

ME 101 Closing Session: The Centrality of Central Asia

Speaker: Dr Alessandro Arduino

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Emphasising the importance of the wider Asian region's growing relationship with Central Asia in the years to come, Dr Alessandro Arduino, a principal research fellow at the Middle East Institute (MEI) in NUS, ended 2020's ME 101 Lecture series with a discussion of a region that has been historically neglected, particularly in economics and in global discussions on international relations strategies, and remains relatively unknown to most living in Southeast Asia. In this talk, Dr Arduino provided the broader picture of Central Asia, asking key questions like: what is Central Asia and the countries within it, what are the main trends associated with the region, and why an institute like MEI is discussing this region at all.

Addressing the last question first, Dr Arduino stressed that Central Asia has always been connected to the Middle East throughout history. There has been a strong Arab, Turkic and Islamic, and even Persian, influence on Central Asia dating all the way back to the pre-Islamic period. Several areas and cities played a great role in the renaissance of civilisations, not only in Central Asia but also across a broader area.

This historical renaissance of the region is not commonly acknowledged in world history texts, but known scholars such as Ibn Sina (a polymath famous for his poetry, literature and corpuses on medicinal science, used across the Middle East and Europe in medieval times) and Ulugh Beg (the astronomer king known for his advanced astronomical calculations, aiding the movement of trading caravans in the night based on the mapping of stars) had hailed from the region, participating in the development of knowledge in the wider region. In effect, one can look at Central Asia and the Middle East collectively as a greater Middle East, or even a greater Central Asia. This interconnectivity suggests that the two regions are not really as separate as we might think, Dr Arduino said.

In contemporary discussions, however, Central Asia is often talked about as being located in the heart of Eurasia, or primarily through the influence of Russia, in both Soviet and post-Soviet times. With increasing Chinese investments, it is a region that is quickly becoming a bridge between East and West, China and Europe, and also in terms of the North–South axis, between Eurasia, South Asia and the Middle East. Its most important geographical feature is that it is landlocked, where one would need to cross another country to reach the sea — the exception being the Caspian Sea, the largest saltwater lake in the world, and the Aral Sea, which has been shrinking by the day due to climate change and an increased use of its waters for agricultural resources. Uzbekistan, in particular, is one of the only two countries that is doubly landlocked.

Defining Central Asia is not an easy task, Dr Arduino said. The term is often used exclusively to refer to the five countries of Kazakhstan, the Krygyz Republic, Tajikistan, Turkmenistan and Uzbekistan. But sometimes academics, think tanks and politicians may choose to include Mongolia, Afghanistan, or the Caucasus region (Armenia, Georgia and Azerbaijan).

Other labels are also coined to define this region, including the Silk Road Economic Belt, as part of a wider Chinese initiative called the Belt and Road Initiative (BRI) that aims to improve the connectivity and the movement of goods and people across Africa, Asia and Europe. It is not by chance that President Xi Jinping presented the vision of the Silk Road Economic Belt at the Nazarbayev University in Kazakhstan in 2013, for this was where the earliest beginnings of the BRI took root. Other labels attached to Central Asia include the Iron Silk Road, used in several instances in 2010 and 2015 by Russia, as a counter to increasing Chinese presence in the region.

Since the 1990s, following the fall of the Soviet Union, a term that has been used and abused in reference to the region has been “The New Great Game”, in reference to the renewed geopolitical interest in Central Asia, and the competition between great powers to fight for influence in the region, resulting from a desire to access its rich natural resources. Thinkers like Sir Halford Mackinder in the early 20th century defined Central Asia as the key in terms of world domination. He called Central Asia “the Heartland”, for he believed that it was of utmost strategic importance for security in his time. His theory of world power was that land-based power was more important, unlike the convention at the time that invincible sea power was of greater strategic importance, advocated by earlier thinkers like Alfred Thayer Mahan in the 19th century.

Despite the effects of Covid-19, Central Asia is aiming to return to a place of relevance today, not just as a trading hub but also a cultural hub, as it was in the great renaissance from 7 to 14th century. There are significant economic opportunities, if the five countries can face up to the challenge of completing their socio-economic transitions, which is important for cooperation with China, Russia, EU, but especially with Asian countries like Singapore. These five countries share similar problems and challenges, particularly after the fall of the Soviet Union, where they had to adapt to a multipolar world order from a bipolar one, and work through issues such as national identity, its close proximity to major powers, cross-border resource management, underinvestment, poverty in some areas, infrastructure not built with sustainable development in mind, the creation of jobs for a relatively young population, and the looming terrorist threat of fighters coming from Afghanistan, the Middle East and North Africa. With a population of only 72 million, they are now following different developing patterns, but as a whole, there is much potential for growth.

