

**ECONOMICS AND ENERGY POLICY**

**NEW SILK ROAD:  
OPPORTUNITIES AND THREATS  
FOR CENTRAL ASIA  
(A VIEW FROM KAZAKHSTAN)**

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## ABSTRACT

**I**n connection with the Chinese project *One Belt, One Road*, the article deals with geopolitical aspects of the ways of its implementation.

The focus is on the participation of Kazakhstan and the post-Soviet countries of Transcaucasia and Central Asia in the project. Highlighted are the geopolitical interests

of Russia and China, Turkey and Iran, as well as the extra-regional powers—the European Union and the United States. An attempt is made to outline new threats and risks for the region in connection with the building of the New Silk Road. Contributors represent their point of view mainly through the prism of the interests of Kazakhstan.

**KEYWORDS:** *Central Asia, New Silk Road (NSR), the participation of China, Russia, and Western countries in the construction of the NSR, the risks and challenges for Central Asia.*

## Introduction

After the disintegration of the Soviet Union, the geopolitical position of the republics of Central Asia and Kazakhstan proved to be extremely difficult. All of them are located in the depths of the largest continent—Eurasia, away from the sea routes. In the last two centuries, being part of the Russian Empire, and then the U.S.S.R., these republics were perceived by the world community as the backward provinces of the two empires.

For many centuries, the region was located along the Great Silk Road and was a link between the West and East. Many medieval cities in the territory of Southern Kazakhstan and the republics of Central Asia appeared only because of its existence. And now, the modern tourist value of these cities is, in many respects, connected with preserved objects of the Silk Road. As a matter of course, it is possible to say that the obsolescence of the region, as the link between the East and West, was caused by the opening of the maritime communications between them. The second reason for the rupture of the links has been artificial, for ideological reasons of the Russian Empire and then of the Soviet Union. However, maybe because of the disruption of the ties with the outside world, while in a kind of artificial suspension, the region did not lose its distinctive identity during the Soviet period. In recent times, for a quarter of a century being between two strong states, Russia and China, on the one hand, and the Islamic world, Turkey and Iran in particular, on the other, the post-Soviet Central Asia has been experiencing not only a political but also strong civilizational influence from these countries. The realization of the membership in the Turkic-Muslim culture, the influence of China in the modern times, strong traditions of the post-Soviet mentality, search for national identity—all this constitutes a very complex fusion in the modern history of the region. How will the revival of the Great Silk Road be reflected in search of a region's place in the world community? Will the region remain in the post-Soviet space with the strong influence of Russia, become the commodity appendage of China or endeavor to experience the influence of its Turko-Muslim roots?

For the last 25 years of their independent development, the post-Soviet republics of Central Asia have become full members of the U.N. and many other international and regional organizations. However, the absence of direct means of communication with Europe and China created great difficulties in integrating these republics into the world economic and political space. All of them were aware of the weakness of their inland position. To break out of this trap, huge financial resources and

the goodwill of the neighboring countries were necessary. Necessary finances from the states of the region were absent. In addition, all countries in the region during this period were dominated by centripetal forces, aimed at finding political and economic partners outside the region. And, in the 1990s, citizens of the region were surprised to discover the Turkic-speaking and Islamic world, from which they were artificially ostracized for many centuries. However, the historical memory of the people persevered; they remembered the times of the Great Silk Road.

The term “Silk Road” was put into circulation by Ferdinand von Richthofen, after his expeditions to China in 1868-1872.<sup>1</sup> The revival of the historical route was thoroughly discussed at the end of the 20th century, when technologies and transport appeared that made it possible to make large transcontinental shipments in difficult weather conditions, while preserving their profitability.

Asia, in the 21st century, shows unprecedented openness and high growth rates. But, the economic development of the internal spaces of Eurasia is constrained by the lack of transportation communications. From this point of view, it can be said that the Chinese initiative to revive the Great Silk Road was at the right time and in the right place. Yet, in conditions of global development of the world, political interests of countries, often located far away, interfere with this economic necessity. Possible routes for establishing communications are used by the leading powers as instruments of their foreign policy.

The purpose of this study is to analyze possible routes for the New Silk Road from the point of view of Kazakhstan’s interests, as well as to identify concurrent threats and risks.

## Interests of the Central Asian Region in Light of the One Belt, One Road Project

For today, it can be said that Central Asia, as a whole, does not have its regional identity, and, in international relations, it does not act as a single region with common core regional problems. There are no common regional projects either. But, in fact, for many centuries, geographically and historically, this Turkic-speaking and Islamic region represented a single whole. The region united nomadic and sedentary culture of the people, who needed each other economically. And, in the U.S.S.R., the region developed as a single territorial production complex—an analog of modern clusters operating under specific Soviet conditions. Water and other resources of the region were utilized in common. Subsequently, during the period of independent development, they have become a source of persistent conflicts in the region.

We must point out immediately that there is no unity in the political decisions of the republics of the region. The initiative to create the Central Asian Union did not get a chance for implementation because of the position of Uzbekistan. Economically, the countries are separate. Of all the states, only Kazakhstan has achieved certain successes in the way of market reforms in its economic development. Kyrgyzstan and Tajikistan, which experienced civil wars and social upheavals, are among the poorest countries (156 and 158 seats, respectively, according to the GNI per capita rating).<sup>2</sup> Turkmenistan prefers to distance itself from its neighbors. Until recently, Uzbekistan has pursued an unpredictable foreign policy, maneuvering between the U.S., China, and Russia. And in this sense, the initiative of regenerating the Silk Road should unite the regional states. Region’s countries should use their historical chance, in spite of mutual distrust, in amending attitudes regarding one another. From

<sup>1</sup> V. Elisseff, *The Silk Roads: Highways of Culture and Commerce*, Berghahn Books, New York, 2000, p. 258.

