

## STRATEGY OF THE GULF COUNTRIES: SPECIAL ASPECTS OF POLICY TOWARDS CENTRAL ASIAN COUNTRIES

DOI: <https://doi.org/10.37178/ca-c.20.1.03>

Olga TIMAKOVA

*Ph.D. (Political Science), Senior Lecturer,  
Department of Political Science and Political Philosophy,  
Diplomatic Academy of the Ministry of Foreign Affairs of the Russian Federation  
(Moscow, Russian Federation)*

### ABSTRACT

**T**he study analyzes the policies of the Arab Gulf states in the Central Asian region. Common cultural and religious traditions, solidarity with the Muslim Ummah and historical heritage provided impetus to broaden the development of cooperation between the countries of Central Asia and the Arabian Peninsula after the end of the Cold War.

The Arab Gulf countries, which possess significant foreign exchange reserves, are investing in a promising region. Two of the five Central Asian states, namely Kazakhstan and Turkmenistan, which occupy a key geo-economic position in the Caspian region are of the greatest economic importance for the Arab countries. The Arab states seek to expand ties with these countries in the existing regional transport corridors and in the emerging infrastructure of the Belt and Road project, and anticipate an increased significance of their role as major hubs.

The areas of economic cooperation between the Arab monarchies and the countries of Central Asia include infrastructure project financing, development of hydrocarbon deposits and the banking sector, especially Islamic banking.

The agriculture and water security sphere is another area of cooperation. The

countries of the Arabian Peninsula import 60% of their food. The countries of Central Asia, in turn, are the most active food exporters in the region. Due to the geographical conditions, namely the absence of a logistics corridor directly to the countries of the Arabian Peninsula, transport problems, including guarantees of secure supplies by Central Asian countries, need to be resolved.

The social sphere is the third area of cooperation. By providing extensive financial investments, including sponsorship of large-scale educational and healthcare projects, the Arab monarchies planned to gain political solidarity from the Central Asian states. Immediately after the collapse of the Soviet Union, the Gulf states established a large number of Arab religious foundations, which aimed to coming closer together with the Muslims in Central Asia through madrasas and religious education programs in the Arabian states. Of particular importance is the confrontation of the Arabian monarchies with Shi'a Iran and relatively secular Turkey in promoting their own "visions of Islam." After the events of the Arab Spring in 2011, the Central Asian states paid more attention to the internal stability, and cooperation with the countries of the Arabian Peninsula was reoriented to other social spheres.

**KEYWORDS:** *Persian Gulf, Cooperation Council for the Arab States of the Gulf (GCC), Central Asia, cooperation, energy resources, geo-economics.*

## *Introduction*

In the early 1990s, new independent republics appeared on the political map of the world—Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. These countries are geopolitically significant because they are located near the world's largest oil and gas field, namely the Persian Gulf, as well as at the intersection of Eurasian land and sea (Caspian Sea) transport corridors.

The Central Asian states hold over 30 billion tons of proven oil reserves and over 20 trillion cu m of gas,<sup>1</sup> which makes the region the second largest resource after the Arabian Peninsula. But the region has economic and strategic importance for some reasons other than the Central Asian countries' resource base. The Greater Eurasia megaproject, which is expected to transform the continent into the largest integrated space, will unite various integration groups with transport and logistics routes and open a direct corridor between Asia, Africa and Europe.<sup>2</sup> Five of the Central Asian states may become the project's key transport hubs.

The Gulf states were among the first to recognize the independence of the newly established countries. Among the factors that helped to establish the first contacts are common cultural and religious traditions, as well as solidarity with the Muslim Ummah—historical legacy became an impetus for further cooperation after the ideological imperatives of the bipolar confrontation disappeared.

Arabian states compete with other states that share cultural similarities with the region, namely Turkey and Iran. These three centers of power do not conceal the mutual rivalry for influence in the region, which had manifested itself in energy and infrastructure projects, educational programs and cooperation between religious institutions.

