

Event Report

Central Asia: New Economic and Political Dynamics

EIAS Briefing Seminar

25 May 2018

Central Asia today is steadily emerging from a shadow in the international arena, increasingly drawing the attention of the outside world. New regional trends of increased cooperation and decreased hostility have helped bring about a clear turning point in Central Asia's recent history. The increased attention directed towards the region is attracted by the numerous intra- and inter-regional connectivity initiatives, which have acted to strengthen the economic positions states throughout Central Asian.

The high-level meeting of Central Asian leaders held in Astana has become symbolic of the fundamental shifts happening in regional cooperation. In recent years, several mutually beneficial initiatives have been implemented throughout the region, serving to create a solid foundation for future long-standing cooperation between Central Asian states. These initiatives have a far-reaching impact, affecting new infrastructure, cooperative approaches to water sharing, and climate mitigation. Furthermore, a peaceful and secure Afghanistan is placed high on the political and economic agenda of the region.

The growing potential of Central Asia has been recognized by numerous external actors, and the EU is no exception. This recognition is manifest in the new EU Central Asia Strategy, which is currently being drafted and is due in 2019.

Following this discourse, EIAS in collaboration with the Uzbekistan Embassy in Brussels, invited various Central Asian experts to a roundtable discussion to share their views and recommendations. Participants agreed that Central Asia is progressively strengthening its role as a "connecting link" in the Eurasian continent. In addition to this, it was also concluded that the growing potential of Central Asian states, both individually and collectively, offers much scope for further cooperation with the EU in terms of investments, infrastructure, education, security and rule of law.

Opening remarks

Mr Axel Goethals, CEO, EIAS

Mr. Goethals highlighted the positive contributions and transformations made by President Shavkat Mirziyoyev towards the modernisation and liberalisation of Uzbekistan's economy since his election in 2016. Furthermore, Mr. Goethals touched upon the role played by Uzbek foreign policy in facilitating greater economic cooperation and integration. He suggested that this new approach was central to the facilitation of the historic meeting of Central Asian leaders in Astana as well as President Mirziyoyev's state visit to Washington earlier this year, and to Brussels hopefully later this year.

Mr. Goethals expressed the ongoing willingness of the European Institute for Asian Studies to promote the visibility of Uzbekistan and Central Asia, and touched upon the new EU Central Asia Strategy currently being drafted, and the opportunities this may create for both sides.

Moderator remarks

Mr Frédéric Carlier, Senior Associate, European Institute for Asian Studies

Throughout this event, panellists will be asked to discuss the change with discussing the fast-changing dynamics in the Central Asian region. Mr Carlier highlighted how Uzbekistan today is at a turning point, with the Uzbek leadership continuously demonstrating its willingness and ability to strive for a better future for the country whilst overcoming present shortcomings. Today, the modernisation of the economy and the diversification of intra-regional connectivity is a key focus of the country's development agenda.

Mr Carlier praised the achievements of President Shavkat Mirziyoyev, highlighting the numerous high-level meetings held in 2017 and the first half of 2018 that have emerged as central to his foreign policy strategy. Resultantly, since President Mirziyoyev came to power, several strategic partnerships and mutually beneficial agreements have been concluded.

"New political realities based on the principles of good neighbourhood brought enormous potential to make a real breakthrough in the development of the country", said Mr Carlier, before handing the floor to the panellists.

Keynote speech

Mr Dilyor Khakimov, Ambassador of Uzbekistan to Belgium, Luxembourg and the European Union

In his keynote speech, his Excellency Ambassador Mr Dilyor Khakimov provided insights on the reforms undertaken by the present Uzbek government, as well as implications for the region. Mr Khakimov explained that the changing dynamics in the Central Asian region have been triggered by new leadership in Uzbekistan.

Mr Khakimov outlined good governance, transparency, accountability, and freedom of speech as priority areas for the Uzbek government. Also mentioned as important policy areas for the Mirziyoyev Administration were judicial reforms, social and economic development, and constructive foreign policy.

Moving on from this point, Mr Khakimov laid out some concrete examples of government success stories. The Government of Uzbekistan has embarked on the reintegration of numerous extremists back into society and has underlined the issue of extremism as a good platform from which to further develop EU-Central Asia relations.

Mr Khakimov articulated that the modernisation and liberalisation of the economic sector draws special attention in the development reforms set up by the government. In this regard, the government is continuously working on the business climate in the country to improve Uzbekistan's financial and economic performance.

Mr Khakimov stressed that to the Uzbek government, the economy is central to its agenda, and that this focus goes beyond domestic economic reforms. Foreign policy and engagement with the wider world are seen to be as important as domestic reforms. Since March, a number of informal and direct talks between Central Asian states have been established to address important and pressing issues in the region.

In the second part of the speech, Mr Khakimov went on to describe how Central Asian regional communication goes beyond the borders set up under the Soviet Union and extends beyond the borders of the Amudarya River. Countries share a common past, history, ethnic groups, and religion. He highlighted that the Afghan issue is an important part aspect of the good neighbourliness approach of Uzbekistan. The Tashkent conference on Afghanistan initiated by President Mirziyoyev has become a milestone for the promotion of the regional peace and security.

