

**CENTRAL EURASIA AND
THE EUROPEAN UNION****EU'S CENTRAL ASIA POLICY:
THE ADOPTION OF A NEW STRATEGY PAPER
2007-2013****Nicklas NORLING**

*Project Coordinator, Joint Transatlantic Research and
Policy Center of the Central Asia-Caucasus Institute (U.S.A.) &
Silk Road Studies Program (Sweden),
Assistant Editor of the China and Eurasia Forum Quarterly
(Uppsala, Sweden)*

As Germany took over the rotating presidency of the EU in the first half of 2007 one of its primary tasks was to redirect and reform EU's Central Asia policy before the Council's adoption of a new Strategy Paper for Central Asia in June. As Germany's Presidency Program explicitly states: "The Presidency will pay particular attention to the strategically significant region of Central Asia. The EU plans to adopt a strategy on Central Asia defining its interests and objectives." Moreover, following a meeting with MEPs on 23 January, 2007, Germany's Foreign Minister Frank-Walter Steinmeier announced that Germany would launch a new "Central Asia Initiative" which would bundle together energy and

security, the two overarching interests of the EU in the region, into a single coherent strategy. It is still, as of May 2007, unclear if this initiative will complement the Regional Strategy Paper or be integrated into it. Nevertheless, the urgency of a redirection of policy could scarcely be understated considering that Europe's substantial interests in Central Asia rarely have been more evident while the absence of strategy seldom has been clearer.

According to the draft Regional Strategy Paper for Central Asia 2007-2013 the EU's strategic objectives are:¹

¹ A draft version of the Regional Strategy is available at the website of the European Commission's delegation

- 1) To ensure the stability and the security of the countries of the region;
- 2) To help eradicate poverty and increase living standards in the context of the Millennium Development Goals;
- 3) To facilitate/promote closer regional cooperation both within Central Asia and between Central Asia and the EU, particularly in the energy, transport, higher education and environmental sectors.

Let it be acknowledged that the EU has launched some well-received initiatives among which the Technical Assistance to the Commonwealth of Independent States (TACIS) perhaps is the primary one. Let it also be acknowledged that 366m Euro has been spent since 1991 (although this is only a fraction of the size of U.S. assistance) and that Central Asia has received an upswing in attention since 9/11. Still, there are some major shortcomings in the EU's strategy which Germany will need to correct in order to realize the strategic objectives above. These flaws generally relate to the EU's past policies being reactive in nature rather than proactive. This reactivism is seen in relation to Afghanistan's new role after Operation Enduring Freedom, failure to recognize the potentials in continental trade (including energy), and the tendency to disengage from the Central Asian leadership. In the words of the German FM: "As far as

to Kazakhstan [http://www.delkaz.ec.europa.eu/pr/eng/REPOSITORY_assistance/Programmes_and_Projects/Geographic/DCI/CA_CSP&IP_2007-2010/Regional_%20Strategy_Paper_%20CA_2007-13_%20rev_%20june-15-2006_En.pdf], 20 January, 2007.

our common European past is concerned I can't see any stage where people were strongly interested in this region."² In contrast to Europe's past disengagement, Germany seems to have harbored serious intentions in Central Asia as it took over the presidency. Good news is also that Germany is particularly well-positioned to undertake these reforms.

Angela Merkel's Germany is currently the strong power in Europe during a time when both France and the U.K. are changing leaderships. Germany is also the largest European donor to Central Asia. In contrast to the EU's draft strategy for 2007-2013 barely mentioning Afghanistan while downplaying the threat of Islamic fundamentalism, German FM Steinmeier has recently and repeatedly stated that these two issues coupled with energy will be the essential components in Germany's proposed strategy toward Central Asia. Energy security has also profiled big during Germany's presidency, since the adoption of the EU constitution has procrastinated. Finally, Germany has also advocated a lifting of the sanctions imposed on Uzbekistan which so far has done little but strengthened the influence of China and Russia on the Uzbek regime in the vacuum left behind by the EU's and the U.S.' disengagement after the violence in Andijan in 2005. This awkward yet necessary dialog is something which is urgently needed, since a stable and accommodative Uzbekistan is one of the most important factors for a stable and prosperous Central Asia.

² "German FM Sketches New Policy for Central Asia," *Uzreport*, 24 January, 2007.