The Specifics of Each Central Asian Country

In the rest of his talk, Dr Arduino provided specific details about each of the five individual countries that make up Central Asia.

Kazakhstan

Looking at the border context of economic development, Kazakhstan is certainly the most developed, especially since it is blessed with huge hydrocarbon resources (mostly oil), and also the world’s biggest reserves of uranium and plutonium. These important resources are sold to China and Europe, and Kazakhstan is one of the most successful countries in the region to attract foreign investment, related to resource extraction, transportation and infrastructure. Such investments are mainly coming from China, and are linked to the BRI. According to the World Bank, it is the easiest country in the region to do business in, but this is mostly limited to Almaty and the capital Nur-Sultan, which was known before 2019 as Astana.

The father of the nation, Mr Nursultan Abishuly Nazarbayev, had strongly favoured Mr Kassym-Jomart Tokayev to be his successor; the latter then renamed the capital city Nur-Sultan in his honour. Having the father of the nation as a strong man in power during Soviet times was not just a specificity unique to Kazakhstan, but also a recurring theme in all the other Central Asian countries. Having said that, the

government has made strong effort in attracting investment from China, South Korea, Japan and the European Union. Singapore, in particular, has played a part in education, with Lee Kuan Yew School of Public Policy having a partnership with Nazarbayev University.

Kazakhstan's economy was hit badly in 2014 with the collapse of oil prices, and Covid-19 this year is not going to help with the country's economic reforms. The drop in GDP, according to the International Monetary Fund (IMF), is projected to be at 4 to 5 per cent. The economic outlook presents several risks but the government has tried to cope with these risks. Therefore, political stability is still high in Kazakhstan. While most analysts in the West a decade ago were predicting riots and protests during the period of political transition, this did not happen in Kazakhstan and Uzbekistan, with a relatively smooth transition taking place. The issue of government, risk and political stability is more related to Tajikistan, which still has Mr Emomali Rahmon as a strongman in power, and in Kyrgyzstan, where there were riots for the third time during the elections. President Nazarbayev had been successful in balancing relations between Russia and China, both present on Kazakhstan's borders, and juggling between Russian soft power and military might, and China economic diplomacy.

Kyrgyz Republic

More commonly known as Kyrgyzstan, the Kyrgyz Republic has been trying to remove the "stan" part of its name, which, in Persian, simply means "land of". Aside from the big cities of Bukhara, Samarkand and Shiva (now part of Uzbekistan), the Central Asian plains were in large part occupied by nomadic tribes throughout history, who moved with their herds and were active, militarily-speaking against all kinds of invaders, and often raided sedentary populations.

Only the advent of gunpowder tipped the scales in favour of the sedentary populations against these aggressive nomadic tribes. As descendants of nomadic tribes, the Kyrgyz Republic hosts a relatively small population, with a land that is not blessed with natural resources, except for small pockets of gold mines, now mostly under Chinese management. The country is very dependent on the economic remittance of Kyrgyz citizens from abroad, mostly coming from Moscow and wider Russia.

As expected, the Covid-19 pandemic and its disruption in the movement of peoples is bad for the republic. According to the World Bank, the ease of doing business here is not good, where bureaucracy and the ambiguous process of accessing the credit system to repatriate profit keeps investors away. Together with Tajikistan, these two countries are the most conflict-prone in Central Asia. Intra-regional conflict, ignited by border and water disputes, as well as religious extremism and separatism, affect the country significantly. Narcotics smugglers also operate heavily within Tajikistan and some parts of the Kyrgyz Republic, moving about 80 per cent of the world's opium out of Afghanistan into Russia and Europe. Poverty, underemployment, and the lack of access to education, have made the younger population vulnerable to becoming recruits to separatist and extremist groups.

