

Written evidence from Annette Bohr (ECA0024)

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Annette Bohr, Russia and Eurasia Programme, Chatham House

Introduction

1. I am an Associate Fellow of the Russia and Eurasia Programme at the Royal Institute of International Affairs (Chatham House), a world-leading policy institute based in London that carries out independent analysis of global, regional and country-specific challenges and opportunities. Chatham House is independent and owes no allegiance to any government or to any political body.
2. I have more than 30 years of professional experience as an analyst of Eurasian politics and energy. My research addresses the politics and international relations of the Central Asian states as well as Russia's relations with China, with a particular focus on governance and regime change in authoritarian states, comparative regionalism and the geopolitics of energy. I am the author or co-author of a number of publications, including the Chatham House reports *Kazakhstan: Tested by Transition*; *Turkmenistan: Power, Politics and Petro-Authoritarianism*, and *Myths and Misconceptions in the Debate on Russia*. I regularly advise corporate investors, act as a consultant to HMG's ambassadors and ambassadors-designate, prepare briefings and reports on political risk and strategies of engagement in Eurasia for international financial institutions; oil and gas companies; UK, US and Canadian government departments, and non-governmental organizations. I hold degrees from the University of California at Berkeley, the University of Cambridge and Harvard University.
3. Russia's preoccupation with its faltering war against Ukraine has caused Moscow's influence in Central Asia to dip to unprecedentedly low levels. This has created opportunities for the five Central Asian states—Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan and Tajikistan—to attempt to diversify their markets and transport routes away from Russia. In response, Western countries have redoubled their attention while rethinking their respective strategies, often citing the need to avoid 'losing

Central Asia' by providing support for the region as it strives to gain greater autonomy from Russia.

4. Given that all five Central Asian states are ruled by authoritarian regimes that prioritise regime maintenance over democratic reform, the UK government should take a studied and nuanced approach to trade and investment in the region.

The Importance of Regime Type

5. Western policy-makers have tended towards vastly inflated expectations of what they can achieve in the region, while often taking at face value the statements of Central Asian diplomats and officials regarding political and economic reform.
6. Central Asia is ruled by deeply embedded kleptocratic regimes that are amongst the most corrupt in the world. Their leaderships are able to sustain their rule through the centralization and control of revenues from the export of natural resources. These revenues are used to finance patronage networks and pervasive security services for the purpose of quashing dissent. **As long as these revenues remain relatively intact, this system of vested interests perpetuates itself and is threatened by any genuine transparency or reform.**
7. Turkmenistan is a model kleptocracy.¹ Uzbekistan, in particular, has been seeking to present itself as a beacon of democracy, although a referendum held this month approved a change to the constitution that gives the current president the option to stay in office until 2040. In Kazakhstan, despite the relatively open discussions that took place in the run-up to the recent parliamentary elections, the government persists in treating protestors and opposition actors as potential enemies of the state. The state's current regulations on peaceful assembly require organizers to apply in advance to local authorities, who can deny permission for a potential gathering or determine its location. From 2020 to 2022, over 300 requests for peaceful demonstrations were refused. Freedom House has ranked all five Central Asian states as 'Not Free'. According to that organisation, Moscow's invasion 'has been accompanied by authoritarian crackdowns, intensified border conflicts and security threats well beyond Ukraine itself.'²

¹ Tom Mayne, *Turkmenistan: A Model Kleptocracy*, Crude Accountability, June 2021, https://crudeaccountability.org/wp-content/uploads/web_Turkmenistan_A_Model_Kleptocracy_report.pdf.

² 'Moscow's War in Ukraine Undermines Freedom across Eurasia,' Freedom House, 20 April 2023, <https://freedomhouse.org/article/moscows-war-ukraine-undermines-freedom-across-eurasia-FIW> .

