There and Back Again: 
The EU in Central Asia

By Michal Romanowski

With the European Union committed to fostering human rights and democracy as a core tenet of its foreign relations, the autocratic nations of Central Asia present a dilemma. Rich in natural resources and growing in importance, the region cannot be ignored, but the EU needs to rethink its engagement to be more effective, writes Michal Romanowski.

Promoting democracy is a noble concept, but what if the region toward which those values are exported is structurally impervious to democracy?

WITH THE spirits of bold 19th century British and Russian explorers of Central Asia long consigned to legend, European powers now realize that the region, once the center of their attention, is more distant today than ever.

“The Great Game,” a phrase coined by British adventurer and cavalry officer Arthur Conolly, described the fierce and tireless rivalry between the British Crown and the Russian Empire for the vast lands of Central Asia, and access to Afghanistan and India. An epoch of European commerce and military expeditions to the khanates of Khiva or Bokhara, so brilliantly captured in the books of Peter Hopkirk, in the modern world would seemingly be nothing more than a historical curiosity.

Yet the Central Asian steppes and uplands — strategically located and rich in energy resources — still ignite the imagination. A new variation of The Great Game is now unfolding, but the actors and their roles have somewhat changed.

Moscow, Beijing and Washington all have their eyes fixed on Central Asia for manifold reasons and with varying results. It is natural to expect the European Union, in turn, to forge a policy for this region in tune with ongoing political developments.

FRAMEWORK FOR RELATIONS

The EU’s Central Asia Strategy, which constitutes a framework for bilateral relations, was adopted in 2007. This document touches upon a number of key areas from a European perspective: political dialogue, human rights, energy, the environment, security and trade. In addition, there are multiple instruments, programs, and thematic agreements on which day-to-day cooperation is based.

However, before going further, it is worthwhile to draw a broader picture of both EU interests and the situation in Central Asia itself.

Central Asia, encompassing Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, was until less than a decade ago low on the Brussels agenda. Preoccupied with its closest Eastern neighbors, the EU seemed to have no time for the region, which has never experienced fair elections, a free market economy or a genuine civil society movement.

Why then, some might ask, engage a region that is not only remote geographically, but also far off in terms of values?

The basic rationale for engagement is that the fragile political, economic and social situation in Central Asia might have both a direct and indirect impact on the EU. With the promotion of democracy being, at least officially, at the core of the EU’s relations with its partners, the region could benefit greatly from this cohabitation. Furthermore, terrorism, as well as other security concerns such as the drug trade and human trafficking, are of utmost importance. The US drawdown from Afghanistan has further exacerbated the security situation in Central Asia.

ENERGY IS THE LURE

Last, but definitely not least, are trade and energy issues, which from a pragmatic point of view grab much of Brussels’ attention. The EU accounts for a fairly significant share of commerce in Central Asia. It is Kazakhstan’s largest trade partner, absorbing just over 45 percent of its exports; Astana also makes up 0.9 percent of total EU trade. Moreover, the EU also accounts for more than 10 percent of both Turkmenistan and Uzbekistan’s economic exchanges.

Kazakhstan, which attracts more than 70 percent of incoming capital to the region, is strengthening its position as the political and economic leader of Central Asia. A good part of the investments in the region come from Europe. Between 2000 and 2010, the EU allocated US$56 billion to Astana alone, becoming its principal investor.

Brussels has also invested heavily in Kyrgyzstan. In 2012, the EU accounted for 31 percent of the country’s investment inflows. Other states — Tajikistan, Turkmenistan, and Uzbekistan — are recipients of significant Chinese investment.

Central Asia, due to its rich hydrocarbon reserves, has always had an obvious appeal for European officials. The EU, as a result, has signed memorandums of understanding on energy with Kazakhstan, Turkmenistan and Uzbekistan, which are current or potential oil and gas suppliers to Europe. In the case of Turkmenistan, though, a failure of the trans-Caspian gas pipeline might prove otherwise.

Kazakhstan best illustrates the mutual cooperation with the EU in energy. Astana’s share of total EU oil imports is nearly 6 percent, with 211,008 barrels delivered in 2013, ranking it sixth among all hydrocarbon exporters to the EU. For Kazakhstan, Europe is the primary oil market: 80 percent of the country’s output is delivered there.

Paradoxically, the EU is to some extent caught in a self-set trap. On one hand, it would like to pose as an ambitious player, actively involved in politics, security and trade issues on a global scale. On the other, a mix of divergent interests within Europe does not allow for a coherent approach toward numerous matters, including Central Asia.

CENTRAL ASIA’S POLITICS

The EU’s involvement in the region is not only determined by internal factors, but also by actions of other global stakeholders. With Rus-
sian, Chinese and — until recently — strong American influences in Central Asia, the EU's value-based diplomacy appears detached from reality. For Moscow and Beijing, political reforms and state modernization of the region are not top policy priorities. Meanwhile, Brussels has absolutely no means to compete with billion-dollar investments from China or the robust security standing of Russia.

Central Asian regimes have learned how to make the best use of their position, especially by receiving considerable international assistance. This rent-seeking region is chiefly interested in protecting the status quo. Kazakhstan, Turkmenistan, and Uzbekistan — the countries with vast energy resources — are now independent and assertive enough to deal almost as equals with the major players. They are no longer puppets that can be easily steered or outwitted. In addition, the autocratic rulers in Central Asia tend to think of their countries as private domains with only a narrow elite circle having access to, and control over, capital; corruption is an inseparable part of the system.

Under such conditions, a lord-vassal relationship between the EU and Central Asia is out of the question. It is easy for the regimes in Central Asia, generally thought of as being subordinate to superpowers, to make a whipping boy out of Europe, blaming it for government errors, insufficient engagement and an excessive attention to human rights.