Afghanistan's Role in Central Asia's Security and Economy

However, perhaps the most important factor influencing Central Asia's path toward stable, democratic, market economies is how things will turn in Afghanistan. Apart from Afghanistan itself, few have a greater interest in Afghanistan's stabilization than the Central Asian states. This is not only

because the drug trade running on the northern route from Afghanistan via Central Asia has pulled the rug out from under the entire state apparatuses and criminalized the fabric of Central Asian societies, but also because radical Islamism presents a persistent threat. Despite the proximity to Afghanistan, Pakistan, and its volatile Northern Areas, which currently form the world center of Islamic fundamentalism, the EU has been unwilling to recognize the Central Asian governments' fear of a spill-over effect. This is especially so in the last few years.

The Islamic threat has instead mainly been seen as an excuse for the Central Asian governments to crack-down on minorities and dissidents. For example, the draft Strategy Paper 2007-2013 states that: "The perceived threat to security from violent acts by 'illegal' opposition groups, or terrorist organizations, have come to dominate the agenda of Central Asian states. This signals a partial reverse of previous advances made with regard to the protection of human rights, particularly in Uzbekistan and Tajikistan... The conflation of Islamic fundamentalism and terrorism by some governments in particular invites further radicalization." Even if the Regional Strategy Paper acknowledges that the threat of Islamic fundamentalism should not be "underestimated" the EU does not seem serious in its intention to support Central Asia in countering it. After hearing these types of statements, the Central Asian states must have little faith in the EU's support for counter-terrorism and that assistance in improving the efficiency and professionalism of security forces will be forthcoming.

Hence, although 9/11 alerted Europe to the radicalization of the wider Central Asian region, including Afghanistan, it has mistakenly assumed that this problem has been dealt with and that the Central Asian countries should direct their attention elsewhere. This in spite of recent violent clashes between security services, border guards and armed rebels. In May 2006, for example, three Tajik border guards and a Kyrgyz customs official were killed by suspected Islamic Movement of Uzbekistan (IMU) members whose ties to al-Qa'eda and Afghanistan are proven beyond doubt.

The interconnections between radical Islam in Afghanistan, Pakistan, and Central Asia do however form a substantially larger part of Germany's agenda for Central Asia. Indeed, FM Steinmeier recently noted that even energy interests are secondary to the "instability" and "radical Islam exported northward" from Afghanistan and Pakistan to Central Asia. This realization is becoming even more urgent considering the resurrection of the Taliban, the opiate bumper crop produced in Afghanistan in 2006 nurturing militant organizations, and the fact that NATO's International Security and Assistance Force's (ISAF) has taken over command in Afghanistan from OEF. Germany and France also have bases in Central Asia supporting the operation in Afghanistan—Germany at Termez in Uzbekistan and France at Ayni-airfield in Tajikistan. In this context, the joint interests of Europe in the wider Central Asian region including Afghanistan have rarely been clearer.

If Afghanistan's threat and role in Central Asia's security has received too little attention from the EU, the case is even worse when it comes to the opportunities that Afghanistan holds for Central Asia.

The U.S. overthrow of the Taliban removed not only an extremist version of Sunni Islam from their southern borders, but it also opened prospects for the Central Asian states to pursue continental trade and open transport corridors through Afghanistan down to the Indian Ocean and beyond. This potential role for Afghanistan as a vital land bridge for Central Asia to foreign markets is not even mentioned in the EU's strategy for Central Asia, and little if any attention is given to the prospects of trading south of the former Soviet border. Besides ignoring the millennial trading ties that once existed in this region before it was colonized and subject to both Great Power contestation and proxy-wars (in the case of Afghanistan), it fails to reflect on the burgeoning trading ties currently establishing themselves across Eurasia where Afghanistan has the potential to be at the crossroads. For the first time in more than a century the land-locked Central Asian countries have the option to trade omnidirectionally and enjoy port-access in the Indian Ocean, which is far closer than their current use of Baltic ports. With the restoration of the ring-road in Afghanistan, the Karakorum highway, and nu-

merous road projects running from neighboring countries to Afghanistan pivotal cities e.g. Kandahar to Pakistan, Mazar-i-Sharif to Central Asia, and Herat to Iran, there are great potentials for this to be realized. Competition between the Iranian port of Chah Bahar and Pakistan's new Gwadar port also promises to boost efficiency and services of these outlets.