Relations with Russia

8. **There is no possibility for the Central Asian states to decouple from Russia.** Ties are deep and complex, and borders are long. The adoption of an outright adversarial stance towards Moscow, i.e. clear statements of support for Ukraine, could yield potentially disastrous consequences for these countries' security and sovereignty.
9. Russia has paid a vast amount of attention to Central Asia since its invasion of Ukraine. More than 50 talks took place in 2022 between President Putin and Central Asian leaders, either virtually or in person. **Moscow needs the region more than ever as it seeks to re-direct its energy exports, re-organise its trade routes and attempt to circumvent sanctions.**
10. Faced with sanctions, Moscow has become more creative in its efforts to export hydrocarbons. Its isolation from the West has made it dependent on Iran, with concomitant repercussions for Kazakhstan and Turkmenistan, in particular. To help substitute European gas sales, Moscow is looking to gain access in the future to Iran through those two Central Asian states, and from there to Pakistan and India. However, there are huge infrastructural and logistical constraints associated with these currently vague plans.
11. Both the EU and the US have stepped up efforts to pressure Central Asian countries to improve trade monitoring and block the transfer of military-use technologies and dual-use goods to Russia. The Central Asian governments have taken an official stance against 'sanctions-busting'. Nonetheless, the EU has seen a surge in imports of advanced technologies and other goods that could be used for military purposes to countries such as Turkey, the UAE and the Central Asian states. In turn, exports from those states to Russia have soared.
12. Migrant remittances from Russia to the Central Asian states have risen and trade relations remains strong. Kazakhstan's foreign trade turnover reached a record high in 2022, rising 82 per cent over 2021 levels.³
13. While Moscow's soft power in Central Asia is waning, a majority of Central Asians still have a largely positive attitude towards Russia.

³ 'Kazakhstan's Foreign Trade Reaches Record-High Level in 2022', Astana Times, 18 February 2023, <https://astanatimes.com/2023/02/kazakhstans-foreign-trade-reaches-record-high-level-in-2022/#:~:text=Kazakhstan%27s%20Foreign%20Trade%20Reaches%20Record%2DHigh%20Level%20in%202022,-By%20Staff%20Report&text=ASTANA%20-%20Kazakhstan%27s%20foreign%20trade%20turnover,15>.

Dissatisfaction with the Western-liberal model—regarded as promoting double standards—runs fairly deep. However, elites and the younger demographic, who generally read more diverse online media, tend to hold more negative attitudes towards Russia. The war in Ukraine has amplified anti-imperial sentiments and enhanced existing decolonization processes and narratives. These trends look set to gain further momentum in 2023.

Moving away from Moscow and Multi-vectoring

14. Russia's preoccupation with Ukraine has given the Central Asian states more latitude to achieve a greater balance in their relations with global powers and to strengthen their relations with regional powers, such as Turkey, all while attempting to avoid the incurrence of Western counter-sanctions. Rather than viewing this re-balancing as an opportunity to move towards greater democratization, **the Central Asian governments are striving to play all sides to achieve maximum gain.**
15. A hallmark of multi-vectoring is often inconsistency. At the same time as Astana has refused to recognize the four regions of Ukraine that Russia has declared as part of its territory, in December 2022 Kazakhstan was one of just a handful of states to vote against a UN resolution demanding Russia stop its military aggression in Ukraine.
16. Multi-vectoring has led to a **war of economic corridors** that has been proceeding full speed ahead. Shortly after its invasion of Ukraine, Russia began using economic levers against Astana that involved threatening Kazakh oil exports to Europe through the Black Sea port of Novorossiysk, citing technical and regulatory issues. In the face of this huge vulnerability, Astana rallied the support of the EU and Turkey to expand the Caspian Sea-based 'Middle Corridor' as an alternative to Russian routes. To this end, the State Oil Company of Azerbaijan has announced the initiation of the transport of Kazakh oil via the Baku-Tbilisi-Ceyhan pipeline. In July, 2022 the EBRD announced plans to invest more than US\$100 million in Kazakh railways.
17. Only a few months later, Russian railways began offering discounted rates to Kazakhstan and Turkmenistan to transport cargo along the North-South corridor to Iran. The first cargo flow of goods went through the International North-South Transportation Corridor from Russia to India last year via Central Asia.
18. At the end of 2022, Astana secured permission from Moscow to use Russia's pipeline infrastructure to transport Kazakh oil to buyers in