<sup>2</sup> See: *Rating of the Countries of the World Based on the Level of Gross National Income Per Capita*, Humanitarian Technology: Information and Analytical Portal, 30 October, 2016, available in Russian at [<http://gtmarket.ru/ratings/rating-countries-gni/rating-countries-gni-info>], 11 June, 2017.

all the states of the region, Kazakhstan has the longest boundary with China, and, accordingly, the big interest in the Chinese project One Belt, One Road.

## *Interests of Kazakhstan*

It should be said that even before the presentation of Xi Jinping's historic project of the New Silk Road, Kazakhstan, earlier than its neighbors, realized the need for the building of transportation infrastructure. In 2011, the President of Kazakhstan, Nursultan Nazarbayev, announced the revival of the Silk Road as a strategic task. In January 2013, the Government of the Republic adopted a comprehensive plan of measures to implement the project,<sup>3</sup> which is being successfully employed. At the end of 2014, the president proposed the program Nurly Jol (The Light Road).<sup>4</sup> It is based on a five-year plan for infrastructure development of the regions.

During the 25 years of its independence, Kazakhstan has built more railroads than all the CIS countries combined. Of the major projects, Kazakhstan built an egress hub through Turkmenistan to Iran, as well as the second one on the border with China. Also, located here is the Khorgos free economic area on the border of Kazakhstan and China, in addition, major work is underway to build a large sea port of Aktau on the Caspian Sea. Under the auspices of the European Union, the Western Europe-Western China road is being built across Russia and the four southern regions of Kazakhstan. The Kazakhstan section of the road was completed in December 2016 and will allow reducing the time for delivery of goods by road by almost 3.5 times, in comparison to the sea route. The length of the Kazakhstan section of the international transit corridor is 2,787 km. The completion of the Russian section of the highway is planned for no earlier than 2020.<sup>5</sup>

At this time, four main transportation corridors have been planned. Each of them has its pros and cons in both economic and geopolitical sense, but in any case, they are quite competitive with the maritime routes. Kazakhstan and Russia are the main participants in the project. The route through Kazakhstan and the Caucasus reduces the distance from China to Europe, compared to the sea through the Suez Canal, by almost two times, and by 2-3,000 km, compared to the Trans-Siberian Railway (Transsib). It is estimated that goods from the Chinese port of Lianyungang to Berlin (more than 11 thousand km) are delivered by sea in 20 to 40 days and by rail in 11 days. At present, the Chongqing-Duisburg freight train is in operation, which covers this distance in 15 days; its average speed is 726 km per day.

## *Interests of the States of the Post-Soviet Central Asia*

Of the four countries of the post-Soviet Central Asia, apart from Kazakhstan, only two—Kyrgyzstan and Tajikistan—share a common border with China, but they do not have direct rail links

<sup>3</sup> See: *The Directive of the Prime Minister of the Republic of Kazakhstan on 25 December, 2012, No. 231-r "On Approval of the Comprehensive Plan of Action for the Implementation of the Project "Kazakhstan—The New Silk Road"*, The Adilet Republican Center of Legal Information of the Ministry of Justice of the Republic of Kazakhstan, available in Russian at [<http://adilet.zan.kz/rus/docs/R1200000231>], 15 June, 2017.

<sup>4</sup> See: *The Nurly Jol State Program for Infrastructure Development for 2015-2019*, National Control Holding Baiterek, available in Russian at [<http://www.baiterek.gov.kz/ru/activities/state-programs/nurly-zhol/>], 15 June, 2017.

<sup>5</sup> T. Shadrina, "Ot Evropy do Kitaia prolozhat dorogu," *Rossiiskaia gazeta RG.RU*, 18 March, 2013, available at [<http://www.rg.ru/2013/03/18/doroga-site.html>], 22 May, 2017.

with it. The route, proposed by China as far back as 1996, envisaged the construction of a railway through Kyrgyzstan to Uzbekistan and further, through Tajikistan, Afghanistan, Iran, and Turkey. However, Kyrgyz experts believe that uniting Kyrgyzstan to Uzbekistan will break the tacit balance between the northern and southern elites of Kyrgyzstan, and that at first, it is necessary to build an internal branch, connecting the north and south of the republic.<sup>6</sup>

The fact is that the northern railway connects Kyrgyzstan with Kazakhstan, and the southern road—with Uzbekistan. There are also tracks, linking Kyrgyzstan to the densely populated areas of the Ferghana Valley of Uzbekistan, but in all three directions, Kyrgyzstan depends on the goodwill of its neighbors. The public opinion prevailed that the project, offered by Beijing, is beneficial to China and Uzbekistan, but not to Kyrgyzstan. There were difficulties concerning the terms of conditions under which Chinese investments will come to the country. At a press conference on 16 December, 2013, Kyrgyzstan's President Atambaev even admitted that the project "does not solve any problems" of the country and is contrary to its national interests, the project as a result was suspended. But since then, the political priorities of Atambaev's government have shifted from the U.S. to Russia, which is confirmed by the Americans' withdrawal from the Kyrgyz base Manas. The republic became a full-fledged member of the Eurasian Economic Union and Eurasian infrastructure projects initiated by China. All this accelerated the decision, declared by Atambaev at the Tashkent summit of the Shanghai Cooperation Organization in July 2016, to build the China-Kyrgyzstan-Uzbekistan railway.<sup>7</sup>