The countries of Central Asia are located north of the Arabian Peninsula states, due to which the whole range of foreign policy actions of the latter received the generalized name of Northern Strategy.<sup>3</sup> Officially, the governments are developing medium- and long-term strategies. Strategic planning documents outline the main priorities for the states' development, including their relations with neighbors. For example, the Vision 2030 program has been operating in Saudi Arabia since 2016, and the Vision 2040 program has been active in Oman since 2018. Both of them fall under the overall Arab Dream strategy.

## **Instruments and Cooperation Mechanisms**

The policy of the Gulf States is aimed at developing geo-economic relations with countries of Central Asia. First of all, they are pursuing their economic interests in the region. They are drawn by the opportunity to implement both infrastructure projects, including their participation in new Eur-

<sup>1</sup> See: *BP Statistical Review of World Energy 2019*, 68th Edition, BP p.l.c., London, 2019. P. 30.

<sup>2</sup> See: A. Dynkin, E. Telegina, G. Khalova, "Rol Evraziyskogo ekonomicheskogo soiuza v formirovani Bolshoy Evrazii," *Mirovaia ekonomika i mezhdunarodnye otnosheniia*, Vol. 62, No. 4, 2018, p. 23.

<sup>3</sup> See: Th. Karasik, "The UAE's Northern Strategy in Central Asia," *Gulf State Analytics*, 2 May, 2019, available at [<https://gulfstateanalytics.com/the-uaes-northern-strategy-in-central-asia/>].

asian logistics routes, and geopolitical ones, such as opposing the influence of Iran and Turkey. According to experts at *The Economist*, the GCC will grow in importance as an international economic and trading center. In 2020, the GCC is projected to provide nearly one-quarter of the world's oil supplies... As economic weight gradually shifts southwards and eastwards, emerging markets will become increasingly important trading partners and investment destinations.<sup>4</sup>

Oil export revenues allow the Gulf monarchies to form the world's largest sovereign investment funds.<sup>5</sup> Among the top 10 of such funds are the Abu Dhabi Investment Authority (UAE, \$828 billion), Kuwait Investment Authority (Kuwait, \$592 billion), SAMA Foreign Holdings (Saudi Arabia, \$514 billion) and Qatar Investment Authority (Qatar, \$335 billion). First and foremost, the Arabian monarchies invest in energy projects in the Central Asian states.<sup>6</sup> Analysts say the Arabian monarchies are willing to use their oil wealth to buy shares in private companies, invest in foreign government securities and finance projects that other investors would consider too risky, which contributes to the development of cooperation with Central Asian countries.<sup>7</sup>

Development of economic and specifically investment cooperation with Central Asian states, the Arabian Gulf countries makes use of similar mechanisms—memorandums of cooperation, bilateral commissions under the auspices of chambers of commerce, investment forums and exhibitions. This is how cooperation with the regional states began in the 1990s and early 2000s.

In the course of the 1992 official visit of Crown Prince Saud Al-Faisal to the countries of the region, Saudi Arabia decided to establish diplomatic relations with four Central Asian states—Tajikistan, Uzbekistan, Turkmenistan and Kyrgyzstan, and two years later, in April 1994, it also signed the Protocol on establishing diplomatic relations with Kazakhstan. Meanwhile, the rest of the countries of the Arabian Peninsula did the same, following the example of the Kingdom. Two of the five Central Asian states—Kazakhstan and Turkmenistan, which occupy a key geo-economic position in the Caspian region, hold the greatest economic importance for the Arab countries.

Kyrgyzstan remains the only state with which no strong economic cooperation has yet been established.<sup>8</sup> This is the case due to the complicated domestic political situation, and the decision of the Bishkek leadership to recognize Jerusalem as the capital of Israel.

Cooperation is also developing on a multilateral basis in the framework of the Arab Forum on Economics and Social Development, which was founded in 2007 at the 130th session of the Council of the Arab League in Saudi Arabia.

