

THE EUROPEAN UNION- CENTRAL ASIA RELATIONS: KAZAKHSTAN AS A LEADING ACTOR

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ABSTRACT

Five independent republics—Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan—emerged in Central Asia (CA) after the dissolution of the Soviet Union. The newly independent states established bilateral and multilateral relations with other countries and international

organizations. One of these organizations is the European Union (EU). The relations of CA republics with the EU are prescribed by various documents that emphasize the common issues of democracy, human rights, rule of law, security, energy, transportation and trade. However, the EU's relations with each of the CA countries are based on dif-

ferent legal bases and the priorities in relations vary from country to country primarily according to their internal dynamics. The majority of existing research analyzes the EU's initiatives in CA republics and its attempts to establish partnership and cooperation with them from the viewpoint of the Union. However, it was observed that Kazakhstan's role as a motivator in the EU-Central Asia relations is a neglected part of related studies. As the region's largest country, Kazakhstan has adopted a multi-dimen-

sional foreign policy, and prioritizes peace, welfare and security both within and outside of its borders.

This study aims to analyze Kazakhstan's role in launching of policies by the EU in CA. Investigating the main developments between the EU and CA states during the past years, the authors determined that Kazakhstan has provided important contributions to the EU-CA joining process and is still encouraging other CA countries to cooperate more closely with the EU.

KEYWORDS: *Central Asia, cooperation, energy, European Union, Kazakhstan, strategy.*

Introduction

Cooperation between states has a long history, and has become the focus of academic debates. On the other hand, the emergence of non-state actors and transnational norms and ideas, as well as the question of collaboration efficiency, has widened the scope of the definition of cooperation. While cooperation has initially been defined as "the deliberate and coordinated adjustment of policies by states attempting to solve a mutual problem or achieve mutual gains," in the expanded definition, "cooperation comprises iterated processes, which continue beyond beginning agreements and result in complex and enduring governance orders and potential social change."¹ Traditionally, international cooperation is perceived as a non-persistent mechanism based on the states' national interests; it ends once the goal is achieved. However, the evolution of international relations and the emergence of an international political economy have changed these approaches that were defended by realists/neorealists. New developments in economic, commercial and financial regimes have converted international cooperation to a long-term and sometimes permanent process based on sustainable benefits. In particular, divergent security challenges and increased interdependence of the post-Cold War period have encouraged states' actions aimed at achieving cooperative outcomes, giving rise to a number of debates on cooperation in the literature on international relations. Approaches that tend to explain cooperation among nations along the lines of systemic level of analysis, game and regime theories, institutionalism, constructivism and structuralism have emerged as the major alternatives to realist views.

According to Milner, goal and gain are the two main components of international cooperation. In cooperation, each state adjusts its behavior working towards a certain goal, where each may have different rationales. Similarly, the gains of each state may not be equal in the process of collaboration, but they are mutual.² The sides of cooperation are the states, however, it can be established among

¹ K. O'Neill, J. Balsiger, S.D. VanDeveer, "Actors, Norms and Impact: Recent International Cooperation Theory and the Influence of the Agent-Structure Debate," *Annual Review of Political Science*, Vol. 7, 2004, pp. 149-175.

² See: H. Milner, "International Theories of Cooperation among Nations: Strengths and Weaknesses," *World Politics*, No. 44, April 1992, pp. 466-496.

state(s) and international organization(s), as well as other non-state actors. There are a number of ways to collaborate in international relations. Cooperative behavior and negotiated agreements are the usual types of collaboration. In some cases, it can be imposed if one of the sides is more dominant.

Increased political interaction between actors of international relations has served to blur the distinction between domestic and foreign policy. Globalization has led to internal political issues being increasingly externalized and external political issues becoming increasingly internalized. In light of these changes, international cooperation is one of the preferred methods of conducting countries' foreign policy and coordinating policies amongst themselves. In the contemporary world, international cooperation has extended to a wide range of areas, including political, military, economic, financial, energy and security issues, human rights, defense, transportation, environment, demography, migration, health, culture, education, and tourism.