WHO’S OUT THERE?
The EU’s relations with Central Asia should take into account the complexity of the regional environment. Many of the region’s actors pursue multiple interests in many spheres, not all of them in accordance with policies shaped in Brussels. The response of the EU should be adequate, but balanced in order to leverage its position.

In the period between 1991 and 2013, the EU allocated over €2.1 billion (US$2.2 billion) to support its initiatives in Central Asia. This may seem to be a generous contribution, but it cannot be properly assessed without gauging the assistance from other donors, or how the EU itself disburses aid.

The region is definitely not the focal point of the EU’s development aid strategy. The assistance disbursed to Europe itself, Africa or the Middle East is far more substantial than that sent to Central Asia. In 2013, the EU provided around €61 million in the form of bilateral support to the region. This is around 3 percent of the amount allocated to the entire Asian continent. As far as individual countries are concerned, the combined aid to all the Central Asian states is lower than the support for Georgia or Moldova, individually. It clearly demonstrates the EU’s priorities.

Brussels is not the only entity in Europe trying to bring Central Asia closer to the European political umbrella. Germany is the sole EU country with embassies in all five states of the region. In comparison, the EU itself, having opened delegations in Astana, Bishkek, Dushanbe and Tashkent, has no official representation in Turkmenistan. Berlin, according to OECD statistics, is also by far the largest European aid contributor to Central Asia, outrunning the EU significantly. Switzerland, though a non-EU member, is runner up, with nearly US$58 million allocated in 2013, mainly to Kyrgyzstan and Tajikistan.

German diplomatic as well as financial involvement is further reinforced by a number of development and cultural institutions located in the region, including the German Society for International Co-operation and the Goethe Institute. Altogether, Berlin employs more staff in Central Asia than the EU.

Apart from Berlin, other EU member states are also active in the region. The Central Asian Bor-

Let’s Do Business!

The EU accounts for a significant share of commerce in Central Asia:

- **50%** of Kazakhstan’s exports go to the EU
- **31%** of 2012 foreign investment in Kyrgyzstan was from the EU
- **80%** of Kazakhstan’s oil is exported to the EU
- **10%** of Turkmenistan’s and Uzbekistan’s two-way trade is with the EU

der Security Initiative is headed by Austria. Italy facilitates the regional water dialogue. Finland has launched the Wider Europe Initiative, which also covers Central Asia, and is focused on development, security, energy and the environment. Its budget for 2011-2014 was €50 million.

Finally, from 1991 to 2011, the European Bank for Reconstruction and Development disbursed nearly €6 billion in loans and credits to Central Asia. In 2011 alone, the support amounted to €408 million. Additionally, €182 million will be made available to Central Asia between 2014 and 2020 from the European Investment Bank.

Back at home, Brussels is not convinced that fully committing itself to Central Asia is the way to go. In this broad European context, it does not seem that the EU itself has yet found an answer to this dilemma.

**A TO-DO LIST**
The EU has committed about €1 billion to its development efforts in Central Asia for the period 2014-2020. Kazakhstan, which is no longer eligible for bilateral development support, will still benefit from the EU’s thematic and regional programs. It is also the only country in the region that has initialed the Enhanced Partnership and Co-operation Agreement with Brussels.

According to the 18-month program of the Council of the European Union, the EU’s Central Asia Strategy will be revised in 2015. One of the key elements of the relationship — the position of EU special envoy — is at this moment disturbingly neglected. Janos Herman, appointed as the special envoy to Central Asia in April 2014, subsequently was named head of the EU delegation to Georgia. He continues to perform his functions as a point of contact for Central Asia, pending the appointment of a successor, but this situation is far from sustainable.

Finally, there is a matter of the disbursement of...
funds targeted at Central Asia during the 2007-2013 funding cycle. As of the end of 2012, the amount contracted to the region under the development co-operation instrument was estimated at €353 million. This was approximately 55 percent of the entire sum allocated for the seven-year period. Thus, it is justified to assume, given the pace of payments and the time pressure, that not all the funds have been distributed.

Evidently, there is plenty of work to be done on the EU-Central Asia front in the coming months. It is both a challenge and an opportunity for the EU to use lessons it has learned in continuing its presence in this region.

Off-road Experience

Two centuries ago, local warlords in Central Asia, when approached by Russian or British missions dispatched to the region, thought at times that they were dealing with nothing more than neighboring khanates. Today, the knowledge of Europe, and the EU in particular, though not widespread in Central Asia, is far more advanced.

This does not mean, however, that the EU is a beacon of hope for Central Asian regimes. On the contrary, it is often perceived as a cash cow, being merely one of many alternatives to Russia, China or the US.

In 2007, the EU strategy for its relations with the former Soviet republics in Central Asia was very optimistic. Now, Brussels understands that the false and empty assurances offered by Central Asian leaders are tinged with cynicism. The human rights dialogue in the region is virtually non-existent and the countries are not focused on broader reforms.

Promoting democracy is a noble concept, but what if the region toward which those values are exported is structurally impervious to democracy? Who is, in fact, interested in fostering freedom, justice and equality in Central Asia? Least of all the ruling elites. Although the EU condemns human rights violations, it does little to make them central to its policy. It has compromised on its own principles, lifting the sanctions imposed on Uzbekistan after the 2005 Andijan massacre, when government forces fired into a crowd of protesters, killing hundreds.

The EU journey to Central Asia is bumpy and exhausting. Brussels must navigate through antidemocratic attitudes and deeply rooted habits to reach a highly uncertain goal. Currently distracted by the economic gains it extracts from its relations with Central Asia, it must not lose sight of its overriding objective, otherwise the quest, even if completed, will leave no trace.

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