However, some experts give another assessment to the transcontinental transit through Kyrgyzstan. The well-known expert on infrastructure projects of Central Asia, Kubat Rakhimov, names the weak points of the project—"No transcontinental railway transit from China to Europe through Kyrgyzstan is feasible... The route will have eight state borders, two procedures for changing wheel sets: the first on the Kyrgyz-Chinese border, then on the Turkmen-Iranian border, and two more ferry crossings in Turkey through Lake Van and through the Bosphorus Strait."<sup>8</sup> Also, Rakhimov asserts that, in economic terms, the railroad connecting the north and south of the republic should be the priority for Kyrgyzstan. This direction is interesting for investors from Russia, Kazakhstan and the southern countries, including India and Pakistan. Close to the opinion of Rakhimov is the view of the American expert, Johan Engvall, who also does not gauge the chances of Kyrgyzstan very high, describing the republic as a "Central Asia's unorganized island of democracy."<sup>9</sup> Most experts put a focus on the continued instability in neighboring Afghanistan.

For Kazakhstan, the new Chinese-Kyrgyz direction is a competitor in the transportation of goods from China to Europe, but China proceeds from the interests of its southwestern regions. By and large, for Kazakhstan, this is another way to access the markets of Europe and the Middle East, as well as Turkey and Iran.

China offers another option through Kyrgyzstan, Tajikistan, Afghanistan, and Iran. For Kyrgyzstan and Tajikistan, this is a more acceptable project since their transport dependence on Tashkent would have significantly decreased. Both republics have complicated relations with Uzbekistan, which, during the deterioration of the situation in the region, could always block transit through its

<sup>6</sup> S. Pale, "Kirghizia i kitaiskiy 'Novy Shelkovy put,'" *Novoe Vostochnoe obozrenie NEO*, 3 September, 2015, available at [<http://ru.journal-neo.org/2015/09/03/kirgiziya-i-kitajskij-novy-j-shelkovy-j-put/>], 27 May, 2017.

<sup>7</sup> V. Kuriatov, "ShOS-2016: vyzovy i perspektivy," *Kazakhstanskaia pravda*, 25 June, 2016, available at [<http://www.kazpravda.kz/articles/view/shos-2016-vizovi-i-perspektivi1>], 24 May, 2017.

<sup>8</sup> Quoted from: A. Timofeenko, "Zheleznaia doroga Kitai-Kyrgyzstan-Uzbekistan, Voprosy bez otvetov," *Vecherniy Bishkek*, 4 February, 2013, available at [<http://stanradar.com/news/full/503-zheleznaia-doroga-kitaj-kyrgyzstan-uzbekistan-riski-i-vygody.html>], 27 May, 2017.

<sup>9</sup> J. Engvall, *Flirting with State Failure: Power and Politics in Kyrgyzstan since Independence*, A Joint Transatlantic Research and Policy Center, Central Asia-Caucasus Institute & Silk Road Studies Program, Washington, D.C., 2011, p. 18.

territory. It should be noted that both routes pass through the mountainous territories of Kyrgyzstan, Tajikistan, and Afghanistan and are associated with construction in hard-to-reach areas.

For Kazakhstan, this project is a more significant competitor than the first option since the length of the road through Tajikistan will be 1,972 km;<sup>10</sup> the length of the Kazakhstan route from China to Iran is 10 thousand km. However, the Kazakh road has already been built with access to the largest Iranian market. In any case, the existence of multiple passages from China to Europe through the territory of these countries should be viewed only in a positive light for the whole region. However, politics prevail over the economy. Each country, not trusting its neighbors, proceeds from purely parochial interests, not solving common regional problems for the benefit of all.

Thus, the economic and geopolitical interests of the two largest countries of Eurasia—China and Russia—play an important role in solving the transportation problems of the region. The uncoordinated policy of the countries of the region does nothing to improve the situation.

## Interests of China and Russia in Light of the One Belt, One Road Project

*China*, the initiator of the project One Belt, One Road, solves several tasks in its domestic and foreign economic policy. The country needs to find the ways to use excess capacity for the construction of roads, rail, and other railway equipment, to find new markets for its products to ensure the goal of creating a moderately prosperous society by 2021.<sup>11</sup>

China is also interested in the intensive development of the poorest internal and western regions, in particular, the Xinjiang Uyghur Autonomous Region (XUAR). Their lagging behind the coastal, eastern regions is fraught with social upheavals. Consequently, China, with its annual growth in turnover of 7-8%, is very interested in the formation of the transportation system to the west through the territory of Kazakhstan, Russia and the states of Central Asia. However, cultural differences represent barriers to solving these problems.<sup>12</sup>

Of the external factors, note the following: with its project, backed by solid investments, China will strengthen its influence in Central Asia. Furthermore, most importantly, according to many American and European analysts, China needs more continental supply routes in the event of an aggravation of confrontation with the United States and the blocking of the traditional sea routes, bypassing Eurasia. The New Silk Road plays an important role in the unofficial confrontation between China and the United States.<sup>13</sup>

China is fairly well represented in the economies of Central Asia, particularly in the commodity sectors. “In Kazakhstan, China’s companies already account for 20-25% of the oil production, not much less than the state’s KazMunayGas. The same situation is observed in the neighboring republics—“Chinese investment in Kazakhstan, Uzbekistan, and Turkmenistan, exceeds Russia’s by 10.7

<sup>10</sup> “Iran obeshchaet predstavit proekt zheleznoi dorogi cherez Tadjikistan cherez tri mesyatsa,” Iran.ru: Russian Information Agency, 12 May, 2012, available at [[http://www.iran.ru/news/economics/80454/Iran\\_obeshchaet\\_predstavit\\_proekt\\_zheleznoi\\_dorogi\\_cherez\\_Tadjikistan\\_cherez\\_tri\\_mesyaca](http://www.iran.ru/news/economics/80454/Iran_obeshchaet_predstavit_proekt_zheleznoi_dorogi_cherez_Tadjikistan_cherez_tri_mesyaca)], 3 June, 2017.