Germany (EU restrictions don't prevent third countries from using Russian infrastructure). It has been conjectured that this Kazakh to Germany oil deal is a probable quid pro quo for potential Kazakh permission to pass future supplies of Russian gas to Central Asia and China. In addition, Kazakhstan and Teheran signed a Memorandum of Understanding to develop cooperation in the transportation sectors with the aim of establishing an export terminal in Bandar Abbas.

Russia and China in Central Asia

19. Although Russia's influence in Central Asia has been declining and China's has been rising since the onset of the war in Ukraine, **this has not translated into increased strategic competition in the region**. Despite some collision of interests, there is no open rivalry between Moscow and Beijing, especially as that would run against their common goals. During President Xi's visit to Moscow in March of this year, both leaders issued a statement regarding their shared interest in Central Asia, vowing to safeguard it from 'colour revolutions and external interference in the affairs of the region'.
20. China is not aiming to push out or even replace Russia in Central Asia. Nor is Russia preventing China from taking over a greater security role in the region, which is a view commonly held by some Western policymakers. On the contrary, given Beijing's important investments in Central Asia, China welcomes Russia's contribution to security there. However, Beijing recognises that Moscow does not have adequate capacity to act as security manager for the region and so takes over—often with the use of private military companies—in those areas where it believes Moscow 'is not up to the job' of safeguarding. Such a situation pertains in the Wakhan Corridor area, for example, where China has concerns about the ability of the Uyghur nationalists (specifically, members of the Turkestan Islamic Movement) to penetrate the border that Tajikistan shares with Afghanistan in its remote eastern region in order to filter through to Xinjiang.
21. Since Russia began its war in Ukraine, China has signed several new economic agreements with Central Asian countries. Beijing's trade with Uzbekistan in the first half of 2022 increased by nearly a third compared with the same period in 2021.⁴

⁴ Yunis Sharifli, 'China's Dominance in Central Asia: Myth or Reality?', RUSI, 18 January 2023, <https://rusi.org/explore-our-research/publications/commentary/chinas-dominance-central-asia-myth-or-reality>.

Critical Materials and Natural Resources

22. The UK needs to ensure sustainable and secure supply chains of critical materials, including rare earth elements, in so far as they are essential components for many clean energy technologies, e.g. electric vehicles and wind turbines. Kazakhstan is currently producing at least eight of the critical minerals identified in the UK's first critical minerals strategy, adopted in 2022, and it has deposits of almost all other critical minerals. Not least, it is the largest producer of uranium ore in the world (although almost all the facilities it uses for enrichment are located in Russia). While Kazakhstan is the key source country, Uzbekistan is well-endowed and Tajikistan and Kyrgyzstan have potential for selected materials. Turkmenistan is excluded from the rankings owing to a lack of reliable data, although not necessarily resources. In theory and possibly in practice, **the region as a whole is able to supply the UK and the EU with crucial critical minerals, uranium and fertilizers.**
23. Oil from Kazakhstan could play a limited role in helping to manage European energy resources.
24. Turkmenistan, which contains the world's fourth largest natural gas reserves, is perhaps the only non-Russian source of natural gas with the potential to make the European Union's energy transition more efficient and less expensive. **However, for decades the leadership in Ashgabat has consistently spurned opportunities to move its gas in a Western direction.** When presented with the recent opportunity to export to Europe via an inter-connector that could be built relatively quickly to bridge the 42-mile nautical gap between existing offshore gas fields in Turkmenistan and Azerbaijan,⁵ Ashgabat indicated that it prefers to hold out for a larger pipeline project. Given that trends in the European energy market have been moving towards the importing of more LNG and away from the construction of major pipeline projects in order to achieve net zero, financing for a 30 billion cubic meter pipeline is highly unlikely to materialise.
25. While Turkmenistan's policies make little objective economic sense, **officials in Ashgabat have demonstrated a clear and consistent preference to cooperate with fellow authoritarian regimes,** namely Russia, China and Iran, partly in order to safeguard Turkmenistan's overwhelming need for insularity and isolation. These policies are highly unlikely to change.

