

# COMPASS Policy Brief: EU Strategy for Central Asia

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**GCRF COMPASS:** Comprehensive Capacity-Building in the Eastern Neighbourhood and Central Asia: research integration, impact governance & sustainable communities (ES/P010849/1)



# Revisiting the EU's approach to Central Asia: pathways for developing 'cooperative orders' in a wider Eurasia

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## Executive Summary

Developing regional 'cooperative orders' has become a core concept of the new European Union's (EU) Global Security Strategy (2016). It is important to put it to practice when revisiting the EU's policy strategy to Central Asia (CA). As this policy brief posits, not only should the new approach differentiate between individual partner-countries of CA to ensure more effective and pragmatic engagement. It should also view it holistically – as part of 'aspirational' cooperation - in the context of the wider Eurasia, which currently embraces at least three competing region-building initiatives, ranging from the eastern neighbourhood, through to Eurasian Economic Union (EEU) and the Silk Road project.

This brief outlines core challenges as well as core opportunities for the EU's cooperation with the CA, and a wider region, to ensure that 'cooperative regional orders' will have a sound future.

## Regional background

The EU and Central Asia policy paradigm needs differentiation between two equally important parts of the regional strategy: namely, aspirational (political) and practical cooperation.

In political terms, the EU is a post-Westphalian entity and has been constantly developing its institutional capacity since its inception, both at its core level and in coordinating it across the Member States. This clearly contrasts with the state-building processes currently embracing Central Asia and a wider Eurasia, including the EU-defined 'eastern neighbourhood': these countries have recently come out of a coordinated Soviet project, and are thus in the process of developing their sovereign identity ('significant WE') and an individual understanding of 'common good' in an attempt to shape their sustainable future. This process co-exists with joining (or aspiring to join) up with a wide variety of global, often incompatible, regional and international organisations - from the Association Agreements with the EU to the Shanghai Cooperation Organisation (SCO)<sup>i</sup>, and the Eurasian Economic Union (EEU)<sup>ii</sup>. Furthermore, some would argue that these countries are now inadvertently being exposed to the three competing region-building initiatives - the EaP (Eastern Partnership), EEU and the Silk Road project – led respectively by the EU, Russia and China. To avoid aspirational/political clashes, similar to the one in Ukraine, it is essential to differentiate and individualise the EU's approach to these countries in an attempt to facilitate 'cooperative orders' as posited by the EU Global Security Strategy.

When it comes to practical cooperation with the wider Eurasia, at an individual country level the EU has a solid yet uncelebrated track record which covers a broad range of projects, agreements, financial contributions and collaboration in the economic, political and social sectors. The EU's approach to Central Asia was initiated with the Partnership and Cooperation Agreement (PCA) in 1996. Since then a range of European institutions like

the EBRD, European Investment Bank and the EU Development Cooperation Instrument have been working in Central Asia and Eurasia. The establishment of the EU Generalised System of Preferences (GSP) and the Business Intermediary Organisations in Central Asia benefit the countries of Azerbaijan, Uzbekistan and Tajikistan and a wider region. These programmes not only help provide a framework for the EU to work in the counties in Central Asia but also provide and create space for links, exchanges and opportunities for making a real impact politically, socially and economically.

### **Specific Initiatives for more *practical* cooperation**

In addition to these core initiatives there are several thematic programmes in Uzbekistan and Azerbaijan, and Management Training Programmes have been extended in Uzbekistan which complement the EU's role in the region. The EU's 'Strategies for Central Asia' include TRACECA, INOGATE, and the 'Baku Initiative' projects along with an ever increasing partnership in the energy sector with Azerbaijan (the Southern Gas Corridor, Trans-Anatolian pipeline and Trans-Adriatic pipeline), with the intention toward expanding the energy sources for Europe. Particularly, the "EU4Energy" (2016) programme supports the Eastern Partnership (EaP) countries, including Azerbaijan, in achieving these energy policy objectives of the EU. Regional programs funded under the ENPI/ENI (mainly in energy, transport, and border management), in the EaP Flagship Initiatives, in cross-border cooperation and in initiatives open to all Neighbour countries: Erasmus+, TAIEX, SIGMA, and the Neighbourhood Investment Facility (NIF) are all operational in the region. Tajikistan enjoys the Most Favoured Nation (MFN) status and attracts funding for programs in health, education and rural development. The EU is the largest foreign donor to civil society in Azerbaijan and Azerbaijan is part of the Single Support Framework and the ERASMUS+ program which is geared toward student exchange programs and targets the youth of the country.<sup>iii</sup> Overall, all the countries of Central Asia, Caucasus and a wider Eurasia attract capacity-building initiatives from the EU.

