



Horizon 2014: Central Asia

by Julia Manchin

With the withdrawal of ISAF from Afghanistan, 2014 will see the gradual waning of the US military presence in the region. Whilst the US 'retrograde' will have significant long-term effects on the region's security architecture, the main challenges are more likely to be rooted in the long-standing domestic political and social tensions found in the region's authoritarian countries.

As the West withdraws its forces, China will undoubtedly seek to expand its already strong economic presence. Russia will maintain its lead in the region's security apparatus through the Collective Security Treaty Organization (of which Kazakhstan, Kyrgyzstan and Tajikistan are members) and concentrate on efforts to expand its Customs Union.

Kazakhstan: This year could be decisive for Kazakhstan with the country potentially undergoing a power transfer. Although long-serving President Nursultan Nazarbayev has no constitutional limits on his presidency, he is, at 73, expected to leave office relatively soon. With no clear successor in sight, power struggles among the country's elite will intensify. The president has been busy reassigning key government positions over the last few months, with changes in the posts of prime minister, state secretary, head of the presidential administration, and ambassador to Russia. As it is in Russia's interest to maintain close relations with Kazakhstan, Moscow will probably attempt to influence whatever succession process occurs. Kazakhstan is a close ally of Russia and part of its Customs Union, whose members are set to finalise

agreements for the proposed Eurasian Economic Union by *May* this year in order for it to become operational by late *December*. Despite these close links, talks between Russia and Kazakhstan over further economic integration and the lifting of remaining trade barriers will nevertheless remain tense.

Kyrgyzstan: The year began with controversial elections in Osh on *15 January*, an armed confrontation between national security forces in a Tajik enclave within the country, and shootings near the Chinese border. The fragility and poor economic performance of the Kyrgyz state make it especially vulnerable to any instability in the region. Kyrgyzstan is expected to be the next country to join the Customs Union, with few other options seemingly available. Russia has announced it will provide \$1.1 billion in military aid and assistance over the next eleven years, while the US will close its military installation – or 'Transit Centre' – in Manas by *July*.

Tajikistan: The country's mountainous border with Afghanistan is a key transit route for the opium trade, which accounts for an estimated 30-50% of the struggling Tajik economy. In the coming year, opium cultivation in Afghanistan is expected to rise, which will lead to an increase in revenue for the Tajik networks involved in drug trafficking, as well as exacerbating corruption and the government's inability to control parts of the country. Water-rich Tajikistan has long been locked in disputes with neighbouring Uzbekistan over water management, which could turn violent if the Tajik government decides to go ahead with plans

to build the world's highest hydropower dam on the Vakhsh River. Tajikistan has already renewed the lease of Russia's 201st military base – which was due to expire this year – and is set to receive around \$200 million in military assistance from Moscow between 2013-2025, as well as additional materials for improving border security. Dushanbe will host both the EU-Central Asia High Level Security Dialogue in May, and the annual Shanghai Cooperation Organization (SCO) summit, having already assumed the chairmanship of the organisation.

Turkmenistan: Fuelled by growing gas exports, the country is projected to become the fifth-fastest growing economy in the world in 2014. One of the most repressive governments in the region, Ashgabat held its first multi-party elections last year, with only two closely-allied parties nominating candidates. Earlier this month, the head of the state gas company was fired for failing to diversify the gas sector, and within a week the introduction of gas fees for the population was announced. Although these developments could be interpreted as potential signs of change, significant reforms or the emergence of an effective opposition are still lacking. Once deeply connected to Russian energy markets, Turkmenistan has reoriented itself toward Beijing, with more than half of its gas exports now heading to China. This trend will continue, with large-scale gas deals struck last year with Beijing, while other proposed pipeline projects – like the Turkmenistan-Afghanistan-Pakistan-India Pipeline (TAPI), or the Trans-Caspian Pipeline (TCP) – remain under discussion.

Uzbekistan: There is growing tension among the leaders of the three most important clans, with a power struggle to secure leading positions occurring in anticipation of the president, Islam Karimov (now 75), stepping down. In the past year the Tashkent clan, which is in control of the National Security Services, has targeted members of the rival Fergana clan, with Fergana leaders Gafur Rakhimov and Salim Abduvaliyev fleeing the country and other prominent figures imprisoned. Clan rivalries are likely to further intensify this year. Parliamentary elections are set to take place in December but, with no real opposition, the status quo is likely to endure.

Across borders

Some of the most pressing shared issues in the region are border insecurity, drug trafficking, and water management. Non-demarcated borders around the Fergana Valley will continue to be a source of ethnic violence, and could become – as seen with the Kyrgyz-Tajik border clashes earlier this month – the cause a full-scale conflict. In addition, the northern

route used by Afghan drug traffickers passes through Tajikistan, Turkmenistan and Uzbekistan, with roughly a quarter of all heroin exiting Afghanistan via this route. With less monitoring of Afghan drug production and trade, their levels could rise, resulting in an increase in cross-border instability. With Kyrgyzstan and Tajikistan both planning to build huge hydropower dams, any clash between upstream and downstream riparian countries is likely to be serious. In the long term, increasing water demands from northern Afghanistan could further exacerbate the already controversial issue of water security.

Outside players

China has in recent years taken a leading economic role in the region, and ensured the continuation of this trend through a combination of loans, and energy and investment deals. Chinese engagement is focused more on bilateral rather than regional cooperation; nonetheless, new Chinese-led infrastructure projects will improve regional interconnectivity. The SCO is unlikely to play an important role in bringing stability to the region. But in the long run, growing economic ties could lead the SCO to be more actively involved in security matters.

Russia has been boosting its security presence in Tajikistan, Kyrgyzstan, and Kazakhstan in anticipation of a worsening of the regional security environment once ISAF withdraws from Afghanistan. Although Russia's economic dominance is fading, its Customs Union could still expand to include both Kyrgyzstan and Tajikistan.

The **US** withdrawal from Afghanistan will be gradual, but it will also result in a decrease in engagement in the region as a whole. The proposed US plan of creating a 'New Silk Road', which aims to link Afghanistan with both emerging economies of South Asia and resource-rich Central Asia, could move ahead if progress is made on the CASA-1000 electricity project – connecting Tajikistan and Kyrgyzstan with Afghanistan and Pakistan – and the TAPI gas pipeline.

The **EU** has allocated €1 billion for aid and assistance for the period 2014-2020 and has pledged to concentrate its projects with an aim to achieve more effective results. The second annual EU-Central Asia High Level Security Dialogue is to be held in Dushanbe this summer, with a special focus on Afghanistan and potential security threats in the post-transition period.

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