

EXPERT'S INSIGHTS

The EU Foreign Policy in Central Asia: Structural and Relational Dimensions

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Abstract

The EU foreign policy in Central Asia pursues both structural and relational objectives. In contrast to the 1990s, the EU no longer prioritizes the transition and modernization of countries from the region but focuses on their resilience. Compared to the policies of China, Russia, or the US, the EU exerts a more limited influence on its partner countries that varies across domains and issue areas. While the Union is losing the structural power competition in this region, it nevertheless maintains its ambition to be and act as a pole of the international system.

The EU conducts its dialogue and cooperation with the Central Asian states mainly in a multilateral “region-to-region” format. At the same time the Union adopts differentiated approaches towards individual countries. Many observers assert that as an international actor, the EU is more trusted than other major powers in Central Asia. It aims to support the independent development of the sovereign Central Asian countries, contributing significantly to the emergence of some degree of regionalization in this part of the world. It is on this perceived benevolence that the EU can capitalize.

Keywords: EU, foreign policy, regionalism, Central Asia, structural and relational policies.

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Introduction: Intentional and identity predispositions of the European Union as determinants of its foreign policy action in Central Asia

The attitudes and actions of the European Union in Central Asia mirror processes within the Union itself. As such, they surmount the apparent dualistic dilemma between interests-based and values-based policies. Instead, the EU's role highlights the in-betweens, the mixed results of the attempts by the Union to construe a reality and then to bring it into existence.

The EU, itself a regional entity, has a natural preference to promote cooperative regional solutions. The Union knows from its own experience of peace and development that regional cooperation makes it easier to manage security concerns and reap economic gains.

According to its current perspective, the EU envisages economic development and growth as comprising rapidly increasing digitalization, transition to a green economy, and more sustainable use of natural resources through a circular economy. It is precisely these pathways to economic reform that the Union encourages and supports in Central Asia. Consequently, the Union reproduces its internal development paradigm in its foreign policy priorities.

Commentators on EU foreign policy architecture often point out that an overarching single institutional framework exists only on paper. In practice, the powers and responsibilities of the EU's foreign policy actors are determined in their interaction through various policy-making methods. Consistency and cohesiveness are sometimes quite difficult to attain. Examples from Central Asia may serve to illustrate these difficulties.

Bilateral relations: The Enhanced Partnership and Cooperation Agreements

Initially, bilateral relations between the European Union and the independent Central Asian states were based on the standard EU Partnership and Cooperation Agreements. In the 2010s these were substituted by Enhanced Partnership and Cooperation Agreements (EPCAs), introducing a new kind of contractual relationships, akin to both association and strategic partnership arrangements, but precluding prospective membership.

In Kazakhstan, the 2000s were a decade predominantly oriented towards Europe in foreign policy terms (Kurmanguzhin, 2014: 25). The interest was sustained by the EU's Eastern enlargement. In 2008, Kazakhstan launched its Special National Program *Road to Europe*. Though short-lived, to date it remains the only reform program in Central Asia to have been inspired externally and aimed at introducing European standards.

In 2011, the EU embarked on EPCA negotiations with Kazakhstan. The chapters of the EPCA were similar in structure and content to the requirements found in an Association Agreement, but with less stringent obligations for the partner country. Moreover, the EU appeared to be acting not as an initiator of change, but as a guarantor of the realization of Kazakhstan's own development choices. The EPCA implied that Kazakhstan may internalize, albeit partially and selectively, European values.

Nevertheless, it cannot be concluded that the initiative had consequently passed to the Kazakh side. The EU exerted its influence to improve the regulatory environment with respect to trade and services, business start-ups, capital flows, raw materials and energy, public procurement, and intellectual property. In some instances, the EU used its superior economic and regulatory position to exact changes, thereby indicating an occasional resort to conditionality as an instrument of compulsion in bilateral negotiations.

For example, in 2009, all Kazakh air carriers were placed in the EU Air Safety List, and thus forbidden from operating in EU airspace, ostensibly to enforce international safety standards. For seven years, the Kazakh Civil Aviation Committee sought to demonstrate that it was "transparent" about its oversight obligations and "willing to engage" to resolve safety issues. In the end, it had no choice but to solicit and accept European technical assistance. Finally, after improvements on the ground and intense lobbying in Brussels, all Kazakh air carriers were cleared to operate in the EU. It can therefore be seen that the "Europeanization" of the regulatory authority was accomplished from without, by using access to the large EU market as leverage.

The EPCA format was later replicated in EU relations with Kyrgyzstan, Uzbekistan, and Tajikistan. The asymmetric interdependence created thereby allowed the EU to extend its influence into the region with relative ease and at little cost.