Continental Trade: China-Central Asia-Europe

The prospects for continental trade may also be of direct benefit to the EU itself, especially in its trade with China. In comparison to the sea journey from China to Europe which takes 20 to 40 days, cargo on railway from Lianyungang to Rotterdam via Central Asia could cut transport time down to a startling 11 days according to the Asian Development Bank (ADB).³ The so-called 2nd Euro-Asia land bridge also promises to create a competitive and direct trunk highway from China to Europe through Central Asia. To realize this potential, existing trade impediments need to be tackled where corruption, excessively bureaucratic procedures, and lengthy waits at borders are most troubling. In the near future, trade between China and Europe will exceed \$300 billion per year,⁴ and stifling congestions at Chinese ports combined with increasing freight rates for maritime shipments have led Chinese producers to look for alternative overland trade routes. But by far the biggest relative gains for Central Asian economies will accrue as transit revenues start pouring in and infrastructure is improved. Of the European countries, Germany is the one that has been pushing most for the development of continental trade. This has been manifested both with the launch of a transcontinental container train that runs from China to Germany and a Memorandum signed between Russia, China and Germany on continental railway freight. Yet the Central Asian states should be more involved and more efforts should be directed to raise the efficiency of the second Euro-Asia land bridge as this corridor provides the shortest route from China to Europe. The Central Asian states have already expressed great interest in this corridor, and the former Kazakh Prime Minister Danial Akhmetov launched a feasibility study to improve the Kazakh section of the China-Europe link in October 2006. Central Asia has also the potential to be an important stop-over and transit point for continental cargo flights. FedEx's use of Almaty as a regional hub and stop-over point since 2003 for continental cargo flights China-Europe is one example of this.

The assistance given to the Central Asian states by the EU in exploiting these opportunities have not been as substantial as it could be and the mutual gains that both Europe and Central Asia could reap from continental trade stretching to China, Southeast Asia and South Asia are not mentioned in either the 2002-2006 or the 2007-2013 draft strategy. The ignorance of Afghanistan's role in Central Asia's development and the tendency to consider Russia and Europe to be Central Asia's sole natural trading partners is also a troubling aspect. As the draft strategy for 2007-2013 notes: "In spite of its geographical position as a bridge between Asia, especially China, and Europe, Central Asia has in reality been integrated into the broader sphere of European politics, culture, trade, and economics for several centuries... Latent mistrust between Central Asian neighboring states means that individual governments are investing in costly new transport links rather than using their limited financial resources to upgrade existing links that provide vital connections to foreign markets (notably the ENP

³ See: ADB, *Xinjiang Autonomous Region, PRC: Trade Facilitation and Customs Cooperation Project*, Draft Technical Assistance Consultant's Report, November 2005, p. 30.

⁴ See: "China-EU Trade Expected to Top US\$200b in 2005," *Xinhua*, 7 January, 2006, available at [<http://www.china.org.cn/english/2006/Jan/154406.htm>].

countries, Russia, and the EU).” There should be no doubt that the EU and the CIS provide important markets for Central Asia, but a strategy aimed at development and poverty reduction in Central Asia should also explore market opportunities that have the most potential but are least developed. Solely restoring existing infrastructure means a continued dependence on Russia since the bulk of these routes are directed through its territory.

The forthcoming strategy’s heavy promotion of intra-regional trade and frameworks like the Eurasian Economic Community also promise to be counterproductive. This is not only because the Central Asian states in the main lack trade complementarity but also because of its effect on other trading partners. For example, a recent study by ADB suggests that Kazakhstan, Kyrgyzstan, and Tajikistan are particularly vulnerable if the EurAsEC customs union is implemented due to its effect on extra-regional trade. For Kazakhstan the cumulative shortfall would reach almost \$10 billion translating into a GDP which is 20.8% smaller by 2015 compared with the baseline scenario. It should be acknowledged that the EU places much emphasis on WTO membership for the Central Asian states (which would make EurAsEC redundant). Yet to exploit the full benefits of WTO membership, trade should be pursued in all directions and determined by current complementarity rather than historical conquests and old thinking.

