkin, a political scientist and member of the Presidential Council on the Development of Civil Society and Human Rights (Russia), the thorniest challenge for the EAEU is that Russia and other member states have different perceptions and needs regarding the Union: Moscow, when creating the EAEU, was largely guided by a need for security and defence; Astana and Minsk, meanwhile, saw the EAEU as an economic union; Kyrgyzstan needed access to Russia's economic and financial aid; and Armenia, which is engaged in the Karabakh conflict, needed Russian protection, as well as financial and economic support.

According to Oreshkin, it was already obvious from the very beginning that effective economic mechanisms had not been laid down in the EAEU foundation. There is, thus, no clear goal such as a common market, or free movement of goods, services and capital between the participants of the Union. One more factor that weakens the Union is the presence of Western sanctions against Russia due to which Moscow is forced to reduce its financial support to Erevan and Bishkek.

<https://haqqin.az/dictatorship/138217>

Should Gazprom be afraid of new competitors in Europe?

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*Olga Samofalova,
Journalist of business newspaper "Vzglyad" (Russia)*

The signing of the Convention on the legal status of the Caspian Sea on 12 August 2018 by the presidents of Russia, Kazakhstan, Azerbaijan, Iran and Turkmenistan revived the issue of building the Trans-Caspian Gas Pipeline (TCGP), which is intended to supply Turkmen gas to the EU. This then raised again the question on the real ability of Ashgabat to become a competitor to Gazprom on the European energy market.

A leading analyst of the National Energy Security Fund, Igor Yushkov, considers Ashgabat to be a potential competitor to Gazprom in Europe, given a long-held wish of the EU to build the TCGP and also given Turkmenistan's huge gas reserves. However, he notes, the future of the TCGP remains uncertain, since it is not clear whether Turkmenistan has free gas volumes for export to Europe at all. Yushkov further noted that last winter there were interruptions in supply of Turkmen gas to China. Another hurdle for launching gas supplies to the EU will be the position of Russia and Iran. According to the Caspian Convention, they can veto any infrastructure project that threatens the ecology of the Caspian Sea. Yushkov is confident that, if necessary, Moscow and Tehran will be ready to use their veto power.

<https://vz.ru/economy/2018/10/23/947393.html>

If Russia abandons the dollar: consequences for the Eurasian Union

*Dmitry Evstafiev,
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(Russia)*

Evstafiev postulates that the dollar's gradual loss of key functions reflects a whole range of global trends, first amongst which, the accelerating regionalisation of the world economy as a result of global and regional trade wars. Given the weight of Russia in the Eurasian economy, even a partial abandonment of the use of U.S. currency in its foreign transactions will have a substantial impact on the economic situation in the countries of Eurasia.

Evstafiev further points out the regions in which the Russian dedollarisation policy can be the most successful. The first is the Caspian region, where Russia and Iran are obviously interested in decreasing the role of the dollar due to the ever-expanding U.S. sanctions under which both countries labour. Dedollarised clusters also may appear within the framework of the "One Belt – One Road" project.

Additionally, one of the primary and most natural fields in which to carry out the Russian pilot dedollarisation projects is the Eurasian Union. However, to achieve this, Moscow will have to take into consideration

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several potential difficulties it may face if it starts talking dedollarisation with the Eurasian countries' elites.

First of all, for all post-Soviet political elites any suggestion of their possible abandonment of the dollar can cause a significant crisis in their relations with Washington. Local elites can also face the threat of the breakdown of functioning internal systems that maintain a balance of domestic clan and lobbying interests if they suddenly decide to reformat the commercial transactions infrastructure and give up the policy of investing revenue in dollar-denominated assets.

Local elites will also need to create non-dollar payment systems. However, many of the Eurasian countries do not have the appropriate modern technologies and therefore will be forced to seek help from Russia, which will, at a minimum, mean recognition of its leading role as a country with the most advanced technological solutions in this field. However, the recognition of Russia's leading role is a rather sensitive issue for independent local elites.