<sup>11</sup> V. Tsepiliev, “Kitai v Si mazhore: Chemu Rossia mozhet pouchitsia u vostochnogo soseda,” *Argumenty i fakty*, No. 13, 2013, p. 7.

<sup>12</sup> See: D. Tang, “China Bans Ramadan Fast for Muslims in Northwest,” *The Telegraph*, 3 July, 2014, available at [<http://www.telegraph.co.uk/news/worldnews/asia/china/10942493/China-bans-Ramadan-fast-in-Muslim-northwest.html>], 10 July, 2017.

<sup>13</sup> See: N. Beauchamp-Mustafaga, “Dispatch from Beijing: PLA Writings on the New Silk Road,” *China Brief*, No. 15, 2015, p. 1.



times—and in the future, the balance will not be in our favor,” indicated the Russian economist, Vladislav Inozemtsev.<sup>14</sup> In Turkmenistan, China replaced Gazprom as the main gas buyer.

However, the experience of the states of the East and Southeast Asia region, which have a long history of relations with China in the current period of its strengthening, tells us that such fears are in vain. China firmly adheres to its foreign policy, formulated in the 1950s on five principles of peaceful coexistence. These principles are based on respect for sovereignty and non-interference in the internal affairs of other countries. The American political scientist, David Kang, confirms that the East Asian countries do not see China as a threat and it is profitable for them to develop friendly relations with it.<sup>15</sup>

Probably one of the reasons for this attitude is to be found in the intensive economic ties of the countries of the East and Southeast Asia with China. The level of development of China, in comparison with the border countries, allowed the former to be, historically, in the position of the Center for a long time.<sup>16</sup> The implementation of the maritime Silk Road project in the 21st century allows China to develop more in-depth relations with the countries of the region. It is worth noting that 80% of energy supplies to the PRC go through the Strait of Malacca in Southeast Asia.<sup>17</sup> Close economic ties are a reliable basis for preserving political stability in the region. For the states of Central Asia, this is a good example.

But regardless of China’s intentions, the One Belt, One Road initiative will lead to geopolitical consequences due to China’s growing power and its economic influence around the world.<sup>18</sup> And, for China itself, moving to Central Asia, to the borders of Afghanistan, presents certain risks. It is probably difficult to discuss stabilization in this country, not only in the short but also in the long run.

Russia’s influence in Central Asia cannot be overestimated, although at different times of their independent development the states of the region were oriented toward different external players. In such conditions, relations with Russia remained, although they lost their priority character, and in some places (Uzbekistan) started to be marginalized. This was also tied to the priorities of Russia’s foreign policy after the collapse of the Soviet Union. The desire for rapid integration with Western countries has led to Russia’s loss of political and economic influence in Central and Eastern Europe, and also the weakening of its positions in the countries of Central Asia.<sup>19</sup>

But the rethinking of the country’s geostrategy, with Vladimir Putin’s coming to power, has led the government to change the priority of its foreign policy regarding the Asian countries. As the director of the Institute of the U.S. and Canada, Russian Academy of Sciences, Sergey Rogov, has written: “The Russian Federation, unlike the Soviet Union, cannot claim the role of a superpower. Although in terms of the size of its territory, its population, its economic and scientific and technical potential, it can become one of the leading participants in the multipolar world as a great Eurasian power, taking an equal part in resolving issues that affect its legitimate interests.”<sup>20</sup>

This fact changed the circumstances of Russia’s presence in Central Asia. Russia, with the formation of the Eurasian Economic Union, is again regaining its strength and influence in this region. But what is very important to understand is that, in the informational space of the region, Russia’s

<sup>14</sup> M. Overchenko, “Kak Kitai otvoevyvaet u Rossii Tsentralnuiu Aziiu,” *Vedomosti*, 25 October, 2015, available at [<http://www.vedomosti.ru/economics/articles/2015/10/26/614254-kitai-aziyu-rossii#/galleries/140737492479880/normal/1>], 22 June, 2017.

<sup>15</sup> D. Kang, *China Rising: Peace, Power and Order in East Asia*, Columbia University Press, New York, 2007, p. 296.

<sup>16</sup> E. Zicheng, *Geopolitika i diplomatia Kitaia*, Peking, 1998, pp. 9-13.

<sup>17</sup> T. Fallon, “The New Silk Road: Xi Jinping’s Grand Strategy for Eurasia,” *American Foreign Policy Interests*, Vol. 37, Issue 3, 2015, pp. 140-147.

<sup>18</sup> T. Summers, “China’s ‘New Silk Roads’: Sub-National Regions and Networks of Global Political Economy,” *Third World Quarterly*, Vol. 37, Issue 9, 2016, pp. 1628-1643.

