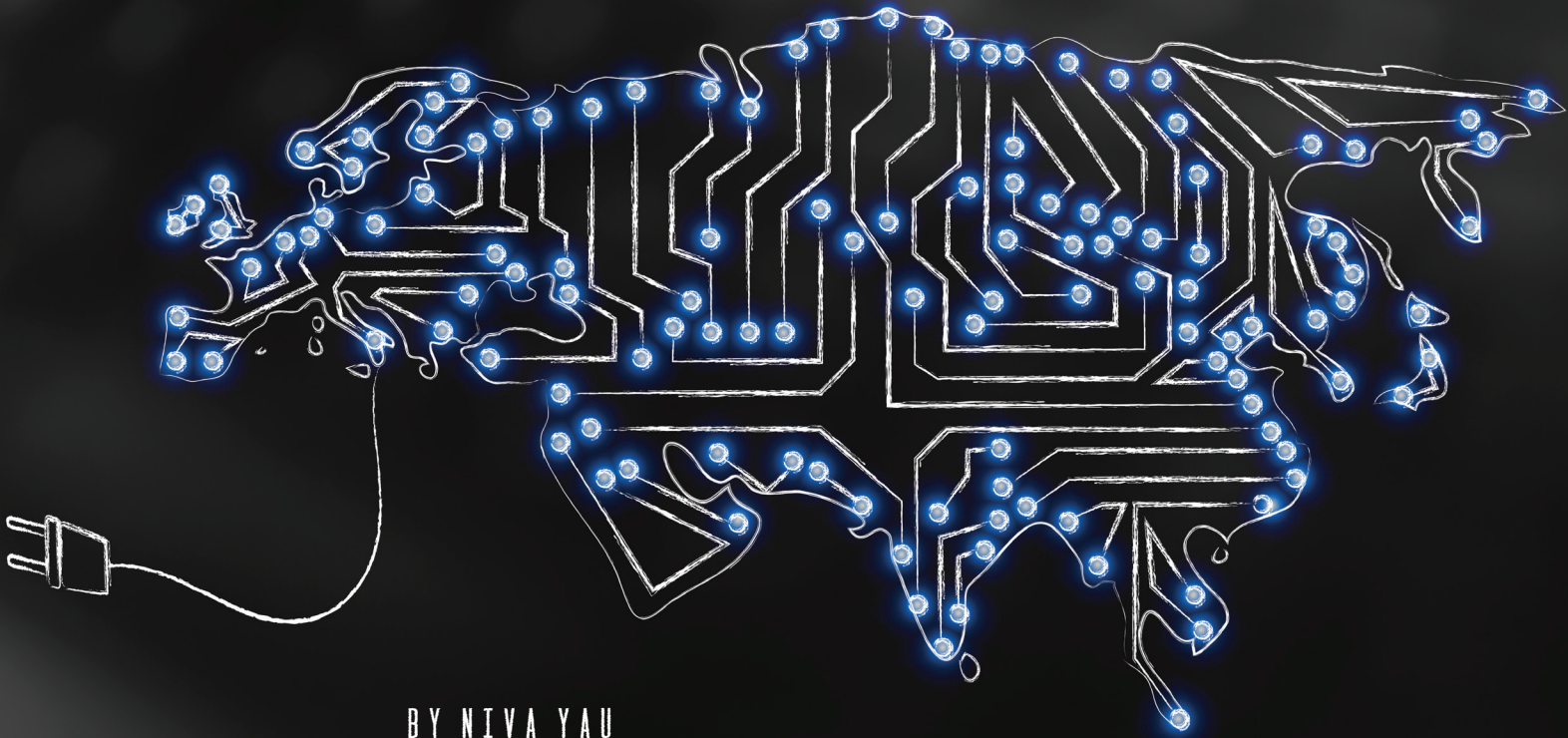


IS THERE

EURASIAN CONNECTIVITY
WITHOUT EUROPE?



BY NIVA YAU

FOLLOWING THE RUSSIAN INVASION of Ukraine, Central Asia received some of the highest level of attention from Europe that it has ever seen. The region has long been viewed by Europe through the lens of its Soviet legacy, and thus lacked a meaningful, independent rationale that drives European engagement.

Central Asia is once again a focus of European foreign policy in light of ongoing Russian aggression. On October 27, 2022, European Council President Charles Michel paid a state visit to Astana, Kazakhstan, where he discussed the negative impacts Central Asian economies have suffered due to Western sanctions on Russia.¹ He floated an idea to relocate European manufacturing to Kazakhstan. However, months have passed, and European companies have not been convinced about this possibility, nor was it supported by EU trade policies.

Tucked between Russia, Iran, and China, Central Asia is now desperately looking for solutions to cushion the impacts of global tension on its fragile economies, which are deeply tied to sanctions against Russia and a local production slowdown as China recovers from its zero COVID policy. While European diplomacy has come at a crucial time, its Central Asian policy is ambiguous, and commitments misplaced.



