

SECURITY CHALLENGES IN CENTRAL ASIA RUSSIAN-LANGUAGE PUBLICATIONS CONTENTS DIGEST

We hereby present the thirteenth issue of the Russian and Persian language publication digest on regional security challenges in Central Asia. This issue focusses upon several important events and processes, most of which reflect the growing competition amongst the various interests in the region, as well as the incremental transformation of the key actors' political and economic strategies towards Central Asia and its regional organisations.

These are: the SCO summit in Bishkek (Kyrgyzstan), which was held amid trade wars and growing geopolitical tensions between the U.S. and some SCO member and observer states, such as Russia, China, India and Iran; the beginning of Russian-Chinese cooperation on building Greater Eurasia; the reanimation of the Central Asian "New Economic Corridor" by the Asian Development Bank; dividends that Iran may reap from the creation of a free trade zone with the EAEU; the growth of Chinese clout in Kyrgyzstan's consumer sector; the long-term interests of Russia in the Turkmen gas deal; and the threat to the stability of Russia, emanating from a rapidly surging Central Asian labour migration.

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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SCO SUMMIT IN BISHKEK SOUGHT RESPONSE TO TRUMP'S ASSERTIVE POLICIES

*Dmitry Kosyrev,
Columnist, RIA Novosty (Russia)*

According to Dmitry Kosyrev, the SCO summit in Bishkek can be described as an emergency one, since it was held amid the aggravation of relations between the U.S. and a number of SCO key member and observer countries. The summit was especially important for Iran and India.

Tehran sought to receive support from Russia, China and the Central Asian countries, as it balances on the brink of a full-scale conflict with the U.S., caused by the attacks on oil tankers in the Strait of Hormuz. Washington has charged Tehran with mining oil tankers,

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although the latter considers these attacks to be anti-Iranian provocation. Kosyrev believes that Iranian President Hassan Rouhani apparently managed to get assurances that Central Asia remains a reliable backer for his country.

Indian Prime Minister Narendra Modi arrived in Bishkek to find a way out of the dire plight his country had fallen into, in view of the fact that President Trump confronted Delhi with a choice: either it refuses to buy Iranian oil and Russian S-400 surface-to-air missile systems, or it will face various trade restrictions and sanctions on military-technical cooperation with Washington.

Modi is well aware that in the event of further tightening of U.S. policy, the Indian strategy of balancing between the leading centres of power, as well as his plans to purchase modern American weapons and successfully carry out a National modernisation programme will be endangered.

The Russian expert opines that many of the SCO member countries would like to stay away from direct confrontation with the U.S., but under current conditions, when American trade policy is becoming a global challenge, this is not always possible. In this regard, it is quite obvious that the talks about tactics and further actions in the unfolding trade war will continue in various formats, such as BRICS, G20, APEC, WTO, and the UN.

<https://ru.sputnik.kg/columnists/20190616/1044720239/sammit-shos-bishkek-2019-obzor.html>

THE CONCEPT OF GREATER EURASIA IS GRADUALLY ACQUIRING CLEARER OUTLINES

*Olga Derkul,
Political analyst (Russia)*

In Olga Derkul's opinion, the successful visit of Chinese President Xi Jinping to Russia in June 2019 means that Moscow and Beijing have begun to form a new model of international relations, which has already been called the Greater Eurasia or the Eurasian Partnership. This new format of continental partnership between the Eurasian Economic Union, the CIS countries, China, India, Pakistan, and Iran was proposed by Vladimir Putin in 2016.

Greater Eurasia should become a space of peace and security, free trade based on WTO principles and new international financial rules. The key goals of the Eurasian Partnership are to lay a foundation for a just international energy order and a new technological zone, aimed at bestowing free access to 5G technologies and creating the new Internet, independent of the American special services, as well as the development of atomic, space, energy, biotechnological and resource technologies. Derkul believes that Greater Eurasia should be an alternative to U.S. hegemony and the "global chaos" caused by the actions of Washington.