General Framework of the EU-Central Asia Relations

Political framework: The TACIS program initiated by the European Community in 1991 for the Commonwealth of Independent States (CIS) and Georgia has laid the foundation of the relations between the EU and CA republics. Thus, the program has for a long time determined many aspects of the politics of the EU in the former Soviet area,³ including the CA region.⁴

The signing of the Helsinki Final Act by the CA states, concurrently with the introduction of the TACIS program, has laid the groundwork for political cooperation between the countries of the region and Europe. In 1993, the European Commission launched another program for the former U.S.S.R. republics—TRACECA.⁵ With the aim of establishing a legal framework for their relations, the EU signed Partnership and Cooperation Agreements (PCA) with Kazakhstan, Kyrgyzstan and Uzbekistan from 1994 to 1996. The PCA with Turkmenistan was signed in 1998. The PCA with Tajikistan was signed only in 2004 because of the civil war in the country. Similarly, PCAs with Kazakhstan, Kyrgyzstan and Uzbekistan entered into force in 1999, and the PCA with Tajikistan came into force in 2010. However, ratification of the PCA with Turkmenistan has been delayed due to serious human rights concerns. Bilateral relations between the Union and Turkmenistan are governed by the Interim Agreement on trade and trade-related matters, which entered into force in August 2010. In addition, in its Communication about the future of the relations of the EU-CA states adopted in 1995 the European Commission emphasized the protection of stability in the region, the development of democratic institutions with broad participation, reduction of conflict sources, and implementing economic reforms.

Another important aspect of the relations between the Union and the CA republics in the 1990s was the INOGATE—one of the longest-running technical assistance programs in the energy sector, funded by the EU in 1996-2016.

³ Except for Latvia, Lithuania and Estonia.

⁴ See: V. Paramonov, A. Stokov, Z. Abduganieva, "Vliianie Evropeiskogo soiuza na Tsentralnuiu Aziu: obzor, analiz i prognoz," Friedrich Ebert Stiftung, Almaty, 2017, p. 5, available at [<http://library.fes.de/pdf-files/bueros/kasachstan/13414-20170614.pdf>], 20 April, 2018.

⁵ On 8 September, 1998, 12 TRACECA countries signed the Basic Multilateral Agreement on International Transport for Development of the Europe-the Caucasus-Asia Corridor (MLA) with the aim of implementing in full their geopolitical and economic potentials. This agreement is a basis for the implementation of the TRACECA program. Turkmenistan is a participant to the TACIS-TRACECA programs, however, it is not a party to the MLA. For more information, see: [<http://www.traceca-org.org/en/traceca/history-of-traceca/>].

Following NATO’s military operation in Afghanistan in 2001, the political dialog of the EU-CA states was shifted to a new level as “the EU Troika-CA countries” within the framework of the Laeken Declaration published by the Union. It should be noted that prior to the Afghan war, the EU’s interests in CA were focused on energy more than security.⁶ As a matter of fact, the EU’s desire to increase its presence and to become a more visible actor in CA continued with the appointment of the Special Representative of the EU for CA in 2005 and the launching of the Strategy for a New Partnership in 2007.⁷ In this context, the funding of TACIS projects implemented before December 2006 has been conducted via the Development Cooperation Instrument (DCI) since January 2007.⁸

In the following years, the geographic location, political, economic and social structures of CA states continued to be the defining elements of their relations with the Union. Based on the above, the EU founded its relations with CA countries on the Multi-Annual Indicative Program adopted for each state’s needs and circumstances. However, *development, human rights, democracy and rule of law, good governance, political dialog, public reforms, judicial reforms, strengthening of regional and local governance capacities* are the most prominent spheres of the partnership and cooperation between sides.

Economic framework: PCAs not only set up the framework of political bonds, but also the scope of economic and trade relations between the EU and CA states. *Trade, energy, transportation, business and investment, financial cooperation, protection of intellectual and property rights* primarily form the economic dimension of PCAs. During the past years, the EU and CA countries managed to further their bilateral trade relations. However, during the period of 2013-2017 the volumes of trade between the sides decreased.

Table 1 shows the trade volumes between the EU with CA states in the last five years.