As for the wider Eurasia, especially for Belarus, the EU-Belarus Coordination Group was established in 2016 and the EU is the second largest trade partner of Belarus. The ENI is currently the key EU financial instrument for the period 2014-2017 in Belarus where the priority areas include social inclusion, environment, and local/regional economic development. Programmes like Mobility Partnership and Strengthening Private Initiative Growth in Belarus (SPRING) Programme are working towards bolstering the private sector, help job creation, and promote economic growth. The Covenant of Mayors East – Phase II and Mayors for Economic Growth projects, Horizon 2020 and the EU-Belarus Customs Dialogue (2016) provide for a wide ranging framework for EU-Belarus interaction and exchanges.<sup>iv</sup> The GSS (Global Security Strategy, 2016) and the Eastern Partnerships cast a wide net on the opportunities for creating multiple sectors where the EU and Belarus can develop close partnership. There is an increasing awareness of the EU and Europe in Belarus which has come up in the surveys and trends since 2009. With the upward trend in a positive understanding of the EU comes a common platform for being able to work together on development, resilience and capacity building which would be beneficial for the EU and Belarus.<sup>v</sup>

Similar engagement profiles could be presented for each of the CA and the Caucasus countries, and further afield for Mongolia. While there is evidence for a customised approach from the EU, it faces some serious challenges in fully grasping the dynamics needed for an even keeled engagement. Notably, EU policy makers need to be reminded that, unlike in the EU, there is no coherent political and economic concept of a wider Eurasia, Central Asia and the Caucasus, despite the casual use of such a definition in policy and academic literature. The cultural and linguistic commonality that does exist is contested as required by modern nation building pressures. Conversely, multilateral organisations like the EEU and SCO, may look unfamiliar in content, but are not estranged from values of development needs of both people and institutions in the region, and could become viable partners to the EU.

While the EU considers the region a bloc and tends to work with each country in terms of a geographical grouping, its programmes and initiatives have the possibility of going further than the prescriptive frameworks and agreements. The EU complements its role in each country with individual projects which cater to the

specific needs locally, however the general impression in wider Eurasia remains that the EU policy makers have a limited understanding of the region and its member countries. This dichotomy needs to be addressed in a more direct manner. The EU is doing a lot of good in the region, but often 'good' is unintentionally defined in Eurocentric terms. The needs and necessities of the region are generated by everyday pressures and geographic, political and economic historicity quite distinct from the European context, and this is required to be understood systematically to facilitate more efficient cooperation. Key mitigation mechanisms could emerge from capacity building in both the EU and Central Asia (& Eurasia), which address technical capacity needs to implement contextualised solutions.

## **A holistic outlook for *aspirational* cooperation**

Turning back to aspirational cooperation, a more coherent normative focus is needed, which is presently divergent at the discourse level and often stagnates into rhetoric.

It is essential to consider that, while nation-states in Eurasia, Central Asia and Caucuses are grappling with notions of borders and territorial integrity, the overarching challenges of climate change, earthquakes, migration, terrorism and water crisis intermingle with opportunities offered by transport corridors, pipelines, intra-regional trade and customs treaties which pose contradictory policy choices, often generating zero-sum game scenarios.

A notable tension being between securing sovereignty predicated in national borders and the perceived subversion of this newly found means for practical needs and promising international treaties.