<https://www.ritmeurasia.org/news--2019-06-19--bolshaja-evrazija-my-nash-my-novyj-mir-postroim-43333>

IS THE CENTRAL ASIAN “NEW ECONOMIC CORRIDOR” AN ALTERNATIVE TO EURASIAN INTEGRATION?

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*Alexei Chichkin,
Historian, Economist (Russia)*

The Asian Development Bank (ADB) reanimated the idea of the Trans-Central Asian Economic Corridor (TCAEC), which its initiators view as pivotal for region-wide integration. The “new economic corridor” will connect the cities of Shymkent, Tashkent and Khujand, as well as the adjacent regions of Kazakhstan, Uzbekistan and Tajikistan, which accounts for 15 per cent of the total population of Central Asia.

According to Alexei Chichkin, this project is probably aimed at creating a block of Central Asian countries, which may be used as an alternative to the pro-Russian EAEU. Chichkin also suggested that Washington could be behind the TCAEC reanimation, since the United States and its allies – Japan, Australia and South Korea – are the ADB’s key shareholders. Chichkin also deems that TCAEC can be supported by the Cooperation Council of Turkic Speaking States (Turkic Council), which was created by Ankara to foster closer cooperation between Turkey and the Turkic-speaking Central Asian states.

Grigory Lukyanov, Higher School of Economics expert (Russia), believes that the idea of creating a new block of Central Asian countries directly conflicts with the idea of Eurasian integration within the framework of the EAEU, and is supported by those who are desirous of a civilization break with Russia.

In turn, Aza Migranyan, Head of the Economics Department at the Institute of CIS Countries, doesn’t view the “Corridor” as a danger for the existent Eurasian integration process, and believes that various forms of interaction among the Central Asian countries will allow for fuller use to be made of the opportunities for Eurasian Economic development, taking Kazakhstan’s connecting role into account.

<https://www.ritm Eurasia.org/news--2019-06-04--novyj-ekonomicheskij-koridor-v-ca-alternativa-evrazijskoj-integracii-43021>

WHY IS A FREE TRADE ZONE WITH THE EAEU SO IMPORTANT FOR IRAN?

*Information and analytical newspaper
“Donya-e-Eqtasad” (Iran)*

The Iranian parliament ratified the agreement on the creation of a temporary free trade zone with the Eurasian Economic Union. According to Iranian experts, this will strengthen their country’s position in international trade and allow for the reaping of a number of economic dividends. First and foremost, various obstacles for the implementation of trade and investment transactions will be removed. It is projected that reductions of customs duties on 862 goods may cause an increase in Iran’s exports to the EAEU several times over, as well as of the EAEU

countries to the Islamic Republic by 75 per cent. At present, the share of the EAEU countries in Iran's foreign trade is of only 2 per cent.

Iranian analysts emphasise that the EAEU market with its USD 4 trillion of GDP at PPP, and 180 million consumers, is very attractive to Tehran. This is especially true when considering the context of U.S. sanctions. The preferential access of Iranian producers and exporters to the EAEU market will create new jobs in the national economy. In addition, the further development of bilateral trade relations can be seen a stimulus to cement Iran's position as a transit country within the framework of the North-South and East-West transport corridors.

<https://donya-e-eqtasad.com/62/3534694->

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(Translated from Farsi)

DOES KYRGYZSTAN PLAY THE ROLE OF A TRANSIT COUNTRY FOR CHINA'S GEOPOLITICAL INTERESTS?

*Alexey Baliyev,
Political analyst (Russia)*

China continues to strengthen its economic positions in Kyrgyzstan within the framework of the "One Belt – One Road" strategy. Unlike Russia, whose economic policy in Kyrgyzstan is mainly aimed at large-scale projects (hydropower, infrastructure, etc.), Beijing tries primarily to develop consumer industries and their infrastructure base. Chinese business already accounts for 70 and 40 per cent of the Kyrgyz light and food industries, respectively.