Table 1

EU-CA Countries Trade in 2013-2017 (million euros)

Years / Countries	EU Import					EU Export				
	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
Kazakhstan	23,865	23,859	16,247	12,743	17,656	7,472	6,751	6,197	5,076	5,103
Kyrgyzstan	77	80	51	73	166	399	401	270	238	293
Tajikistan	89	61	58	94	43	196	216	166	175	172
Turkmenistan	866	816	427	637	253	1,082	1,154	1,095	1,169	895
Uzbekistan	247	233	246	175	221	1,404	1,404	1,591	1,625	1,688
Total	25,144	25,049	17,029	13,722	18,339	10,553	9,926	9,319	8,283	8,151

Source: European Commission, 2018.

⁶ See: T. Delpech, “Enlarging Europe’s Strategic Vision,” in: *The New Frontiers of Europe. The Enlargement of the European Union: Implications and Consequences*, ed. by D.S. Hamilton, Calouste Gulbenkian Foundation, Washington D.C., 2005, pp. 157-168.

⁷ See: F. Bossuyt, “The European Union’s Political and Security Engagement with Central Asia: How to Move Forward,” *The Central Asia-Caucasus Analyst*, 6 September, 2017, available at [http://www.cacianalyst.org/publications/feature-articles/item/13464-the-european-union%E2%80%99s-political-and-security-engagement-with-central-asia-how-to-move-forward.html], 23 May, 2018.

⁸ See: V. Paramonov *et al.*, *op. cit.*, p. 8.

The Brexit process, refugee problems and numerous similar difficulties prevent effective policy coordination in the EU, which is facing a multi-dimensional crisis. Increasing uncertainties both within and outside of the borders of the Union negatively affect the member states' economies. On the other hand, depending on the decline of global oil prices since the mid-2014 economic stagnation was observed in CA countries, which provide a significant portion of national income from energy sources.⁹ As a result, all these negative factors lead to a reduction in the volume of trade between the parties. For example: in 2017, the EU imported 18,339 million euros worth of goods and products from CA. This amount constitutes only 1% of total EU imports. Member states mainly import oil and natural gas, mineral fuels, lubricants and similar materials, livestock, food products and processed goods from CA countries. In the same period the EU's export to CA amounted to 8,151 million euros. The figure corresponds to 0,4% of total EU exports. The EU countries mainly export machineries, transport equipment, various chemicals and processed products.¹⁰

Kazakhstan is the largest trade partner of the EU in the region. Similarly, the EU is the first partner of Kazakhstan with an almost 40% share in this country's foreign trade. Kazakhstan's exports to the EU are heavily dominated by oil and gas, which account for more than 80% of the country's total exports. The EU is the largest investor in Kazakhstan, and approximately 50% of the Foreign Direct Investment (FDI) inflow originates from the EU.¹¹ In this context, the Memorandum of Understanding on Cooperation in the field of Energy between the EU and Kazakhstan signed in 2006 has focused on issues such as diversification of transit routes, harmonization of legislation, strengthening of security of the supply and transit systems, development of renewable energy systems, increasing energy efficiency and technical cooperation.¹² A similar agreement was signed with Turkmenistan in 2008 and with Uzbekistan in 2011.

However, as already mentioned, the internal dynamics of each country determine the level of relations with the EU, resulting in differences between CA countries' trade volumes as well. For example, with the signing of the Enhanced Partnership and Cooperation Agreement (EPCA) in Astana in December 2015, the EU has redeployed its relations with Kazakhstan, its most important partner in Central Asia, to a new level. On the other hand, Tajikistan and Turkmenistan fell behind in this sense due to their internal conditions and domestic and foreign policies. Another example is the benefits received by Kyrgyzstan, which has been a member of the World Trade Organization since 1998, from the EU's Generalized System of Preferences (GSP). Similarly, Uzbekistan and Tajikistan also benefit from the GSP in their trade with the EU.

Security framework: Certain security issues already existed in CA during Soviet times. Thus, the weakening of control as a result of the collapse of the Soviet Union and lack of experience of the newly independent states easily exposed region to a wide range of security problems.¹³ Being aware

⁹ See: World Bank Groups, "The Impact of China on Europe and Central Asia: Europe and Central Asia Economic Update," April 2016, p. 5, available at [<http://documents.worldbank.org/curated/en/136351467990956476/pdf/104605REVISSED-ECA-2016.pdf>], 21 May, 2018.