Energy and the Role of Turkey

By far the most perplexing aspect of the EU’s Central Asia policy is the slow pace by which the EU has failed to assert and pursue its interests with regards to energy. For example, in the strategy for 2002-2006, it is merely stated that the EU “will take an interest” in Caspian and Central Asian energy resources rather than acknowledging its strategic value both for the EU and Central Asia. Clearly, those forces within the EU who had not recognized these interests by 2006 could not continue to remain indifferent as Russia cut gas-deliveries to Ukraine, highlighting the EU’s energy insecurity, Russia’s slide away from the West, and its use of energy as lever on its neighbors. As such, in the draft strategy for 2007-2013 it is appreciated that energy supplies from Central Asia will be of “special concern” to the EU and “play an important role in ensuring the EU’s energy supplies.” Although Russia’s price hikes to its neighbors may be positive as it may push them closer to Europe, it also illustrates the vulnerability of the EU.

Indeed, with 46 percent of the EU’s gas imports coming from Russia, this marks an urgent need for diversification in order not to end up in the position of Ukraine; resource-rich Central Asia and the Caspian appear as attractive options. This was also seen in the end of 2006 as Kazakh President Nursultan Nazarbaev visited Brussels and signed a Memorandum of Understanding with the EU on energy cooperation. Much interest has also been put in exploring all potential routes and means to transport energy supplies from Kazakhstan across the Caspian to tap into the European energy-infrastructure. The advantages are numerous and are not unidirectional. The Central Asian and Caucasian states have substantial potential gains to make by escaping the sole Russian option. Indeed, much of the oil and gas from Central Asia is already flowing to the EU but transiting Russia with a Russian surcharge, a Russian control of pipelines, and the option to cut downstream oil and gas supplies to Europe if it so wishes. As such, the Central Asian states are not only underpaid but the EU jeopardizes its own energy security at the same time as the ability of the Central Asian states to exercise their sovereignty and explore other options are undermined. However, with the launch of the “Baku initiative” in 2004 at the EU-Black Sea-Caspian Energy and Transport Ministerial Conferences, the foundation to supplementary energy corridors was laid.

When creating more direct routes for Caspian and Central Asian energy to Europe, Turkey will become a hub in this east-west energy corridor. The inauguration of the Baku-Tbilisi-Ceyhan pipeline and the Baku-Tbilisi-Erzurum pipeline, both running from Azerbaijan to Turkey where they link up with Europe's pipeline system, have already brought the first progress to this goal. This is also an argument in favor of stronger engagement between EU and Turkey and a reason as to why Germany should ease its comparatively tough demands on its membership process. Further engagement with Turkey is not only a critical link to Europe's future energy supply but it could also act as a role model for the Central Asian and Caucasian states in forming state systems promoting moderate Islam and pragmatism rather than extremism. Turkey will also have a lever over other Muslim countries which are substantially greater than any other European country possesses. Turkey is already engaged with the Central Asian countries in the "Leaders of Central Asian Countries Dialog" including Kyrgyzstan, Kazakhstan, Turkmenistan, Uzbekistan and Azerbaijan and this dialog could be an important link between Europe and Central Asia although it should be acknowledged that there are strains between Turkey and the Central Asian states as well. Similarly, even if the relationship between Turkey and Iran has had its ups and downs, Turkey enjoys an amount of trust among Iranians which goes beyond that of any European power. Considering Turkey's close ties with both the U.S., Europe, and Iran, Turkey may in this role also act as a bridge in the troubled U.S.-Iran relationship and when finding a solution to Iran's nuclear proliferation.

Engagement with Governments, Parliaments, and the Promotion of Democracy

Being a secularist and democratic Muslim nation, Turkey may also act as a role model in promoting these values to the wider Central Asia. But the EU's priorities in these matters shift frequently, remain ambiguous, and present something of a paradox. On the one hand, democracy has in the past tended to be stressed as an overarching strategic aim of EU's concerns for Central Asia. The strategy for 2002-2006 stresses for instance that "promoting democracy, human rights and reducing poverty are the only means to ensure long-term stability in the region." Yet in pursuit of this strategic objective, few efforts have been directed to strengthen the reformist forces within governments and parliaments that might promote this. There has also been a tendency to overestimate the potential in civil societies as engines of change. For example, the Tulip Revolution and the unstable political development that has been seen in Kyrgyzstan since, illustrates how long-term stability might come from incremental change and change of political cultures rather than from NGOs with unrealistically high expectations on rapid bottom-up democratic consolidations.