Significant financial and trade ties are reinforced by the strengthening of political relations between state leaders. A number of agreements were reached on visa-free entry of citizens of the Arabian monarchies into the countries of Central Asia for a period of up to 90 days, and establishment of direct air communication. Monarchs and their families often come to Kazakhstan on private visits,<sup>9</sup> while Arabian elites travel to Central Asia for falconry.<sup>10</sup>

<sup>4</sup> See: "The GCC in 2020. Outlook for the Gulf and the Global Economy," *The Economist. Economist Intelligence Unit*, 2009, p. 3.

<sup>5</sup> See: E.S. Biriukov, "Investirovanie sredstv suverennykh investitsionnykh fondov: opyt stran araviyskogo poluostrova i rekomendatsii dlia Rossii," *Ekonomika i predprinimatel'stvo*, No. 6-2 (59-2), 2015, pp. 70-75.

<sup>6</sup> See: *The Rising Gulf. The New Ambitions of the Gulf Monarchies*, ed. by V. Talbot, ISPI, Italy, 2015, p. 63.

<sup>7</sup> See: F. Lawson, "The Persian Gulf in the Contemporary International Economy," in: *The Political Economy of the Persian Gulf*, ed. by M. Kamrava, Columbia University Press, New York, 2012, pp. 18-19.

<sup>8</sup> See: M.A. Subkh, "Ob otnosheniiakh stran SSAGPZ s gosudarstvami Tsentralnoy Azii," Institut Blizhnego Vostoka, 3 June, 2012, available at [<http://www.iimes.ru/?p=14850>].

<sup>9</sup> See: Th. Karasik, "The United Arab Emirates in Central Asia," Center for Global Policy, 28 August, 2019, available at [<https://www.cgpolicy.org/articles/the-united-arab-emirates-in-central-asia/>].

<sup>10</sup> See: N. Koch, "Gulf Nationalism and the Geopolitics of Constructing Falconry as a 'Heritage Sport'," *Studies of Ethnicity and Nationalism*, Vol. 15, No. 3, 2015, pp. 522-539.

## Energy and Infrastructure Projects

### Kazakhstan

The first country to launch a joint government-level economic project with Kazakhstan was Oman. An agreement on cooperation in the spheres of oil and gas deposit surveying, development and operation in Western Kazakhstan was signed in 1992, granting Oman the right to survey hydrocarbon resources in the Caspian Sea. The Caspian Pipeline Consortium was created. Oman also became the first country to provide a \$30-million loan to Kazakhstan, which was approved during the first visit of the Prime Minister of Kazakhstan, Sergey Tereshchenko to Oman.

United Arab Emirates is Kazakhstan's largest economic partner among the Gulf countries. At present, there are more than 200 companies from the UAE operating in the country.

The level of cooperation between Kazakhstan and the Arabian monarchies had remained low until the 2008 global financial crisis. The need to find new sources of financing has become an incentive to further cooperation. The Al-Falah Foundation (a branch of Mubadala, one of the largest UAE private investment companies), established in November 2008, prioritized the financing of energy, infrastructure, construction and the food industry.

One of the key areas of cooperation for the UAE is the banking sector. After the official visit of the former President of Kazakhstan Nursultan Nazarbayev to the UAE in 2009, the first private Islamic bank in the Al-Hilal region was opened in Astana.

Qatar is also interested in Kazakhstan as the new financial center of Central Asia. In 2008, Qatar reached an agreement on a joint Islamic Finance Bank.

The main project of the United Arab Emirates in Kazakhstan is related to the construction of the International Financial Center in Astana in order to position Kazakhstan as the main financial center of Central Asia.<sup>11</sup> The center repeats the model of the Dubai International Financial Center, serves Islamic banks and capital markets, and is slated to become one of the 20 leading financial centers in the world. The center is a special zone where a particular legal system operates. Its foundation was laid in 2010 with the adoption of the Law on Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on the Organization of Islamic Banks and Islamic Finance.

UAE is furthering cooperation in the energy sphere. One of the main achievements in this area is the signing of the 2009 agreement between the Mubadala Investment Company and KazMunayGas on gas production on the Caspian Sea shelf.