¹⁰ See: European Commission, "Trade Statistics. Central Asia," available at [http://trade.ec.europa.eu/doclib/docs/2013/november/tradoc_151896.pdf], 21 May, 2018.

¹¹ See: European Commission, "Kazakhstan," available at [<http://ec.europa.eu/trade/policy/countries-and-regions/countries/kazakhstan/>], 21 February, 2018.

¹² See: European Union External Action, "Kazakhstan," available at [https://eeas.europa.eu/sites/eeas/files/memorandum_of_understanding_on_co-operation_in_the_field_of_energy_between_the_european_union_and_the_republic_of_kazakhstan_en.pdf], 28 May, 2018.

¹³ See: S. Golunov, "Border Security in Central Asia: Before and After September 11," in: *Facing the Terrorist Challenge—Central Asia's Role in Regional and International Cooperation*, ed. by A.H. Ebnöther, E.M. Felberbauer, M. Malek, Bureau for Security Policy at the Austrian Ministry of Defence; National Defence Academy, Vienna and Geneva Centre for the Democratic Control of Armed Forces, Geneva, in cooperation with PFP-Consortium of Defence Academies and Security Studies Institutes, Vienna and Geneva, April 2005, pp. 89-109, available at [http://www.bundesheer.at/pdf_pool/publikationen/10_wg_ftc_40.pdf], 24 May, 2018.

of this fact, the EU has already launched the Central Asia Drug Action Program (CADAP) in the beginning of 2001. However, the 11 September, 2001, attack was the turning point in the security aspect of the EU-CA relations. As one of the EU's largest regional programs in Central Asia, Border Management Program in Central Asia (BOMCA) started in 2003, aiming to assist in the gradual adoption of modern border management methods in Central Asia to enhance border security and facilitate legal trade and transit. In addition, half of financial resources of the Multi-Annual Indicative Program is allocated for regional security issues such as border management, fight against crime and drug trafficking.

Social framework: All programs launched by the EU up to the present time include social aspects, supporting socioeconomic development, rural development, civil society, employment, humanitarian aid, science, technology, research, environmental projects, and cultural relations. The EU supports the capability of national institutions and local communities to prepare for and respond to disaster, as the region is prone to natural threats, including earthquakes, floods and landslides, and threats related to environmental problems and climate change. It will be useful to note that EU priorities of social assistance to CA countries vary widely according to their socioeconomic situation.

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Kazakhstan as a Motivator of the EU-Central Asia Relations

Kazakhstan is not only the largest country and the biggest economy of CA with rich energy resources and minerals, but also one of the post-Soviet republics, with a significant Soviet heritage. Kazakhstan is the first CA state that was awarded a non-permanent seat on the United Nations Security Council in 2017-2018. It has been a member of World Trade Organization (WTO) since November 2015. Kazakhstan is also a key player in worldwide uranium exports, which hosts the Low Enriched Uranium Bank of the International Atomic Energy Agency (IAEA). Increasing its geostrategic importance, Kazakhstan's geographic location allows the country to be an intersection point of new transcontinental transport routes such as the Western Europe-Western China Transport Corridor, TRACECA, and China's new Silk Road concept of One Belt, One Road.¹⁴ The above-mentioned facts throw light on the five top priorities of the country's Strategy 2050: the economy's accelerated technological modernization; improving and expanding the business sphere; macroeconomic stability; improving the quality of human capital; institutional reforms; security and fight against corruption.¹⁵

The country's potential and the aim to reach the stated goals lead Kazakhstan to take responsibility for the entire CA. This responsibility is clearly defined among the priorities and tasks of the country's foreign policy: "Kazakhstan is committed to a politically stable, economically sustainable and safe development of Central Asia. Acknowledging its responsibility and the role in the region, Kazakhstan will exert every effort to provide regional stability and security and take actions against

¹⁴ See: F. Umbach, S. Raszewski, "Strategic Perspectives for Bilateral Energy Cooperation Between the EU and Kazakhstan, Geo-Economic and Geopolitical Dimensions in Competition with Russia and China's Central Asia Policies," Konrad-Adenauer-Stiftung and European Centre for Energy and Resource Security, Astana, 2016, available at [http://www.kas.de/wf/doc/kas_44337-1522-2-30.pdf?160304061521], 4 June, 2018.