<sup>19</sup> V. Kolosov, R. Turovsky, “Russian Geopolitics at the Fin-de-siècle,” *Geopolitics*, Vol. 6, Issue 1, 2001, pp. 141-164.

<sup>20</sup> S. Rogov, “Kontury novoi rossiiskoi strategii,” *Nezavisimaya gazeta: Stsenarii*, No. 3, 1998, pp. 14-15.

presence remains extremely strong. Furthermore, its relations with Central Asia cannot be attributed exclusively to interstate relations. The historical, cultural, socioeconomic, civilizational and geographical links of the former U.S.S.R. with the region are too strong. The human factor still has an enormous significance. Western experts underestimate that the Victory in the Great Patriotic War of 1941-1945 is still a strong cementing factor for most of the peoples of the post-Soviet space. They also underestimate the post-Soviet mentality.

The most far-sighted Russian experts are sure that Russia can and should position itself not only as an advantageous economic partner for the states of the region but also as an effective guarantor of their economic independence.<sup>21</sup> This contrasts sharply with the prevailing sentiment in the West and among some circles within the Central Asian elites that Russia is allegedly seeking to regain control of the region in a colonial-imperial style.

Russia has a competitive advantage due to its enormous latitudinal size: the railways, the Transsib and Baikal-Amur Mainline (BAM), represent a unique opportunity to transport cargo from East and Southeast Asia to Europe.

It is argued that, in a global sense, the niche of transcontinental transit is heavily engaged in ocean transportation, and the land infrastructure of Russia, primarily the railway infrastructure, is obsolete technologically and cannot keep up its competitive edge. In addition, advocates of this opinion consider transit as an insufficiently attractive way of earning money, suggesting that transport systems should be used primarily for export-import of goods. Thus, across the Far East, the goods are sent from South Korea and Japan to the CIS countries. The Russian Transsib and BAM occupy a traditionally important place in these transports. In fact, during the Soviet and the 25-year post-Soviet period, the Russian Pacific ports and the Trans-Siberian Railway actually had no competitors. Cooperation with China implies investment for Russia to modernize technologically obsolete main transit railways in eastern Siberia and the Far East. Without offering concrete plans for modernization, Russia is clearly missing out time-wise.

However, most Russian experts believe that “transit potential can become an important geostrategic advantage of Russia if the needs of the rest of the world for its natural resources are reduced.”<sup>22</sup> Another thing is that for a long time Russia had a competitive advantage in the delivery of goods from Japan, China and South Korea to the territory of the CIS countries and Europe. How not to lose this competitive advantage in the new conditions? In connection with the relatively effective measures taken by Kazakhstan to strengthen its transportation infrastructure, Russia’s efforts to modernize clearly lag behind. Russian experts are compelled to admit that some cargos are already being reoriented toward Kazakhstan’s routes. “We cannot exclude the possibility that they will be reoriented from the ports of the southern Primorye to the more developed infrastructure of Lianyungang, in which the joint Kazakh-Chinese logistics complex already operates and which is the starting point of the container train that follows the Lianyungang-Almaty route.”<sup>23</sup>

However, Russia at this stage has a trump card, the Eurasian Union as an instrument of pressure, to take its place in the emerging infrastructure. Undoubtedly, this is in line with Russia’s strategic interests in the region, and it does much to achieve this. Suffice it to recall the initiation by Russia of the creation in November 2014 of the United Transport and Logistics Company (JSC “OTLK”).<sup>24</sup>

Russia would like to be in the position of solving the problems of infrastructure projects along the line of the China-Eurasian Union, but China has already developed the practice of bilateral nego-

<sup>21</sup> See: G.I. Chufirin, *Rossia v Tsentralnoi Azii*, KISI, Almaty, 2010, 220 pp.

<sup>22</sup> V. Inozemtsev, “Tranzitnoi strany iz Rossii uzhe ne vyidet,” *Vedomosti*, 29 November, 2012, available at [[https://www.vedomosti.ru/opinion/articles/2012/11/29/tranzita\\_ne\\_vyjdet](https://www.vedomosti.ru/opinion/articles/2012/11/29/tranzita_ne_vyjdet)].

<sup>23</sup> I. Zuenko, S. Zuban, “Transkontinentalnyi transit Aziia-Evropa,” *Mirovaia ekonomika i mezhdunarodnye otnoshenia*, No. 7, 2016, pp. 70-76.

<sup>24</sup> See: AO “OTLK” website, available at [<http://www.utlc.com/>], 14 June, 2017.



tiations in its relations with the post-Soviet countries. This practice has been carried out by China for a long time and includes trying to find resolutions to the problems of trans-boundary rivers as well.

Both China and Russia understand that they should not necessarily oppose the EAEU with the Chinese initiative. There is alignment of many interests of the two countries. Russia is interested in the development of its eastern regions, and China is interested in the development of its north-eastern regions, historically oriented toward Russia. In addition, Russia needs Chinese loans for the modernization of the Trans-Siberian Railway and BAM. It is also important that in the conditions of a single economic space, new opportunities for cooperation arise within the framework of the EAEU. In addition, both states are interested in maintaining stability in the region.

On 8 May, 2015, Russia and China signed an agreement on co-opting the Chinese initiative of the Silk Road Economic Belt (the “Belt”) by the Eurasian Economic Union (EAEU). This was the culmination of an unprecedented Russian-Chinese rapprochement, engendered by the rupture of Moscow with the West. Russia received a vivid symbol of support from the second world economy in the period of confrontation with the West, the opportunity to modernize its infrastructure with Chinese money. In addition, it was the first international treaty concluded between the EAEU and the country outside the former U.S.S.R. The following days were marked by the celebration of the Victory Day of the two countries in World War II.