Another significant project undertaken by the Emirates in Kazakhstan is the acquisition of two special economic zones on the Caspian Sea by DP World as part of the implementation of a phased global system of port access. DP World acquired 51% of the shares in the Khorgos special economic zone and 49% of the shares in Aktau, thereby obtaining a controlling stake and a casting vote. In general, DP World focuses on the development of transport links, which should become part of the infrastructure of China's Belt and Road project.

In 2018, representatives of the UAE announced the plans to increase investments in new sectors of the economy, which will now include not only energy and mining, but also agriculture and food security.<sup>12</sup>

The third important area of cooperation between Kazakhstan and the Arabian states is construction and infrastructure. The largest number of projects in this sphere belongs to Saudi Arabia. A

<sup>11</sup> See: *Russia & CIS Relations with the Gulf Region*, ed. by M. Terterov, Gulf Research Center, Dubai, 2009, p. 195.

<sup>12</sup> See: "Kazakhstan can Become Main Trade and Economic Partner of the UAE in Central Asia," *Egemen Qazaqstan*, 4 September, 2018, available at [<http://en.egemen.kz/article/189659-kazakhstan-can-become-main-trade-and-economic-partner-of-the-uae-in-central-asia>].

Saudi investment company was established in 1997 with the support of the Islamic Development Bank to finance infrastructure projects in Kazakhstan.<sup>13</sup>

Significant projects implemented using Saudi Arabian investments include the reconstruction of the Karaganda-Astana highway. Other Arab investors, the Islamic Development Bank and the Abu Dhabi Fund for Development, also took part in the project. The following infrastructure projects were funded by the Islamic Development Bank in Kazakhstan: construction of an alternative route through the Kurdai Pass, construction of the Bailey-Kulsary motorway, reconstruction of the airport in Atyrau, construction of a highway from Astana to Borovoy, water supply for agricultural areas in northern and central Kazakhstan and construction of medical facilities in Astana.

Saudi Arabia has allocated four large grants for the construction of facilities in Kazakhstan—the Parliament building, the cardiology center in Almaty, the Zhas Ulan Military Academy and a large mosque, next to which a hospital and clinic have been built.

The Arabian monarchies have already revealed several potential projects. Saudi Arabia is developing a multilateral project to construct a gas pipeline through Iran to Kazakhstan, as well as a project to build an oil terminal on the Caspian Sea.

UAE's potential projects include the construction of a large petrochemical complex jointly by the Kazakhstan United Chemical Campaign and the Austrian Borealis, another division of Mubadala. An identical project, however, was provided for by the agreement between the Mubadala Investment Company and the Samruk-Kazyna National Welfare Fund of Kazakhstan and should be implemented by 2025.

The plans also include the launch of a joint investment fund with a total capital of \$500 million, with the Baiterek National Management Holding on the side of Kazakhstan.

## **Turkmenistan**

Turkmenistan is an important country in terms of the Arabian states' geopolitical interests—it borders both Iran and Afghanistan. The Persian Gulf countries heed close attention to maintaining regional stability and security.

First of all, the Persian Gulf countries are interested in infrastructure projects related, among others, to the TAPI gas pipeline project, whose launch has been postponed indefinitely. Turkmenistan is of particular importance for the UAE and Saudi Arabia in the context of the China's Belt and Road initiative. The policy pursued by the Arabian monarchies aims to promote their role as the main Persian Gulf hub for transcontinental transit traffic within the framework of the Initiative.<sup>14</sup>

If this policy is successfully implemented, the Arab monarchies will gain advantages in ensuring the supply chain within the framework of the Initiative and the existing regional transport and infrastructure corridors, and as a result will strengthen their positions in Central Asia. The implementation of these agreements will require stable and secure infrastructure and transport links through the countries of Central Asia, where the seaports of Turkmenistan play a key role.

Infrastructure projects in Ashgabad will also receive funding from the Mubadala Investment Company. This was agreed upon in August 2019 during the official visit of the President of Turkmenistan, Gurbanguly Berdimukhamedov, to the UAE. During the visit, the Mubadala Company signed a special confidentiality agreement with Turkmengaz.