However, the EU has not managed to effectively exert normative power over the countries in Central Asia. In contradistinction to the incentives for complying with EU technical regulations arising from potential market access, the absence of any prospect of future membership has meant that there is no compelling need for Central Asian states to comply with EU political or humanitarian norms domestically and internationally. Moreover, "there are other role models that were less demanding in terms of democratization and human rights: Russia and China" (Ahrens and Hoen, 2018: 81).

The EU Regional Strategy for Central Asia

When the "European Union–Central Asia: Strategy for a New Partnership" came into existence in 2007, it comprised mostly technical priority areas, which were predicated on the assumption of normative transformation on a national and regional scale. The regional strategy has proved to be a 'living document' in practice, its stated principles adapting to the realities of implementation. In 2019, the EU adopted a new, revised and amended Strategy on Central Asia. It outlined three priority areas for EU partnering with Central Asian states and societies: resilience, prosperity, and regional cooperation.

The experience of both strategies has demonstrated that the EU's pledge to promote resilience in Central Asia (EUCAM 47, 2022) is easier to proclaim than to fulfil. The very term 'resilience' has become a point of contention, its different connotations giving rise to various interpretations. Nathalie Tocci points out that "... resilience reflected the implicit goal of the EU Global Strategy (EUGS) to foster a more joined-up approach to European foreign policy, it epitomized the philosophy of principled pragmatism enshrined in the EUGS, and it captured the transformative approach to complex change advocated by the EU" (Tocci, 2020).

Within the boundaries of the EU Strategy, resilience translates into various thematic programs: some longstanding, like the Border Management Program in Central Asia (BOMCA), others related to specific crisis conditions, such as the Central Asia Covid-19 Crisis Response Program (CACCR). There has been, however, one novelty: the Team Europe format in project implementation. This has led to further centralization of priority setting and control over financial resources (the majority allocated under previous formats) by means of various financial instruments. In the field of clean energy transition and decarbonisation, the Team Europe approach is also applied through a new program: EU Support to Sustainable Energy Connectivity in Central Asia (SECCA).

The other central idea in the regional Strategy comes under the heading of 'prosperity', specifically, partnering with governments and societies to create conditions for a more prosperous Central Asia (EUCAM 48, 2022). In the pursuit of this goal, the EU has had to consider the changing economic circumstances, in particular the developments stemming from the economic assertiveness of China. One indicator in this regard is the rising external debt of countries from the region to China. Some of the aspects of the Chinese investments under the Belt and Road initiative may induce smaller countries to loosen sovereign control over their natural resources. For example, recently Tajikistan had to transfer exploitation rights to two gold deposits to a Chinese company in order to repay a debt on a construction loan.

The EU may try to balance these types of asymmetric dependency by promoting measures in favour of rules-based cooperation. However, that would imply stronger EU engagement in regional connectivity projects. In many cases the EU and Chinese interests in improving the infrastructure overlap. Greater transparency and compliance with the rules may find their way into contracts and project documentation. Longstanding dialogue platforms, residues from EU projects, such as the Transport Corridor Europe Caucasus Asia (TRACECA) program, could be re-vitalized and called to action for the purpose of enhancing rules-based performance.

For obvious reasons, the EU Strategy also targets human resources development, specifically higher and vocational education. Student and faculty exchange projects under the Erasmus+ program should be accelerated. Moreover, the EU should find means to encourage European studies in Central Asia through the Jean Monnet modules and chairs. Incentives for collaboration in vocational training are equally important. In this vein, the European Training Foundation has been targeting, by means of its regional project *Dialogue*

and *Action for Resourceful Youth in Central Asia* (DARYA), a very sensitive social issue - the re-integration of migrants returning from Russia.

The evolution of the water-security nexus, another objective identified in the Strategy, is a telling case in point. Today the two controversial regional water and energy projects of scale – the Rogun and the Kambar-Ata hydropower plants - no longer place the countries from the upper and the lower reaches of the Amu Darya and Sar Darya rivers in mutual opposition. Water allocation agreements have served to resolve the parties' security concerns. Among the other external actors in the region, the European Union, through funding the World Bank Report on the Rogun project and through the works of the International Fund for Saving the Aral Sea (itself a residue from an EU project), may justly claim for itself the achievement of the only working regional mechanism involving all five Central Asian states.

However, a new episode in the regional water disputes started in late March 2022, triggered by construction works on the Qosh Tepa canal (Pannier, 2023) in northern Afghanistan that will likely draw water from the Amu-Darya River, causing water shortages in Uzbekistan and Turkmenistan. Difficult negotiations appear inevitable between the regional parties involved and the Taliban government. The EU expertise and support to its Central Asian partners might once again be needed for finding workable solutions.

Furthermore, the Council-led CFSP non-proliferation objectives and the performance of the Commission's Instrument supporting Peace and Stability have coalesced to mitigate the biological, radiological, and nuclear risks in Central Asia. This was partially achieved through projects implemented by the International Science and Technology Center (ISTC) based in Astana, Kazakhstan. The European Union, a major ISTC State Party, tasked the organization to help remediate the impact of the uranium tailings in river basins in Tajikistan and in Uzbekistan.