Russia, it would seem, received a unique chance to solve its traditional problems with the railway infrastructure. China also provides investments and its almost 30-year experience in building roads in the most difficult conditions. However, in the analytical works of the Russian scientists, the opinion about mutual distrust between Russia and China can be inferred. The post-Soviet Central Asia is traditionally a sphere of Russian interests and the strengthening of China is clearly not entirely acceptable to Russia. China does not tire of repeating that it views Russia as an important participant in its infrastructure projects. In Central Asia, they understand the significance of the Russian-Chinese partnership for the region, its role in preserving peace. At the same time, political scientists also express the inevitable clash of interests of China and Russia in Central Asia.

## **Interests of the West in the Central Asian Region in Light of One Belt, One Road Project**

Of all the Western world, Western Europe is the one most closely associated with Central Asia, if only because they are located on the same continent. Security throughout the Eurasian continent has always had the attention of the European Union. This is evidenced by the fact that all the states of the region are members of the OSCE. At first, after the collapse of the U.S.S.R., Europe took an active part in developing market relations and imparting Western ideas of democracy to the newly independent countries of the region.

Modern relations of the region with Europe are viewed by the population as the promotion of democratic values, especially in the fields of culture and education, which, in most cases, are understandable to the population. It can already be stated that in 25 years, a whole generation of young people, educated in Europe and imbued with European values, has grown up in the region. However, assessing the situation in the region, experts should not forget that at the core of the society, the republics remain traditional, eastern, with a large share of their values and perceptions steeped in the post-Soviet mentality.

The initiatives of Europe to create transportation corridors were also positively adopted by the region. These are the famous TRACECA program, which included all the republics of the post-Sovi-

et Central Asia, Kazakhstan and the republics of Transcaucasia,<sup>25</sup> and the INOGATE program.<sup>26</sup> The European Union funds both programs. Naturally, Russia cannot find favor with the geopolitical setting of both programs, aimed at bypassing Russia and reducing the dependence of the republics within the region on Russia, and, therefore, cannot grant its approval.

With the launch of the One Belt, One Road initiative, new opportunities have opened for European countries to expand cooperation with the countries of Central Asia, China, etc. However, there are fears that the implementation of the Chinese concept may contribute to dissonance within the EU.

The interest in attracting Chinese investments by the countries of the “New Europe”<sup>27</sup> has led to the creation of the “16+1” forum (the countries of Eastern and Central Europe). There are concerns that 11 of the EU member states may lobby for China’s interests in carrying out the Brussels policy.<sup>28</sup>

Despite the fact that Central Asia is not a sphere of special interest for the United States, since 2001, the interest in the region has been evidenced due to its proximity to Afghanistan. In the event that the U.S. and NATO forces leave Afghanistan, this will inevitably mean a reduction in the geopolitical influence of the West and, probably, the strengthening of Iran, Russia and China in the region.

According to Emre İşeri, the goal of the great U.S. strategy for the twenty-first century is the strengthening of American political control over the Eurasian landmass and its hydrocarbon resources.<sup>29</sup> As William Engdahl has succinctly explained, “In short, the Bush administration which took office in January 2001, was steeped in oil and energy issues as no administration in recent U.S. history had been.”<sup>30</sup> Thus, Central Asia, the Caspian region, in particular, has gained significance in the eyes of the United States. Political support for the construction of an expensive Baku-Tbilisi-Ceyhan pipeline serves as evidence. In July 2011, the then U.S. Secretary of State Hillary Clinton, during her visit to India, put forward the idea of a New Silk Road—a transportation corridor from South Asia through Afghanistan, north to Central Asia. One of the components of this plan should be the construction of the Trans-Afghan gas pipeline from Turkmenistan to Pakistan and India (TAPI). Of course, one of the official motives for the proposal by the Americans of the TAPI project is the stabilization of the situation in Afghanistan. Russia’s experts see this project, primarily, as an attempt by the U.S. to gain access to the resources of Central Asia, bypassing Russia and Iran.<sup>31</sup>

For a long time, China did not support this initiative either. As noted by a prominent Kazakh political scientist, Sultan Akimbekov, in an interview with *Kazakhstanskaia pravda* at the first meeting of the Astana Club in 2015, China announced for the first time that it would support the Trans-Afghan gas pipeline.<sup>32</sup> After that, Beijing strengthened relations with Kabul, and further prospects are likely to contribute to them.

Given the Trans-Afghan gas pipeline, the countries of Central Asia would have received yet another gateway through Afghanistan to the south, to Pakistan and India. These large countries of South Asia repeatedly expressed their interest in natural gas and oil from the region. For the countries

<sup>25</sup> See: TRACECA website, available at [<http://www.traceca-org.ru/glavnaja/>], 14 June, 2017.

<sup>26</sup> See: INOGATE website, available at [<http://www.inogate.org/?lang=ru>], 14 June, 2017.

<sup>27</sup> B. Volkhonskiy, “Pererozhdenie ‘novoi Evropy,’” *Russkii zhurnal*, 25 November, 2008, available at [<http://www.russ.ru/pole/Pererozhdenie-novoj-Evropy>], 25 June, 2017.

<sup>28</sup> T. Fallon, op. cit.