---

<sup>13</sup> See: Mai-Yamani, "Saudi Arabia and Central Asia: The Islamic Connection," in: *From the Gulf to Central Asia*, ed. by A. Ehteshami, University of Exeter Press, Exeter, 1994, p. 55.

<sup>14</sup> See: E. Yeranian, "UAE Crown Prince Ben Zayed Visits China to Boost Ties," *Voice of America*, 23 July, 2019, available at [<https://www.voanews.com/middle-east/uae-crown-prince-ben-zayed-visits-china-boost-ties>].

Ashghabad had also entered into a five-year contract worth \$100 million to develop its offshore hydrocarbon resources. Dragon Oil, a division of the Emirates National Oil Company that is registered in Ireland but based in Dubai, acted as a contractor. The company operates in two offshore fields of the Cheleken contract area—Dzheitune (Lam) and Dzhyalybeg (Zhdanov).

### *Uzbekistan*

The countries of the Arabian Peninsula are developing cooperation with Uzbekistan along similar lines. Monarchies invest in energy and infrastructure, but overall trade remains insignificant.

The first cooperation agreements between Saudi Arabia and Uzbekistan were concluded in the 1990s: in 1995, the Joint Commission for Trade Cooperation was established, and in 1996, the Saudi oil company Delta Oil entered into an oil field development agreement with the Uzbekneftegaz national oil company.

In 2008, the Arab Coordination Group visited Uzbekistan, comprising representatives from the Islamic Development Bank, the Saudi Fund for Development, the Kuwait Fund for Arab Economic Development and the OPEC Fund. During the visit, investment projects were approved for funding by the countries of the Arabian Peninsula in the amount of over \$1.5 billion. In addition to the development of infrastructure and the energy sector, projects include social educational programs, including those in the religious sphere, and water and agricultural security projects, which are of utmost importance to GCC states.

A special achievement is the signing in 2011 of a quadripartite agreement on the construction of a transport corridor between Oman, Iran, Turkmenistan and Uzbekistan. The implementation of this project will allow to establish a duty-free zone.

Also interested in broadening cooperation, the UAE organized a new joint investment fund in Uzbekistan in 2018 through the Abu Dhabi Fund for Development with a total capital of over \$1 billion. An international oil investment company is developing gas fields in the western part of Uzbekistan, and financing the construction of a synthetic fuel production plant in the amount of over \$1 billion. Mubadala Company invested \$600 million in a fertilizer plant in Uzbekistan.

### *Tajikistan*

Relations between Tajikistan and the countries of the Arabian Peninsula are largely influenced by the former's relations with Iran. When Dushanbe-Tehran relations deteriorated due to Iran's support of opposition parties in Tajikistan, both the influence of the Arabian states and the size of their investments experienced an increase.

At the end of 2017, the UAE proposed to create a common investment fund in Tajikistan to further economic ties between the two countries.<sup>15</sup>

The Kuwait Fund for Arab Economic Development has provided a 25-million investment for the reconstruction of the Kulob-Kalai Humb corridor in Tajikistan. The Islamic Development Bank and the OPEC Fund for International Development also joined the project.

Qatar sponsors few projects in Tajikistan. One of them is the Diar Dushanbe elite residential complex, which is operated by the Qatar Diar company.

<sup>15</sup> See: F. Rahman, "UAE, Tajikistan Plan to Create Joint Investment Fund," Gulf News, 26 December, 2017, available at [<https://gulfnnews.com/business/uae-tajikistan-plan-to-create-joint-investment-fund-1.2147397>].

During an official visit to Doha in 2017, President Rakhmon proposed a large number of investment projects—from energy and infrastructure to agriculture and water. But the political and economic elite of the Arabian monarchies does not seek to launch large-scale projects in Tajikistan because of the complicated military-political situation.