On the other hand, this faith in democracy-promotion as the chief driver of Central Asian prosperity and stability seem to have given way to a slightly different approach in the draft 2007-2013 strategy. Here it is stated that: "It is the EU's firm belief that the first priority of assistance must be to help each of the five Republics to eradicate poverty, and to improve the living standards, education and job opportunities of their respective populations. In this way, the EU will enable the states of Central Asia to complete their political and economic transition, and thus to consolidate broader values of democracy." Even if this slightly revised set of priorities reflects an ambition to change toward a strategy where democracy will be promoted incrementally in tandem with economic development, there is still a need for the EU to revise its existing actions in promoting democracy in the region. At the moment the EU's strategy plays directly into the hands of Russia and China, potentially reversing the few

democratic developments that have been achieved. Neither China nor Russia has an interest in promoting democracy, rather both see great benefits in strengthening authoritarian anti-Western forces in the governments and parliaments.

A primary concern for the EU here should be to strengthen existing programs that engage reformist forces within parliaments. Some cooperation has been established within the EU Parliamentary Cooperation Committee and its joint sessions with Kazakhstan, Kyrgyzstan, and Uzbekistan. But this cooperation needs to be expanded and more prioritized. Much could be learnt from already existing bilateral engagements of the EU member states. The EU may favorably follow the initiative of such countries as France who has cooperation in place between the French Senate's administration and Uzbek Oliy Majlis' (parliament's) Senate. This is the best way to promote democratic transition, transparency, and a culture of professionalism. If the EU fails to engage further in these endeavors Uzbekistan and other Central Asian countries are guaranteed to be influenced by other actors with lower democratic standards. China, for instance, has a similar program in place between the National People's Congress of China and the Oliy Majlis.

Finally, the failure of the EU to objectively assess the violence that erupted in the Uzbek town of Andijan in the summer 2005 also contributed to a lack of faith in EU's support for counter-terrorism in the region. Rather than acknowledging that a group of armed insurgents indeed threatened the very integrity of the Uzbek state, the EU's reaction focused one-sidedly on the large number of civilians caught in the crossfire and the death-toll that ultimately was claimed. There should be no doubt that Uzbek security-forces' and the Interior Ministry's handling of the situation should be subject to criticism and investigation, but the question posed by the EU (and the West) neither related to what could have provoked this excessive use of violence nor listened to the Uzbek government's explanation. Rather, the West chose to cut off all ties on the basis of reports issued by Western NGOs and media, many of which hardly can be said to conform to the most basic standards of objectivity. Apart from ensuring that similar incidents will happen again if assistance in reforming the Uzbek Interior Ministry and its security apparatus is denied, the message to fundamentalist groups operating within Central Asia or with support from Afghanistan is that they will escape scrutiny and that liability one-sidedly will be placed on the government.

The first thing the EU should do to heal the wounds of Andijan is to lift the travel-bans and sanctions imposed on Uzbek leaders. This is not only because the sanctions failed to distinguish between reformists and more authoritarian elements repressing what few liberals the country has, but also because it will be difficult to change authoritarian practices when remaining disengaged. These sanctions were extended in November 2006 by the EU foreign ministers even though some promises emerged about a continuation of dialog with the resumption of the EU-Uzbekistan council talks the same month.

Bureaucratic Impediments

There are also bureaucratic factors and distinctions made that impede an effective coordination of policies. In the draft strategy for 2007-2013 a proposal was made to split up regional policy for the CIS into two separate strategies. On the one hand, a European Neighborhood and Partnership Instrument (ENPI) will be established between the EU and Armenia, Azerbaijan, Georgia, Moldova and Ukraine. Central Asia, on the other hand, will be consigned to some other entity labeled the Development Cooperation and Economic Cooperation Instrument creating an island in the center of Asia that neither is considered to be "Asia" nor part of the European "neighborhood". While the Central Asian states previously had the benefit to be treated on an equal level with the other CIS states the new policy

successfully eliminates even these hopes. It becomes all the more paradoxical when the forthcoming strategy states that the motives are to “prevent the emergence of new dividing lines in Europe” yet ignoring the creation of other dividing lines.