<sup>29</sup> E. İşeri, “The U.S. Grand Strategy and the Eurasian Heartland in the Twenty-First Century,” *Geopolitics*, Vol. 14, Issue 1, 2009, pp. 26–46.

<sup>30</sup> W. Engdahl, *A Century of War: Anglo-American Oil Politics and the New World Order*, Pluto Press, London, 2004, pp. 246–247.

<sup>31</sup> V.G. Korgun, “Vyvod voisk SShA/NATO iz Afganistana: problemy i vyzovy,” in: *Afganistan i Pakistan: sovremennoe sostoianie i perspektivy razvitiia (po materialam soveshchaniia, sostoiavshegosia v Tsentre izucheniia stran Blizhnego i Srednego Vostoka)*, Moscow, 2012, p. 27.

<sup>32</sup> S. Enaleev, “Astaniinskii klub: dialog o budushchem Tsentralnoi Azii,” *Kazakhstanskaia pravda*, 28 October, 2016, available at [<http://www.kazpravda.kz/fresh/view/astaninskii-klub-dialog-o-budushchem-tsentralnoi-evrazii/>], 16 June, 2017.

of the region, in the search for ways to diversify their resources, the southern direction is seen as a reduction of dependence on one country—Russia. The implementation of the One Belt, One Road initiative opens new routes for China to the Indian Ocean, which can change the whole geostrategic nature of the Eurasian continent.<sup>33</sup>

## Interests of the Countries of Transcaucasia, Turkey, and Iran

Azerbaijan has interesting opportunities, as a country that also occupies strategic positions on the routes of the New Silk Road. Much attention is paid to the construction of the Baku-Tbilisi-Kars railway, running through the territories of Azerbaijan, Georgia, and Turkey. Completion of construction is planned toward the end of 2017. The launch of the railway communication between Turkey and Georgia will give a powerful impetus to the new direction of the international transportation route. For Kazakhstan, this is a very promising direction, as the work is actively expanding the Aktau seaport, through which the cargo flow from Turkey to the countries of the region keeps increasing. So, in just two months of 2016, more than 1,660 units passed, while for the whole of 2015 it amounted to 1,885.<sup>34</sup>

In light of the complex internal and external situation, political complications may arise in Turkey, in which the United States, the European Union, Russia, Iran and the Middle East may be involved.

At the same time, the lifting of sanctions from Iran caused a dramatic increase in economic cooperation between Russia, Kazakhstan and other Central Asian states with this largest regional power in Eurasia. There is a sharp increase in the cooperation of the countries of the region with Iran on diverse projects. An agreement has been reached between Kazakhstan and Iran on the joint construction of the terminal at the seaport of Bander Abbas. Infrastructure facilities are built on the principle of a dry (inland) port on the border of Turkmenistan and Iran. The first pass of a container train from the city of Yiwu (China) to Tehran has taken place. The length of the route is more than nine thousand kilometers, the term of delivery of goods is 14 days, which is much less than by sea—up to 30 days. Issues of attracting Russian exports to Iran through the Uzen-Bereket-Gorgan railway have also been discussed. For the region, the importance of the Iranian direction cannot be overestimated, since it is an outlet to the ports of the Persian Gulf and then to Europe.

The interests of Turkey and Iran are determined by the receipt of new benefits by approaching the markets of China. In addition, the Central Asian region itself is of great interest to both countries, since it provides close communication with the states, related in language, historical roots, the dominant religion from which they were severed for the entire period of the Russian Empire and the Soviet Union. Turkey's TURKSOY organization does a lot for cultural and civilizational rapprochement of the related peoples. The transition of Azerbaijan and Uzbekistan to the Latin alphabet brought them closer, in the informational sense, to Turkey. Kazakhstan, after long years of discussions, is also on the verge of a positive resolution of this issue. The transition from Cyrillic to Latin script causes many difficult, unpredictable questions in the relations of the countries of the region with Russia. Also in the future, this will facilitate access to the informational space not only in Turkey, but also in Europe.

<sup>33</sup> D. Brewster, "Silk Roads and Strings of Pearls: The Strategic Geography of China's New Pathways in the Indian Ocean," *Geopolitics*, Vol. 22, Issue 2, 2017, pp. 269-291.

<sup>34</sup> G. Malykh, "Sozdaetsia perspektivnyi marshrut," *Kazakhstanskaia pravda*, 10 March, 2016, available at [<http://www.kazpravda.kz/fresh/view/sozdaetsya-perspektivnii-marshrut/>], 17 June, 2017.

## New Challenges and Risks for Central Asia in Light of One Belt, One Road Project

Lately, Central Asia faced new challenges and risks, which can intensify in light of the participation of the countries of the region in construction of the roads of the Silk Road. These are ethno-confessional conflicts. To the post-Soviet republics of Central Asia came new forms of Islam, previously not characteristic to the peoples of the region. There are several reasons—both internal and external. At the root of the internal causes lies the natural, after the collapse of the Soviet Union, process of searching for national identity. Very soon, the search for national identity has led the peoples of the region to the realization of their religious identity, from which they were separated during the Soviet era, the realization of belonging to the Islamic world. But by this time, the Islamic world had changed beyond recognition. The world was shaken by the Sunni-Shi'a contradictions and the terrible force of terrorist acts under the flag of Islam. New religious ideas, not understood by nomadic peoples in the past, began to penetrate the region.

In addition, for 70 years of the Soviet power, atheism has firmly established itself in certain sectors of society. However, the spread in recent years of various radical forms of Islam has put society and the state at a dead end. The basis for spreading Islam in the region is the poverty of the population.