The positive trends in the development of cooperation did not last long. In the summer of 2019, the Ambassador of Tajikistan to Iran called for investment in the Tajik economy during his first meeting with Gholam-Hossein Shafeie, the head of ICCIMA, an organization that unites Iran's leading commercial, industrial, mining and agricultural business structures.<sup>16</sup>

## Food and Water Security

The countries of the Arabian Peninsula have a predominantly arid climate. Bahrain has the largest percentage of arable land and areas occupied by perennial crops (4.35% of the country's territory). Meanwhile, Oman has the lowest percentage of arable land (0.12% of the country's territory), and Saudi Arabia has the lowest percentage of land occupied by perennial crops (0.09% of potentially arable land). The remaining territory is arid, unused and/or used for other purposes—between 90% and 99% of the areas of the Arabian Peninsula states.<sup>17</sup> These countries import 60% of the food they require.<sup>18</sup> Accordingly, the problem of water scarcity is another factor that impedes the successful development of proprietary agriculture or livestock farming. Water resources of all Arab countries are estimated at only 0.9% of the total world reserves, and renewable water sources do not exceed 1% of the global potential.<sup>19</sup> As a result, the volume of water per capita here is steadily falling: in 1960 it was equal to 3,300 cu m per person, and in 1990 it equaled 1,300 cu m. The forecast for 2025 is even more disappointing: only 0.7 thousand cu m, which translates into a fivefold reduction of the norm.<sup>20</sup>

Current water consumption in the absence of permanent water arteries is 9 times higher in Saudi Arabia than the level of natural replenishment of underground water resources in its territory, 7.64 times higher in Kuwait, 18.6 times higher in the UAE. The total renewable water resources in KSA are equal to only 2.34 cu km per year. The total groundwater reserves (including fossil groundwater) are estimated at about 500 cu km, with 340 cu km of them are difficult to access.<sup>21</sup>

Saudi Arabia decided to stop growing staple foods by 2016 due to water shortages. Due to falling groundwater levels and the drying out of 80,000 wells, the United Arab Emirates has banned the export of water from the country and is actively using desalination plants.

The countries of the Arabian Peninsula are faced with the need to ensure the safety of transportation due to their need for agricultural products. But while maritime traffic from Pakistan is safe,

<sup>16</sup> See: "Tajikistan Willing to Revive Economic Relations with Iran," *Tehran Times*, 26 July, 2019, available at [<https://www.tehrantimes.com/news/438567/Tajikistan-willing-to-revive-economic-relations-with-Iran>].

<sup>17</sup> See: G. Kosach, "Saudovskaia Aravia: transformatsiia vlasti i politiki," *Mirovaia ekonomika i mezhdunarodnye otnosheniia*, Vol. 63, No. 4, 2019, p. 60.

<sup>18</sup> See: R. Zurayk, J. Chaaban, A. Sabra, *Ensuring that Potential Gulf Farmland Investments in Developing Countries are Pro-Poor and Sustainable*, Science+Business Media B.V. & International Society for Plant Pathology, Springer, 2011, pp. 129-137.

<sup>19</sup> See: O.P. Bibikova, et al., *Arabskiy mir: kontrasty vodnogo balansa*, ed. by Z.A. Solovieva, A.O. Filonik, Institute of Oriental Studies, Russian Academy of Sciences, Moscow, 2018, p. 293.

<sup>20</sup> See: *Water Resources of the Occupied Palestinian Territory*, Prepared for, and under the guidance of, the Committee on the Exercise of the Inalienable Rights of the Palestinian People, United Nations, New York, 1992, U.N. document A/AC.183, p. 39.

<sup>21</sup> See: *Saudi Arabia*, Aquastat, Survey 2008. 14 pp.

deliveries from Central Asian countries are associated with resolving both transportation and security problems.<sup>22</sup>

In turn, the countries of Central Asia are the most active regional states in terms of food export. Direct deliveries to the countries of the Arabian Peninsula are impossible due to the geographical setting, since logistics routes traverse Iran or Afghanistan.<sup>23</sup>

Under these circumstances, the Central Asian states are no longer a valuable partner in the sphere of food supplies to the countries of the Arabian Peninsula; in fact, cooperation with the countries of Europe, Latin America and, in some respects, Africa on this matter is more profitable. Development of cooperation with the Central Asian countries will require investments in trading companies and the creation of infrastructure and logistics routes, as well as food security assistance within the states themselves.