Tajikistan

The strongman who was in control of Tajikistan during the Soviet era, President Rhamon, is presently still in power in Tajikistan, which is often characterised by poverty and instability. At the same time however, since 1994, Mr Rhamon's strong grip on power has restored a modicum of stability and control. Like the Kyrgyz Republic, many Tajik citizens are migrant workers in Russia, and there is, therefore, a strong economic

dependence on Russia still. The country has a security challenge with its border with Afghanistan, and both Tajikistan and the Krygyz Republic have Russian military bases in their border areas. The main investors in Tajikistan are Russia, Kazakhstan, Uzbekistan and China primarily, but there is also the UK, EU, even the US.

A peculiar arrangement that the country has with China is that both countries engage in military-to-military training, and China also provides the transfer of military equipment, though this is mostly related to border control. In terms of the ease of doing business, Tajikistan is not an easy place for such an endeavour. Any company that wishes to achieve success must depend on local senior level officials. Regulations are complicated and unclear, and recent research by the US government states that there are more than 200 different strategic development plans to attract business, adding to the confusion.

Tajikistan suffers from environmental and climate challenges, particularly when it comes to water pollution caused by the agricultural sector. Deforestation is also a major cause of concern. Poverty and terrorism recruitment are also other notable challenges, with the famous case of the colonel from the Tajik Special Forces choosing to swap his allegiance in 2015, moving to Syria and then fighting for Islamic State. Heavy narcotics smuggling provides an opportunity for corruption and constrain proper economic development. In 2018, furthermore, ISIS claimed responsibility for several lone wolf attacks in the country, where several American and Western tourists cycling across Central Asia were killed.

Turkmenistan

Turkmenistan poses a big challenge for researchers for there is a lack of reliable, up-to-date data on the country. More than Kazakhstan, however, it is blessed with environmental resources, being the fourth largest gas resource in the world. In 2020, Turkmen President Gurbanguly Berdymukhamedov announced the government's plans to build a new city, costing US\$1.5 billion, in a region governed by his son. The country has taken on a foreign policy of neutrality, considerably narrowing down any possibility for greater international cooperation or regional integration. Statements from Turkmen government indicate that security is not an issue for the country. Neither the World Bank nor the IMF has provided an outlook on the country.

At an official level, the country has a development plan that started in 2018 and goes through to 2024, where more investment in resource extraction is sought, mostly from Turkmenistan or China, who is the main buyer of Turkmen gas. The absence of reliable macroeconomic data does not allow researchers to do any analysis, however.

Uzbekistan

Uzbekistan might be the most promising country among all the Central Asian countries, with the largest population. While it has no natural resources like Turkmenistan and Kazakhstan, the new president is leading an ambitious programme of economic development focused on younger population, centred on education. With the currency liberalised in 2017, the big devaluation opened the economy to broader trade, which, up till then, was limited to mostly Russia and China. A better business environment is a priority for the government, and the World Bank has acknowledged this development. There is a keen desire in attracting foreign direct investment, but scope and scale so far is limited.

During Soviet times, Uzbekistan was tasked to produce all the cotton in the Soviet Union. Uzbek cotton, together with Egyptian cotton, is still considered the best in the world. Cotton production was not

mechanised, so not only agricultural people were involved. University students and professors at the time were called to the harvest, and all schools were closed so that all able hands were involved in the harvest of cotton. Demanding irrigation needs and the use of toxic chemicals to produce cotton have created problems for soil and water pollution in the country, however.

In terms of challenges, the Islamic Movement of Uzbekistan (IMU), an extremist Islamist group, is still active on the fringes, with members in Afghanistan and the Middle East and North Africa. A greater number of Uzbek fighters were involved in al-Qaeda, and there is still a looming possible terrorist threat. The capital of Tashkent, however, has become the site of a regional anti-terrorism organisation, established under a chapter of the Shanghai Cooperation Organisation (SCO).

Conclusion

On the whole, Dr Arduino said Central Asia shows great promise as an energy corridor, particularly with recent developments in the BRI. While most narratives on Central Asia still relate the region to Russia's military and security footprint and China's economic diplomacy, such an approach to Dr Arduino is naive, as the region continues to seek greater cooperation and business opportunities with the wider Asian region, and as people situated in Singapore and Southeast Asia, we should certainly be on the lookout for the greater developments between Central Asia and our part of the world in the years to come.

Highlights from the Question & Answer Session

Q: Why is regionalism so elusive [to Central Asia]?