¹⁵ For more information, see: "Strategy 2050," available at [<https://strategy2050.kz/en/>], 4 June, 2018.

new challenges and threats, including those originating from neighboring territories. Kazakhstan will also strive to develop intra-regional integration in Central Asia with the purpose of diminishing conflict potential, solving social-economic problems, and tackling water-energy issues and other considerations.¹⁶ In an effort to fulfill this task, Kazakhstan conducts a multi-dimensional foreign policy, “focusing on strengthening regional efforts to jointly counter internal and external challenges and threats, enhancing political, economic and cultural cooperation on a mutually beneficial and parity basis.”¹⁷ Thus, during the past years Kazakhstan has been the most active country as far as taking initiatives in regional cooperation in CA, trying to fill the gap of an “umbrella” organization in the region. Kazakhstan proceeds from its strong conviction that the region’s sustainable economic development is the best guarantee against the threat of international terrorism, religious fundamentalism, as well as drug trafficking. The echoing waves of the global crisis of 2008, the growing chaos in international relations, the erosion of state sovereignty under the impact of political globalization and the increasingly more frequent global precedents of regime change through outside interference¹⁸ push Kazakhstan to lead the way towards integrating the countries of the region with the world. Thus, President Nursultan Nazarbayev’s idea to create the Eurasian Economic Union, set forth in 1994, was followed by his recommendation on the development of common cooperation strategy in CA during a visit to Brussels in 2000. Support of integration processes in CA and of the region’s balanced development in accordance with the interests of unified Europe was aligned with President Nazarbayev’s proposal.¹⁹

Although Astana and Brussels could not agree on a joint document at that time, Nazarbayev’s suggestion assisted in changing the EU’s alienated approach to CA towards more close cooperation and partnership. At the same time, terrorism and security concerns in Afghanistan increased the political interest of European countries in the region. The mentioned shift in the European approach resulted in launching of the EU and Central Asia: Strategy for a New Partnership in 2007. Kazakhstan’s next step towards closer relations between the EU-CA was its suggestion on the appointment of national coordinators of the EU in the CA states. Moreover, in February 2008, Nazarbayev instructed the Ministry of Foreign Affairs to prepare a special program Way to Europe, which was unexpected for the EU officials, which aimed at developing a detailed policy towards the Union. Kazakh initiative was welcomed by the EU authorities. In the subsequent phase, the key parameters have been set forth, with the document receiving the status of a state program. Three clear goals and objectives have been set: to get foreign direct investments from Europe in order to determine a high-level strategic partnership with the European countries by improving cooperation in the fields of new technologies, energy, transportation, engineering; to improve and enhance Kazakhstan institutional and legislative base by using the positive experience of the EU.²⁰ Approximately \$68 million have been allocated for the implementation of the three-year program approved by President Nazarbayev in August 2008.²¹ Thus, Kazakhstan clearly expressed its willingness for more close and comprehensive relations with the EU with a wide range of expectations such as:

¹⁶ The Ministry of Foreign Affairs of the Republic of Kazakhstan, “Foreign Policy Concept for 2014-2020. Republic of Kazakhstan,” available at [<http://mfa.gov.kz/en/content-view/kontseptsiya-vneshnoj-politiki-rk-na-2014-2020-gg>], 3 June, 2018.

¹⁷ Ibidem.

¹⁸ See: D. Malyshev, “The Eurasian Economic Union: Development Prospects,” *Central Asia and the Caucasus*, Vol. 16, Issue 2, 2015, p. 9.

¹⁹ See: R.S. Kurmangujin, “Kazakhstan i ES: ot strategii sotrudnichestva k novomu soglasheniu o prodvnutom partnerstve,” *Sravnitel'naya politika*, No. 1 (22), 2016, p. 107.

²⁰ See: G. Mostafa, “The Concept of ‘Eurasia’: Kazakhstan’s Eurasian Policy and Its Implications,” *Journal of Eurasian Studies*, Vol. 4, Issue 2, 2013, pp. 160-170.

²¹ See: R.S. Kurmangujin, op. cit., p. 112.