Mr Khakimov concluded by outlining the possibilities for future multilateral relations between Central Asia and the EU, and bilateral relations between Tashkent and Brussels. Along this path to greater connectivity, the first joint steps have been already been made by setting up the comprehensive assessment of bilateral cooperation.

Panel discussion

Mr Alberto Turkstra, Programme Coordinator, European Institute for Asian Studies

Following the positive notes made by previous speakers, Mr Turkstra started the discussion by reasserting the growing importance of Central Asia, citing specifically the region's role in numerous connectivity initiatives and economic corridors being developed.

Mr. Turkstra praised the efforts and initiatives taken by President Mirziyoyev towards regional integration, making a specific reference to the first consultative meeting of Central Asian leaders held in Astana earlier this year. Subsequently, Mr. Turkstra used the terms "Trust and Cooperation" to describe the new realities of Central Asia today.

Mr. Turkstra went on to provide a brief overview of past attempts at establishing collective meetings to address the issues in the region, amongst these were the Shanghai Cooperation Organisation, the Collective Treaty Security Organisation, or the Eurasian Economic Union, although these were all led by actors external to the region such as China and Russia.

Mr. Turkstra stressed the importance of developing a common approach to fostering regional connectivity and cooperation in the Central Asian region. The regional integrity and stability, in many respects, depends on a secure Afghanistan. Stability in Afghanistan is vital to realising successful integration of the region in to global supply chains and the implementation of intra- and inter-regional connectivity initiatives. These initiatives include; the Turkmenistan-Afghanistan-Pakistan India (TAPI) pipeline, CASA-1000, Lapis Lazuli Transit, Trade and Transport route and the Five-Nation Railway Corridor.

Mr Turkstra expressed optimism concerning the wide-range of macroeconomic reforms aimed at the liberalisation and modernisation of the economy. He pointed out that Uzbekistan has been escalating positions in the World Bank's 'Doing Business Ranking' and has implemented concrete steps towards World Trade Organisation (WTO) accession.

Last but not least, Mr Turkstra offered suggestions on EU-Central Asian cooperation, highlighting the following key areas:

- Private sector development – SME development is a driving force behind the economic performance of the country in terms of innovation, job creation and competitiveness
- Education cooperation – a large young population provides opportunities for further collaboration with Europe
- Hard and soft infrastructure development – efficient and simplified border mechanisms and procedures are just as important as roads, railways and pipelines.

Mr Pierre-Emmanuel Thomann, Director, Eurocontinent

Mr Thomann provided an interactive guide to illustrate the geopolitical concerns and the importance of Central Asian region for the EU and Eurasia more generally.

Mr Thomann continued reasoned that the EU is squeezed between various arches of instabilities with the biggest threats coming from Syria, Libya, Iraq and Afghanistan. As the Central Asian region is located at the heart of the Eurasian continent, the numerous conflicts stretching from Morocco to Afghanistan, may have domino effect that could destabilise the region and possibly the continent as a whole.

Mr Thomann noted that the priority zones for EU security include the Balkans, Ukraine, the Caucasus, and Central Asia. Accordingly, the EU supports the alliance of the Central Asian countries to stop destabilisation from Afghanistan and therefore insure the stability of the wider continent.

He argued that the region is becoming even more important for the stability of the EU due to the gradual withdrawal of American troops from Afghanistan.

In conclusion, Mr Thomann emphasized the leading roles Uzbekistan and Kazakhstan play in region. He argued that Central Asia's regional cooperation format is important for Europe and expressed the idea of a "Eurasian Treaty" that can serve as "model for peace" to prevent future fragmentation and destabilisation.

Mr Boris Iarochevitch, Head of Central Asia Division, European External Action Service

Mr Boris Iarochevitch highlighted the enormous potential for relations between the EU and Central Asia . The EU is increasingly aware of the development opportunities and challenges in Central Asia. In his speech, he touched upon the two main topics.

On the one hand, Mr Iarochevitch expressed the willingness of European partners to develop bilateral relations with each Central Asian state. He reflected on various initiatives that are taking place to facilitate bilateral partnerships.

- Discussion of new agreements with Uzbekistan (text of mandate was submitted to member states), including the possibility of an Enhanced Partnership and Cooperation Agreement.
- Discussion with Tashkent regarding the concrete projects and actions necessary to facilitate development and stabilisation of Afghanistan, such as the Afghanistan-Uzbekistan railway connection.
- Partnership agreements with Kazakhstan
- Ongoing negotiation of new agreements with Kyrgyzstan
- Negotiations with Tajikistan (including International Conference on Water 2018)
- Building continuous dialogue with Turkmenistan

On the other hand, whilst the EU is working on establishment of bilateral relations with Central Asian counterparts, it is also concerned about the development of multilateral regional collaboration. In this regard, Mr Iarochevitch provided the audience with the brief glance at the key ideas that will be reflected in the upcoming New EU-Central Asia Strategy. These include; resilience, connectivity, security and development.

Mr Boris Iarochevitch brought his speech to a close by outlining the areas where the EU has an added value.

- Intra-regional cooperation (intra-regional trade, cross-border cooperation, facilitation movement of people);
- Water diplomacy;
- Education and Youth;
- Rule of law and democracy (important for business climate to attract investments)

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