Evstafiev opines that the dedollarisation of Eurasia will have a forced nature and will likely be initiated with a delay as a response to crises in the global economy. Given these considerations, the fast elaboration of a single dedollarisation policy by Eurasian countries looks unlikely. Nevertheless, Evstafiev suggests that an organisational and legal framework ought to be created today in order to minimise the potential damage in future.

<http://eurasia.expert/esli-rossiya-otkazhetsya-ot-dollar-posledstviya-dlya-postsovetskogo-prostranstva/>

Kyrgyzstan is financially vulnerable to China

*Information and analytical website "Stanradar" (Kyrgyzstan),
"Sputnik" news agency (Russia)*

Kyrgyz politicians and economists are widely discussing the issue of abolishing visas for the Chinese. The discussion was initiated by a deputy of the Jogorku Kenesh (Parliament), Mahabat Mavlyanova, who believes that a visa-free regime with Beijing will positively affect the national tourism industry. Her initiative has gained the support of the Ministry of Economy and Kyrgyzstan's Department of Tourism, however the Kyrgyz State Committee for National Security and the Department of Migration oppose it.

The supporters of a visa-free regime argue that this will both increase the number of tourists and ease the stay of those Chinese who come to do business in Kyrgyzstan. According to the State Migration Service of Kyrgyzstan, 14,768 foreigners received work permits in 2017, 11,593 of whom were citizens of China. Supporters of this measure also emphasise that any risk of weakening cooperation between Beijing and Bishkek can change the status of Kyrgyzstan from China's partner to its debtor. This in turn would lead to a shift in Beijing's rhetoric, which might lead to the call for repayment of Kyrgyz state debt by means of natural resources. These fears have already been confirmed by the words of Xiao

Tsinghua, Ambassador of China to Kyrgyzstan, who stated that Bishkek would have to repay its debt in any case.

<http://www.stanradar.com/news/full/31492-kyrgyzstan-finansovo-ujazvim-pered-kitaem.html>

<https://ru.sputnik.kg/society/20180405/1038522494/china-kyrgyzstan-migraciya-rabota.html>

Increased religiosity of young Kazakhs: fashion or radicalisation?

*Torgyn Nurseitova,
Journalist of the Internet portal "Zakon.kz" (Kazakhstan)*

According to the Director of the Institute of Geopolitical Studies (Kazakhstan), Professor Asylbek Izbaïrov, the process of Islamisation in Kazakhstan is underway, although it hasn't yet evenly covered all strata of Kazakh society. Islamisation has mainly affected urban and urbanised young Kazakhs. This contrasts with the situation in other ethnic groups (Russians, Uzbek and others), where the level of religiosity has neither particularly grown nor fallen.

In Izbaïrov's view, the increase in religiosity of current Kazakh urban youths is the outcome of developing national self-awareness, which, he opines, is closely related to religious self-awareness. The growth in religiosity, he details, is driven by the process of urbanisation and modernisation of the Kazakh ethnos (nation) that breaks Soviet stereotypes, according to which, modernisation should lessen religiosity. Izbaïrov further asserts that a similar process is observed in many developing countries, not only in Muslim ones, where rural youth move to cities and become a part of urbanised and modern medium.

In Kazakhstan, urbanised young people are increasingly adhering to the normative forms of Islam and abandoning the syncretic forms of rural Islam (the mixture of Islam and pre-Islamic cults and beliefs) due to gaining free access to information and websites on normative Islam, for example, through smartphones.

Izbaïrov points out that an increase in Islamisation is a purely internal, organic and natural process coming from the very depths of Kazakh society, and this process has nothing to do with radicalisation. He is confident that the Islamisation of Kazakh young people should be carefully directed towards the good and channelled into creative endeavour, whereas radicalisation should come under the careful attention of special services.

<https://www.zakon.kz/4942660-religioznost-molodyh-kazahov-moda-ili.html>