In addition, Chinese businessmen, alongside their Kyrgyz counterparts, created the so-called "Kyrgyz corridor" aimed at re-exporting Chinese consumer goods to the Russian Federation. Currently, the "Kyrgyz corridor" accounts for 40 per cent of Chinese consumer goods re-exported to the post-Soviet space, 60 per cent of which are counterfeit.

Balyev considers Chinese strategists and businessmen to be acting together in Kyrgyzstan, with a focussed strategy upon the Kyrgyz consumer sector. Balyev reminds that Beijing has already successfully tested a similar policy in Mongolia, Indochina and South Asia, which allowed it to substantially increase Chinese socio-political influence in these countries.

<https://www.ritmeurasia.org/news--2019-06-23--kirgizija-v-rol-i-tranzitera-geopoliticheskikh-interesov-kitaja-43410>

TURKMEN GAS FOR RUSSIA'S SOUTHERN REGIONS

*Ekaterina Vadimova,
Economist and political analyst (Russia)*

Gazprom resumes buying Turkmen gas, which it had stopped doing in January 2016. Currently, Turkmen gas is bought under a short-term contract, but, according to Russian Deputy Energy Minister Anatoly Yanovsky, Gazprom and Turkmenistan are completing negotiations on a new five-year contract. He clarified that the parties are discussing different options for the volume of gas purchases, and that the final decision is likely to depend on the price.

Sergei Pravosudov, Director of the National Energy Institute, believes that from an economic point of view, it is profitable for Russia to buy Central Asian gas to supply its southern regions instead of gas from the Yamalo-Nenets Autonomous Area, since Central Asia is simply closer. However, Aleksey Belogoriev from the Russian Institute of Energy and Finance suggests that the resumption of purchasing Turkmen gas is a purely political deal, since in terms of actual gas balance Russia doesn't currently need Turkmen gas.

Political analyst Mark Kalmykov deems that a gas deal became possible due to a convergence of interests between Ashgabat and Moscow. Turkmenistan is keenly interested in increasing its gas exports due to the grave economic problems it is currently experiencing. As such, Moscow's desire to strengthen its positions in this Central Asian country coincides with its own interests. This occurs against the backdrop of Beijing's growing influence and Iran's renewed interest in this gas-rich country. Russia desires not only to buy Turkmen gas, but also to enter the market for Turkmen gas projects, as well as to sell Russian oil and gas equipment to Ashgabat.

<https://oilcapital.ru/article/general/05-06-2019/turkmenskiy-gaz-dlya-rossiyskogo-yuga>

CENTRAL ASIAN LABOUR MIGRATION IS BECOMING A SERIOUS CHALLENGE FOR RUSSIA

*Alexander Shustov,
Historian, Labour migration expert (Russia)*

The flow of labour migrants from Asian countries of the CIS to Russia continues to grow, becoming an increasingly thorny challenge. According to the Ministry of Internal Affairs of the Russian Federation, the number of citizens of post-Soviet Asian countries in Russia increased by almost 800 thousand people over the past year, reaching 12.7 million – of which 8.5 million are citizens of Central Asian states. If one takes the approximately 2 million illegal migrants in Russia into account, then the number of Central Asian migrants may reach up to 10 million people. The surge in migration in 2018 was mainly due to Uzbekistan (+416.8 thousand) and Tajikistan (+224.2 thousand). Almost one third of all

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migrants are registered in Moscow and the Moscow Region, and one fifth in St. Petersburg and the Leningrad Region.

Shustov considers that the flow of labour migrants from Central Asia will most likely grow, since, in his view, Central Asian governments prefer to solve their problem of unemployment – which is due to the population boom – at the expense of the Russian labour market. However, it is clear that Russia is not in a position to provide work for the whole of Central Asia. The unemployment rate in Russia itself, according to a methodology based on the self-determination of respondents, is twice as high as official records state, and makes up about 10 per cent of the labour force. In this regard, Shustov notes, unless Moscow changes its migration policy, sooner or later it will inevitably face severe political and economic difficulties.

<https://www.ritmeurasia.org/news--2019-06-26--migracija-iz-srednej-azii-priobretaet-ugrozhajuschie-masshtaby-43461>