The Arab Gulf countries decided to purchase agricultural land abroad to ensure their own food security. To uphold this strategy, as well as to maintain stability in the Central Asian countries, the monarchies of the Arabian Peninsula are implementing the projects listed below in the Central Asian region.

A joint Saudi-Kazakhstani mineral water bottling enterprise was established in the Sary-Agach district in Southern Kazakhstan. Kuwait is investing in water security projects. It sponsored a World Bank project to supply the Aral region through the Kuwait Fund for Arab Economic Development. Kuwait also allocated a grant of \$1 million to examine a heating infrastructure project in Astana. In 1997 the Kuwait Fund for Arab Economic Development invested in a water supply project in Nukus and Urgench regions of Uzbekistan. In 2004, the same fund launched 9 projects worth more than \$200 million in land reclamation, water supply and healthcare.

## Soft Power of Islam

In exchange for financial investments, the Arab monarchies expect political solidarity from the Central Asia countries. All of them are members of the Organization of Islamic Cooperation, and support the idea of Islamic solidarity.

Immediately after the collapse of the Soviet Union, the Arab countries of the Persian Gulf contributed to the establishment of numerous Arab religious foundations, which were supposed to unite local Muslims through madrassas and religious education programs in the Arabian states.<sup>24</sup> Most of the 1990s investments by the Saudi Fund for Development were aimed specifically at developing this area.<sup>25</sup>

Based on geopolitical and geo-economic interests, the Arab Gulf countries seek, on the one hand, to resist the influence exerted on the regional states by Russia and China, and on the other hand, to prevent their regional neighbors—Turkey, Iran and even other Gulf countries—from gaining a foothold there.

For example, the policy pursued by UAE in Tajikistan acquires a vivid ethno-confessional connotation. If we take into account the Persian ethnic identity of Tajik society and the common histori-

<sup>22</sup> See: *Potential for GCC Agro-investments in Africa and Central Asia*, Gulf Research Center, 2008, pp. 21-22.

<sup>23</sup> See: *Strategic Nodes and Regional Interactions in Southern Eurasia*, ed. by M. Laruelle. Georgetown University Press, Washington D.C., 2017, 87 pp.

<sup>24</sup> See: R. Sattarov, "Razocharovannye v umme. Pochemu Tsentralnaia Azia otkazalas ot sbližheniia s islamskim mirom," Moscow Carnegie Center, 31 July, 2018, available at [<https://carnegie.ru/commentary/76947>].

<sup>25</sup> See: G. Fuller, "The Impact of Central Asia on the 'New Middle East'," in: *Central Asia Meets the Middle East*, ed. by D. Menashri, Frank Cass Publishers, London, 1998, p. 222.



cal past connecting it with Iran, maintaining friendly relations with Dushanbe helps to counteract the expansion of Iran's regional presence. As for the confrontation between the UAE and Turkey, it is largely associated to the influence on the region's religious future and occurs in the context of the struggle between different "visions of Islam." Turkey is promoting the modernization and evolutionary transformation of traditional religious norms, while the UAE, like other Persian Gulf states, advocates the classical and even radical traditional forms of Islam.

Relations between the Kingdom of Saudi Arabia and Uzbekistan on this issue are of particular importance due to the fact that the Kingdom has the largest Uzbek diaspora among other countries of the region. According to research, about 500,000 ethnic Uzbeks live on the Arabian Peninsula, and most of them are concentrated in Saudi Arabia.<sup>26</sup> It was through influencing this diaspora that Saudi Arabia sought to strengthen the positions of Islamic fundamentalism in Central Asia. Agreements have been established with religious institutions, which provide for training imams in Saudi Arabia.

Meanwhile, the solidarity of the Islamic Ummah and Pan-Turkism is being gradually replaced by pragmatism. According to the Russian Asian studies scholar Irina Zvyagelskaya, the 2011 Arab Spring had played its role in this process.<sup>27</sup> Central Asian states are attempting to avoid falling under the control of any of the adversaries and to protect their own neutrality, and repeatedly emphasize their religious tolerance and interethnic harmony. Moreover, the countries of Central Asia are expanding their cooperation with Israel, which is causing dissatisfaction on the part of the Arabian monarchies.<sup>28</sup> A rapport with Central Asia is also of great importance to Israel.