Despite the fact that more than one and a half decades have passed since the dissolution of the Soviet Union, the EU’s strategy toward Central Asia is still shaped along the lines of the former Soviet border. Rather than reflect current dynamics and recognize the security and potential economic interdependence of Afghanistan and Central Asia, the EU sticks to a view which is way past due. This is primarily reflected in the EU’s bureaucratic consignment of Central Asia as an appendage of Eastern Europe while Afghanistan is part of South Asia, effectively preventing any viable coordination and joint strategy for the greater region. To be fair, this tendency to be stuck in old thinking is not exclusive to the EU but is pervasive among the vast majority of donor countries, international organizations, and ministries. With the exception of the Asian Development Bank which includes China’s far-western region of Xinjiang, Afghanistan, and Azerbaijan plus the five Central Asian republics in its development strategy and the reorganization of the U.S. State Department where a new Bureau of South and Central Asian Affairs have been created, more or less all international organizations and states adhere to a Cold-War world-view or treat the five Central Asian republics as an appendage to Eastern Europe. Even worse, there has been a tendency to think of Central Asia not as constituent of independent sovereign states but as a unified region, no more no less. This has primarily been manifested with the grouping of Central Asia under a single Regional Strategy Paper from 2002 onwards while the remaining 7 CIS recipient states still enjoy the benefit of having their own individual strategy papers. Besides failing to formulate a strategy tailored to the needs of the individual country in question, this promises to undermine trust among the Central Asian governments as to the EU’s ultimate intention.

Germany’s Unique Opportunity

Germany today has a unique opportunity to alter the EU’s lethargic Central Asia policy and recognize the coinciding and integrated interests that Europe has in Afghanistan and Central Asia. The reactive nature of the EU’s policy needs to be changed to a more proactive role in the region and be strategic rather than ad hoc. Up until today, the EU’s policies have been shaped as reactions to external events, 9/11 and the “gas crisis” of Russia-Ukraine being the primary examples. The EU will fail to tackle the challenges of its energy security, Islamic radicalism, and narcotics problem if it does not adapt a long-term strategic view. Not to mention that the 6 month rotating presidency creates problems for Central Asian states as priorities might shift elsewhere as this period expires. This is something Iran knows all too well from its nuclear negotiations with the EU, and there is a need to reassure the Central Asian states, and indeed the wider region, of Europe’s long-term commitment. The EU also needs to escape its old thinking with regards to Central Asia’s dependence on Russia, and may favorably follow the examples of the ADB and the U.S. in reformulating policies.

The ADB (and now the U.S.) have been harbingers in attempting to explore the full list of opportunities available for Central Asia in all directions, not only toward Russia. As U.S. Deputy Assistant Secretary of State Evan Feigenbaum recently wrote in the *China and Eurasia Forum Quarterly* “the United States is promoting options and opportunities omni-directionally, but increasingly to the south because it is the least developed direction.” The EU does the opposite, ignoring emergent mar-

kets beyond the former Soviet Union and Europe while arguing for continued dependence on Russia. This is not only a self-defeating strategy when it comes to EU's ability to redirect Central Asia's hydrocarbon flows through the Caucasus and Turkey rather than Russia, but it also stalls the Central Asian countries development and access to world markets. Even if the EU may have an interest in keeping other large energy consumers such as China and India away from the Central Asian energy fields to gain a larger share itself, it is not in its long-term interest to limit Central Asia's options in a similar way as the Russians do.

On the basis of this the German leadership would do well in considering the following factors when adopting a new strategy for Central Asia covering 2007-2013:

1. The threat of Islamic radicalism should be taken seriously and assistance should be given to the Central Asian states in strengthening law-enforcement and far-reaching security sector reforms, especially in Uzbekistan.
2. Significantly more attention should be given to Afghanistan and its role in Central Asia's economy and security while continental trade in all directions should be promoted, not only to Russia and Europe.
3. Turkey could become the critical link for Europe's influence in Central Asia and cooperation with Turkey in these aspects should be redoubled.
4. Engagement with reformist forces in the governments and parliaments of the Central Asian states should be strengthened. The EU already has a program of inter-parliamentary cooperation and this should be strengthened as much as possible.