⁵ See Trans Caspian Resources, Inc., <https://transcaspianresources.us>.

Implications and Recommendations

26. **Despite its waning influence, Russia will remain a key economic and security actor in the Central Asian region.** At a subcommittee hearing following U.S. Secretary of State Anthony Blinken's recent trip through Central Asia, one U.S. Senator declared: 'I believe we are at a crossroads in our relationship with the region, and we must seize the opportunity to be the partner of choice.'⁶ Such statements reflect the overestimations often made by Western policymakers regarding their own agency in Central Asia, as well as underestimations of Russian (and Chinese) influence and power in the region. **These perceptions have been fuelled by official Central Asian narratives depicting their respective governments as on a perpetual road to democracy.** To be sure, statements such as: 'We are keen to reform but must tread slowly in view of the conservative nature of our societies' have been offered up to Western diplomats for over 25 years.
27. I recommend the following policy measures for the UK government:
- a. The UK government should avoid the rosy-hued narratives of triumphalism that have become a more regular feature in Western media against the background of Russia's faltering war, according to which the Central Asian states are attempting to shake off Russian influence as they strive to join a Western-led international order.⁷ **In reality, these states are striving to re-balance and strengthen their foreign relations with a number of global and regional powers to achieve maximum gain.**
 - b. **Central Asia is strategically important when it comes to critical materials reserves.** China has been making serious inroads in Central Asia in that sphere for several years. UK industry professionals should pursue their current partnership with Kazakhstan, in particular, for the purpose of ensuring stable and sustainable supply chains of critical materials, particularly given that such materials are crucial for the transition to renewable energy. While a downside of pursuing trade in this sector in Central Asia is the deepening of economic ties with authoritarian partners,

⁶ Catherine Putz, 'Unpacking Geopolitical Competition and Energy Security in Central Asia,' The Diplomat, 10 March 2023, <https://thediplomat.com/2023/03/unpacking-geopolitical-competition-and-energy-security-in-central-asia/>.

⁷ Jeffrey Robertson, 'Kazakhstan in the middle,' Lowy Institute, 17 April 2023, <https://www.lowyinstitute.org/the-interpreter/kazakhstan-middle>.

the resulting UK ‘critical materials basket’ will be more diversified and less dependent on China.

- c. **The UK government should maintain a secure foothold in Central Asia as a benevolent partner, particularly in light of the region’s young demographic and the potential for generational change.** The average age of the population is 30 years—approximately the same age as the states themselves. The states’ leaders, on the other hand, inherited power from the Soviet Union and are in their sixties. Regime maintenance is the main priority for the region’s leaderships, but there is increasing momentum coming from below for genuine change. This is particularly true in Kazakhstan, where protest potential is growing throughout the country.

- d. **The UK government should continue and even expand some of the most fruitful areas of engagement and cooperation that serve to further the UK’s soft power in Central Asia.** These areas include people-to-people initiatives, English-language courses and other educational opportunities, such as the establishment of the Almaty campus (DMUK) in partnership with De Montfort University Leicester. Since the inception of Kazakhstan’s Bolashak presidential programme, which sends the country’s brightest students to study abroad, the UK has received over half of all scholars taking part. In 2022 Russia stepped up attempts to foment separatist sentiment in Kazakhstan’s northern regions near the Russian border through proxy actions, namely disinformation aimed at the ethnic Russian population. Over time, such actions could foster destabilization. Technical support aimed at countering this disinformation would be a particularly useful form of assistance.

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