While seemingly complex, these challenges present a unique opportunity for the EU to share its experience on how the building of its multilateral institutions and instruments has evolved and how a rich variety of these have developed, ranging from anti-radicalisation and social-integration mechanisms to economic and educational development frameworks. The issues addressed are common challenges as much for Central Asia and Eurasia, as they are for the case of Europe, and in many areas, Central Asia and Eurasia has much to offer in return. Particularly, understanding community and innate societal structures could play an important role in bridging the aspiration of integration and migrant populations, energy use and environmental values, radicalisation and community resilience. Often these issues are side-lined in favour of a prescriptive discourse on democracy and human-rights in a generic way, at the cost of confidence building measures, which would provide the opportunity to co-develop institutions which lead to an equitable and prosperous society.

Another substantial paradigm is that of economic development which impacts livelihoods. Much has been said and written about energy and the mineral wealth of Eurasia and contiguous geographies. Interestingly, 'relationships' in this arena are almost entirely routed through energy or mining companies. To pluralise this sector, the important areas of collaboration are the development of value-added downstream industry, regulatory frameworks, university based research to enhance capacity locally so that regional entities (companies and countries) can take advantage of their natural wealth.

A gaping hole in Central Asia's development paradigm is the degrading infrastructure and absence of investment in this sector other than that from China. While China has played a pivotal role in overhauling the region's transport infrastructure under various schemes for OBOR, SCO and AIIB, this is still a drop in the ocean compared to what is needed. Particularly, infrastructure for power generation, service industries, communications, security, industrial production, education and health are a high priority where EU can play a direct and productive role.

## **Conclusion**

In summary, human, industrial and trade capacity needs underlying infrastructural investment, which can prove as a sustainable area of cooperation.



Unique opportunities are intertwined with specific challenges when reflecting upon the future of the EU's collaboration with the Eurasia Region. None of the challenges is formidable, but they require capacity building which has to be contextualised as well as holistic. In the case of the wider Eurasian region, it needs to build its 'procurement' capacity in fundamental terms, and in the case of Europe and the 'Western' world, a capacity to look beyond its own success in the past as the only model for global development is essential.

The prestigious Global Challenges Research Fund (GCRF) "[COMPASS Project](#)" (ES/P010849/1; 2017-21) funded by Research Councils UK, addresses the above mentioned and explores new approaches to 'governance' with a focus on resilience, capacity-building, peoplehood, bargaining power, and cooperative orders, to make governance more effective and sustainable. The University of Kent, along with its partners –University of Cambridge, ADA University, Belarusian State University, Tajik National University, and University of World Economy and Diplomacy in Uzbekistan are a notable example of such initiatives which hope to build a strategic partnership and a framework for positive cooperation in a wider Eurasia, which embraces both Eastern neighbourhood and Central Asia. It needs both a holistic vision for the wider region, and an individual approach to partner-countries, to enable local ownership and cooperation at all different levels, within and beyond the region.

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<sup>i</sup> Kalra, P. and Saxena, S., *Shanghai Cooperation Organisation and Prospects of Development in the Eurasia Region*, *Turkish Policy Quarterly (TPQ)*, 2007

<sup>ii</sup> P. Kalra and S. Saxena, 'Asiatic Roots and the Rootedness of the Eurasian Project', in *The Eurasian project and Europe: Regional Discontinuities and Geopolitics*, ed. David Lane and Vsevolod Samokhvalov, Palgrave Macmillan, 2015

<sup>iii</sup> [https://eeas.europa.eu/headquarters/headquarters-homepage\\_en/4013/EU-Azerbaijan%20relations](https://eeas.europa.eu/headquarters/headquarters-homepage_en/4013/EU-Azerbaijan%20relations)

<sup>iv</sup> [https://eeas.europa.eu/headquarters/headquarters-homepage\\_en/35606/EU-Belarus%20relations](https://eeas.europa.eu/headquarters/headquarters-homepage_en/35606/EU-Belarus%20relations)

<sup>v</sup> Korosteleva, E, *The EU and Belarus: seizing the opportunity?*, *European Policy Analysis*, Sieps, November Issue 2016: 13epa