EU Summit with President Charles. MEPs discussed the conclusions of the European Council meeting on March 24–25, 2022 calling for further sanctions against Russia, additional support for Ukraine and for reducing the EU's energy dependency. European Parliament | CC-BY-4.0: © European Union 2022—Source: EP

Central Asia is continuously perceived by the EU as a region in need of developmental assistance, which leads to European regional policies that focus on digitalization and climate issues. What Central Asia needs is the establishment of concrete logistical connectivity that will enable efficient flow of products across Eurasia. When Vice President of the EU Commission, Josep Borrell, opened the EU-Central Asia Connectivity Form in Uzbekistan on November 18, 2022, he announced a European Bank for Reconstruction and Development (EBRD) working study on a transport corridor between Central Asia and Europe.²

In the past, the EU had been skeptical about land-based trade possibilities connecting Europe to Central Asia. As Europe explores cooperation with emerging economies to reduce its dependency on Russia for energy, and China for manufacturing, it is now time to take Central Asia seriously.

Half of the countries in this part of the world are under 30 years old. The landmass is larger than the European

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subcontinent, and there are plenty of underutilized resources such as uranium and rare earths. Geographically, the region is much closer to Europe than to China. The Europe-China cargo train system via Central Asia has cut down container delivery time between China and Europe by one-third.³ It is now economically viable for European manufacturing to relocate some of its capacities to Central Asia.

In under 20 years, China has made significant economic inroads in Central Asia. Logistics connecting Central Asia to the east coast of China, the heart of the Chinese economy, were built entirely from scratch. As bilateral trade took off, business connections and economic dependence cemented

the regional political consensus sought by China: combating Uyghur led political movements in Xinjiang (historically referred to as East Turkestan).

Over time, Central Asia has come to perceive its relationship with China as neither sufficient nor sustainable. The trade pattern between Central Asia and China is static, with the region purchasing and depending on cheap Chinese commodity goods while exporting resources such as hydrocarbons via the pipelines and other mined mineral raw materials eastward. For 20 years, China has offered little space for Central Asian products to enter the Chinese market, despite continuous demands from Central Asian officials.⁴

As a result, Central Asian elite and the public alike, have grown deeply skeptical of Chinese economic projects and political interests in the region. Elites recognize their countries' growing Chinese debt as unsustainable and are increasingly concerned about China's recent border encroachment in Nepal and Bhutan.⁵ The public are mindful of the chronic corruption between Central Asian officials and Chinese companies working in the region particularly on environmental issues—while Central Asia reaps little benefits from these projects.



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Against this background and growing stress coming from unpredictable Russian policy makers, a serious European policy would be welcomed in Central Asia. A successful European policy in Central Asia must prioritize and speed up the building of necessary transport connections between the two regions in order to stimulate production and trade.

The Eurasian Middle Corridor, exiting Kazakhstan or Turkmenistan via ferry on the Caspian Sea reaching Baku, Azerbaijan, has grown in demand since Russia's War in Ukraine began. Much of the Middle Corridor Initiative is led by Uzbekistan alone, whose current leadership seeks to reverse the country's previous isolationist policies, and now perceives building logistics and connectivity to be a core aspect of Uzbek national development.

In Samarkand, Uzbekistan, Borrell must have been told by his Uzbek counterpart exactly how urgently efforts on transport connectivity are needed. The ports in Turkmenbashi, Aktau, Baku, and Batumi require serious modernization to expand and absorb increasing cargo transit in Eurasia. More feeder

vessels are needed on the Caspian Sea and expertise is needed to expedite the passage of goods. All of Europe can offer these skills and its knowledge to Central Asia.

The working EBRD study has identified all of the above issues. While European policy makers explore possibilities of supporting this grand Eurasian connectivity project, actors in between have taken their own steps ahead of foreign support.⁶ In December 2023, Uzbekistan began to export copper to Europe via the Caspian Sea from Turkmenistan to Azerbaijan, and then from Georgia and Bulgaria.⁷ To meet anticipated transit demand in January 2023, Turkmenistan put a new sea feeder onto the Caspian Sea.⁸

This is a truly regional initiative that welcomes greater European involvement. There is much hope and excitement in the region that European policymakers will finally drive European manufacturers to relocate and integrate the Middle Corridor into the global supply chain. In light of these recent developments, Europe should prioritize Central Asian connectivity.

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Niva Yau is a nonresident Fellow with the Atlantic Council’s Global China Hub. Her research focuses on China and Central Asia relations. Specifically, Yau’s work centers around China’s new overseas security management infrastructure and initiatives including foreign bases and stations, the politics of foreign infrastructure, private security companies, intelligence network, in-China security training programs, governance export, information operations, and others. Between 2018 and 2023, Yau was based at the Organization for Security and Co-operation in Europe Academy in Bishkek, Kyrgyzstan, where she worked on commissioned research on China’s foreign policy, trade, and security in its western neighborhood, covering Central Asia and Afghanistan.



Political map of European Union member states. 27 EU member states, after United Kingdom left. Special member state territories are not included. Peter Hermes Furian | Adobe Stock

ENDNOTES

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