The construction of the New Silk Road will expand the possibilities of transportation infrastructure, and this will inevitably strengthen the religious infrastructure. It should be noted that the legislation of the republics of the region in the sphere of religion, especially in Kazakhstan, was extremely liberal.

The external factor of the spread of Salafism and other religious trends of radical Islam, which are not typical of the region, are, of course, the actions of international terrorist organizations that are trying to destabilize the situation in the states of Central Asia. And the poorer the population, the greater the chances of destabilization. Nobody knows how many people from the region are fighting on the side of terrorists, but they certainly are. The possible spread of radical forms of Islam in such a densely populated region of Uzbekistan as the Ferghana Valley is fraught with devastating consequences.

With globalization and the involvement of the region in global processes, the influence of the world's Islamic community (ummah) on the life of the peoples of Central Asia will undoubtedly increase. This is an objective process. To date, according to the Russian scientist Vitaliy Naumkin, the region has developed three models of behavior with respect to Islamists: total suppression of all Islamists (Uzbekistan and Turkmenistan); suppression of radical groups and cautious dialog with moderate representatives (Kazakhstan and Kyrgyzstan); cooperation and inclusion in power structures (Tajikistan).<sup>35</sup> We would like to add that the countries of the region have the opportunity to take into account the experience of countries that previously recognized the danger of radical Islamist organizations.

In the post-Soviet countries, the process of searching for national identity continues after years of oblivion. In the field of confessional identity, it is necessary to prevent a transition to a radical Islamist, essentially terrorist identity.

At the same time, the long-term interests of the world community, of course, are to prevent the formation of new hotbeds of tension and international terrorism in the post-Soviet space. When building the New Silk Road, this danger must be taken into account, and the countries of the region should adopt a common policy on this matter.

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<sup>35</sup> See: V.V. Naumkin, *Gody, kotorye izmenili Tsentralnuu Aziuu*, TsSPI-IV, RAS, Moscow, 2009, p. 331.

## *Conclusion*

In Central Asia, over the past 5-10 years, two major projects have been implemented—the Eurasian integration in the form of the emerging Eurasian Economic Union and the Economic Belt of the New Silk Road. Of course, experts assess these projects differently. Western experts tend to see in them the restoration of the Russian Empire or the creation of the Chinese. With all the diversity of analyst approaches, both projects do exist.

Naturally, national interests of each of the countries of Eurasia dictate their subjective behavior, and this situation is imbued with uncertainty with regards to Afghanistan. Infrastructure projects require enormous investments, which are often absent in most countries of Central Asia.

How should the New Silk Road project be viewed? We believe that all possible transportation corridors work for one common goal—the development of the potential of a huge region in the center of Eurasia. And such venture changes the essence of regional politics. Sooner or later, such projects had to appear. The Chinese project is the basis of a new world transportation infrastructure for Eurasia. Still, history tells us that a railway, especially such a long stretch, is always a penetration, one can say an expansion of a stronger country. It was always so—with the development of Siberia, Kazakhstan, and Central Asia by Russia. This is the way it is happening now, in the 21st century.

Is it possible, in the new global conditions, to restore the spirit of the Great Silk Road—the commonwealth of cultures, civilizations, economy? Is it possible to develop a mechanism for interaction between countries, regional organizations, and integration groups? Each country has the right to expect maximum benefits from such a large-scale transportation megaproject, but only while taking into account the interests of its neighbors. Undoubtedly, transportation corridors provide for the greater interdependence of states, including their potential capability of generating profits. Therefore, the maintenance of their stable functioning becomes common to all states through which such corridors pass. China, as the initiator of the project, will undoubtedly strive to minimize risks for itself and for the Central Asian region.

At the time this article was being written, in Beijing, China hosted the First High-Level Forum on International Cooperation within the framework of the One Belt, One Road Project (14-15 May). The volume of participating countries' economies at this meeting was compared to the G-20 summit by the international media. The experts' assessment of the results of the forum is yet to come, but it should be emphasized that if China had previously proposed and successfully implemented regional projects with the countries of Southeast Asia (ASEAN+3), now China is entering the continental, Eurasian project of global significance. In addition, backing it with multi-billion-dollar loans.

The republics of the region have the opportunity to be not only transit countries for the transport of Chinese goods, but also to diversify the ways of exporting raw materials and, in the future, to participate more fully in world trade, exporting goods with higher added value. Of course, the processes of reform and political and economic liberalization are going through complicated paths in the region. Democracy is often replaced by a set of democratic, in name, but not essence, institutional organizations.

As a result of the diversified interests of regional and extra-regional states during the construction of the New Silk Road, by and large the question is whether the region will remain in the post-Soviet space, the Islamic world or China's sphere of influence. Or the region, without already having a common regional identity, will finally fracture into several parts. Kazakhstan and Kyrgyzstan will remain in the sphere of influence of Russia and China and will become more secular. Tajikistan, Turkmenistan, and Uzbekistan, while maintaining ties with Russia and China, as guarantor countries of security in the region, will attempt rapprochement with Iran, Turkey, and the Islamic world.

Much in this struggle of the diverse interests of the states of the post-Soviet Central Asia depends on positions of the extra-regional powers. Will the New Silk Road cause a new round of geopolitical struggle for influence in Eurasia?

But once again, the region should use its historical chance in the form of the New Silk Road, get all the possible benefits from it, minimizing the risks. The region can recreate its regional identity in the new conditions of the 21st century, using its geographical location and intra-regional resources.

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