Dr Alessandro Arduino (AA): Logistical integration and networking is getting better by the day, but a decade ago, it was incredibly problematic, in terms of both moving goods and people. Now it is better, but there are still problems, including border disputes and water management issues. One organisation that is currently aiding in the integration of the region is what was known as the Shanghai Five, now the Shanghai Cooperation Organisation (SCO). Besides the name, and the fact that it is headquartered in Beijing, the organisation consists of the five Central Asian countries, Russia, China, and now also India, Pakistan, and in the future other possible members like Iran. Afghanistan is also currently an observer. But again, integration is made difficult due to unresolved issues like border disputes and management of water resources, as mentioned earlier.

Q: Iran these days is in the focal point of the Middle East, which has seen dramatic political shifts. Because of Iran's friendship with China and Russia, how do you think Iran can increase its influence in Central Asia?

AA: It is difficult to answer this. Iran was important in the development of the region in pre-Islamic times, not just linguistically but also in terms of architecture. From Bukhara to Samarkand, the influence on madrasas and caravans is unmistakable. In terms of religion, Iran practises Shi'ism, which is only practised by a minority in Central Asia, and Islam in Central Asia has been shaped by the Soviet period.

The religion was forbidden for a time, then neglected and accepted, and nowadays, you still have a problematic approach to Islam — and I refer specifically to political Islam. For example, in 2011, with the Arab Spring, no attention was paid to Central Asia, but several countries were showing, on a daily basis, unrest that the movement had created.

Going back to the role of Iran, we are going to see increasing involvement when Iran joins the SCO. There is no fixed date, but looking at the north–south corridor, with strong Chinese sponsorship, there will be connections being made between Central Asia and Iran. Nonetheless, Covid-19 and economic sanctions are affecting Iran greatly, of course.

Q: I have a question about identity politics. You mentioned the growing influence of China in the region, but we have seen backlash. In 2016, in Kazakhstan, there was a land reform protest against Chinese investors. This year, in February, we also see similar protests in Kyrgyzstan, to the point where the government has to revert the project. Are there challenges to China expanding in the region, and how can these countries deal with the backlash?

AA: Let's look at two points. First is that this is a problem that China has with the entire Belt and Road Initiative (BRI). It's not only in Central Asia, but an overall problem, involving local people, local workers and local governments. Only now has Beijing started to address the problem, but at the beginning, all the investments were devolved to Chinese companies, who were using Chinese materials, Chinese workers, and even Chinese-imported food.

The local population were perceiving Chinese investments as a form of exploitation, creating environmental damage and degradation. This is no longer the case, but in some areas, there is still this perception. Specifically, in Kazakhstan, there is concern over the “yellow peril” and Sinophobia, the idea that China is occupying the land, and a huge amount of Chinese settlers will end up conquering the land and stay there permanently.

This was perceived as a problem even during the time of the Czar; under Russian propaganda, the Qing empire were painted as expanding into nomadic lands. This is still an ingrained fear within Central Asia. I do believe that these concerns are being solved better in Central Asia than other parts of the world because the BRI started in the region, and it is the laboratory test for how the BRI will turn out. Improved regional connections have led to many positive outcomes, but this distrust between local workers and Chinese workers needs more work.

Q: Can you comment on the extent of cooperation between Singapore and the Asean countries with the Central Asian states?

AA: Yes this cooperation exists, with agricultural products coming from Central Asia for example. Vietnam, in particular, is importing and exporting agricultural products. Singapore, on the other hand, is involved in education and in the financial sector, and it is at the forefront of the cooperation between Asia and Central Asia.

As I mentioned before, there is the LKY School in Kazakhstan. Kazakhstan has the ambition of becoming the financial centre of the region, learning from Singapore as the hub for Southeast Asia and all over the world. Singapore's capabilities for e-learning in these times are going to play extremely well with the needs of Central Asian countries.

Investments from Temasek in the region could be a balancer, not only between China and Russia, but an overall balancer in the north–south axis between Eurasia and Asia. I want to add that in Singapore, people do not realise that one of the models that is always quoted by Central Asian countries, and especially by Kazakhstan, is the Lee Kuan Yew model or the Singapore model, a country which developed between two great powers and just in one generation, became a great power itself. You will notice a lot of references to the

Singaporean model in regional media. Singapore certainly has the soft power to be able to increase overall economic cooperation with Central Asia.