The countries of the Arabian Peninsula promote soft power by investing in other social projects. In 1998, the Sultanate of Oman and Kuwait allocated \$10 million each for the construction of the Saltanat Sarayi (Palace) and other administrative buildings in Astana (now Nur-Sultan), while the UAE funneled financial assistance in the amount of \$15 million for the construction of the Presidential Palace in the Kazakh capital. In 2003, Saudi Arabia allocated \$350,000 for the construction of the Center for Reproductive Medicine in Uzbekistan. Qatar sponsored the construction of the Islamic Cultural Center in Astana. In addition to the cultural center project, Qatar supported the construction projects of Sheikh Tamim secondary school in Astana, a rehabilitation center for victims of nuclear weapon testing in Semey (near the former Semipalatinsk ground), as well as cooperation to preserve wildlife in the Andasay State Natural Reserve.

Significant investments were also made in the construction of social facilities in Tajikistan, including schools, medical centers, and diagnostic centers. In addition to the construction of an elite residential complex by a Qatar company, Qatar is also involved in building the largest mosque in Central Asia in Dushanbe worth over \$100 million.

However, Qatar does not utilize the potential of its Al-Jazeera channel, whose audience in Central Asia remains insignificant, because the channel is broadcast only in Arabic and English.<sup>29</sup> Meanwhile, the channel itself is one of the Arab countries' key influential resources.

In 1999, the emir of Kuwait donated \$10 million to Kazakhstan for the construction of government buildings in Astana through the Kuwait Fund for Arab Economic Development. In November 1999, Kuwaiti private donors founded the Kazakh-Kuwaiti University in Shymkent, which is now the South Kazakhstan Humanitarian Academy managed by the State Kuwait Fund of the Society for

<sup>26</sup> See: Z.I. Muravvanov, "Uzbekistan and the Gulf Cooperation Council," in: *From the Gulf to Central Asia*, p. 88.

<sup>27</sup> See: I.D. Zvyagelskaya, "Blizhniy Vostok i Tsentralnaia Azia. Globalnye trendy v regionalnom ispolnenii," Aspekt Press, 2018, p. 95.

<sup>28</sup> See: E.M. Savicheva, M.O. Shaar, "Otnosheniia arabskikh stran Persidskogo zaliva s tsentralnoaziatskimi gosudarstvennymi SNG," *Vestnik RUDN*, Series *Mezhdunarodnye otnosheniia*, No. 4, 2014, p. 164.

<sup>29</sup> See: A. Ibrahim, "Otnosheniia arabskogo mira so stranami Tsentralnoy Azii," 15 July, 2007, available at [<http://www.aljazeera.net/specialfiles/pages/a2e8f771-1f1e-417f-a748-fc4e35040ad0>] (in Arabic).

Social Reforms. As of 2019, the Saudi Fund for Development has implemented nearly 60 social projects in Central Asia amounting to a total of \$1.2 billion.<sup>30</sup>

### *Conclusion*

In the medium term, the Arab Gulf countries will continue to implement their strategic priorities in Central Asia. Their interests will still be focused on infrastructure projects, as well as on the energy and finance spheres. The expansion of cooperation with Kazakhstan and Turkmenistan will still retain the greatest importance for the countries of the Arabian Peninsula because of their energy potential. In addition, there is a huge resource for the development of cultural and educational ties, given the historical and common spiritual heritage. The security and defense spheres can also be developed in connection with the complicated international situation.

However, the confrontation of the Arabian monarchies with Turkey and Iran for influence in the region will continue. Central Asia itself prefers to remain neutral on this issue and implement a multi-vector policy.

---

<sup>30</sup> See: "Projects and Countries," Saudi Fund for Development, available at [<https://www.sfd.gov.sa/ar/web/guest/countries>] (in Arabic).