- stable foreign trade incomes from the EU's developed economies;
- diversification of consumers of Kazakhstan's energy resources;
- encouraging FDI for the country's economic development, employment, social welfare and prosperity;
- balancing out Russian and Chinese political, economic, social and cultural influence;
- ensuring the safety of transportation routes that traverse the country;
- incorporating foreign experiences for improving the economic and financial system;
- eliminating the deficit of technology and innovation;
- getting support in resolving security issues;
- promoting Kazakhstan's image as a value-based country.

An implementation of the program has not only provided an opportunity for the preparation of a new Enhanced Partnership and Cooperation Agreement between Kazakhstan and the EU, which was signed on 21 December, 2015. Elevating relations between the sides to a higher level has stimulated other Central Asian countries to establish a closer relationship with the EU, as well as increased the EU's interest in the region.

Actually, Kazakhstan's decisive attitude towards the EU's active presence in CA manifested in the appointment of the Special Representative in Central Asia in 2005. As an extension of the developing partnership, in 2012 the Union reviewed its CA strategy, mainly focusing on the impact of Afghanistan on CA. The adoption of a decision on a renewed EU Strategy towards the Central Asian region in June 2017 has confirmed the EU's commitment to develop a strong and durable relationship with CA.

On the other hand, the removal of economic sanctions imposed on Uzbekistan by the Union and Uzbekistan's efforts to cooperate with the member countries and to move forward to join the ranks of developed democracies should be considered in the context of Kazakhstan's role in promoting the EU-Central Asia relations in some degree. Following Kazakhstan, Kyrgyzstan and the EU initiated negotiations for an Enhanced Partnership and Cooperation Agreement that will bring this country closer to Europe and grant an elevated status to its dealings with the Union.

The role that was undertaken by Kazakhstan not only stimulates the relations of other CA countries with the EU on a bilateral level, but also promotes the cooperation between five Central Asian states. Considering the influence of the transition of power in Turkmenistan and Uzbekistan, negotiations and discussions on security, counter-terrorism, energy partnership, border safety, water resources, transit routes, and common usage of Caspian ports became more active among region states.

Although these positive developments are taking place among the countries of the region, they completely overlap with the EU's priorities that are clearly expressed in the Central Asian Strategy of the Union. In this sense, the meeting of the top Kyrgyz and Uzbek defense officials to discuss bilateral military cooperation and regional security, a meeting that took place for the first time since the two Central Asian countries gained independence following the 1991 collapse of the Soviet Union, is a good sign.

On the other hand, the EU and Turkmenistan are committed to implementing the Trans-Caspian pipeline project, designed to bring Turkmen hydrocarbon resources to European markets. In fact, the launch of the annual EU-Central Asia Ministerial Meeting serves as an official platform for cooperation within CA and CA with the Union. The most important point here is that the process led by

Kazakhstan to enhance the EU-CA relations is not designed against any state, country or bloc in the region. Aiming to benefit all sides, Kazakhstan follows a policy that will provide an opportunity for Central Asian states to use their geographic location at the crossroads of world trade and natural resources for peace and well-being.

Conclusion

The world is going through a complicated period. Countries need each other more than ever. The cooperation between countries is inevitable now, at a time when natural resources are dwindling, security issues are escalating, and the lines between domestic and foreign policies is gradually disappearing. Under current conditions it is almost impossible for the states to ensure peace and prosperity for their nations without cooperation. As one of the largest countries in the world, Kazakhstan is well aware of this fact. With its initiatives towards the EU during past years, Kazakhstan has succeeded in changing the Union's conception of the CA as a region that is far from Europe both geographically and politically.

Thanks to its consistent attitudes towards Europe, only twenty-seven years after gaining independence by Central Asian states, tangible connections have been established between the EU and CA. Astana's pragmatic approach towards Europe could attract the Union's attention to the whole region. Influenced by the local, regional, international and global affairs, Kazakhstan's EU policies correspond to the interests of other Central Asian countries, which are less developed either economically or politically, and expedite their integration with the world. Moreover, Central Asia itself lacks a regional organization. Kazakhstan aims to fill this gap with the experience and support of the EU. Existing challenges and approaches of the new governments of the Central Asian countries provide suitable conditions for Kazakhstan's purposes.