In contrast to these relative successes, the EU-funded project on water management *Nexus Dialogue in Central Asia*, designed to strengthen the multisectoral approach to public policy, has revealed the limits of the contribution that the local private sector seems inclined to make. A European official, involved in the project, warned that "grants are becoming scarce, and countries must rely more and more on generating and using their internal potential, and, in this perspective, the private sector must be prioritized ..." (Kushanova and Kiktenko, 2023).

In November 2022, the European Commission President Ursula von der Leyen signed an agreement with Kazakhstan on closer economic and industrial integration in the strategic value chains of raw materials, batteries and renewable hydrogen (Lillis, 2022). The agreement entails structural changes in foreign policy in terms of aligning environmental, social and governance (ESG) standards, and modernizing mining and refining technologies with sustainable practices. At the same time, the move may be interpreted as a preventive step against supply chain disruptions between Kazakhstan and Europe that may be caused by a third party.

Indeed, Kazakhstan-EU cooperation goes beyond the level of diplomatic representatives, as some EU investors have been consistently sharing good practices of social responsibility with their local partners. A telling example is the decision by Eni to invest into a hybrid (solar, wind and gas-fired) power plant in Zhanaozen, Mangistau region, the troubled oil industry town where labour and social conflicts in Kazakhstan have regularly erupted, most recently in January 2022.

At the EU-Central Asia Economic Forum, held in Almaty in May 2023, business leaders and government officials agreed that cooperation should focus on promoting environmental and social sustainability, creating jobs and inclusiveness, and enhancing integration into regional and global markets. They also welcomed the EU's intention under the Team Europe Initiative on Digital Connectivity to work towards reducing digital divides and ensuring high bandwidth connectivity through the introduction of Galileo satellite communication channels.

In the area of digitalization, the Centre for EU-Asia Connectivity at Ruhr-Universität Bochum, has made an assessment that Central Asia has good chances to host big data centres owing to the plentiful availability of electricity, the dry and cold climate, and the region's proximity to the major markets of Europe and Asia. This evaluation is further supported by the observation that most of China's Bitcoin mining facilities were located in its western provinces (which share the aforementioned advantages), and, when severe domestic restrictions on cryptocurrency mining and trading were introduced in 2021, the facilities moved to Mongolia and Kazakhstan.

In line with its Strategy on Connecting Europe and Asia, the EU seeks to establish partnerships on sustainable connectivity with the countries of Central Asia. International efforts have renewed interest in the transport and transit potential of the Trans-Caspian International Transport Route, part of the Middle Corridor that connects East Asia and Europe. Major components of the Middle Corridor are now complete, though several challenges still hold it back: underdeveloped infrastructure and transfer services, the Caspian Sea's summertime climate, border-crossing delays, and periodic political instability (Chang, 2023).

The overall potential of the EU foreign policy in Central Asia is enhanced by the activities of the individual member states. They are by far the largest source of foreign direct investment in the region, accounting for more than 40%. Moreover, a certain sector specialization has taken place among EU member states, with different states taking the lead on various themes: the Netherlands on foreign direct investment, Italy on regional development, Germany on green economy, etc.

EU Relations with Central Asia in times of growing regionalism

Traditionally, the EU is perceived as a benevolent external actor in Central Asia that competes for ideational influence in the region through an open and straightforward agenda. However, the EU's policy is assessed as less assertive, flexible, and pragmatic compared to

the *Realpolitik*-style approach of Russia or China. In the opinion of some regional authors, the Union is therefore expected to directly engage with these two regional powers, and, even more importantly, with Central Asia itself, conceptualized as “one of the specific segments of Eurasia” (Chebotaryov and Gubaydullina, 2013). In fact, the most significant impact of the EU Strategy appears to be the impetus that it has provided to regional cooperation by renewing the regular consultative summits of Central Asian leaders. We can therefore conclude that in general, the regional system has reacted positively to the EU’s Central Asia Strategy and has been positively influenced by it in the direction of a more distinctly regional self-conception.

The United States is the single most important ‘strategic partner’ of the EU in the region and globally. The US perspective on Central Asia is defined not by the ongoing intra-regional processes, but rather by US policies towards the countries adjacent to the region: Russia, China, and some Muslim states. It underwent some changes after the withdrawal from Afghanistan.

It is noteworthy that the US and the EU strategic guidelines for the region are remarkably similar, at times almost identical in terminology, such as the focus on the “prosperity and resilience of Central Asian states.” The dominant global power has declared its readiness to consult and coordinate “with like-minded partners, including the European Union ... to maximize cooperative efforts” (U.S. Department of State, 2020: 5). Likewise, the United States has adopted the “five plus one” format of negotiating with the region, following the example of the European Union and Japan.

The EU was the external actor that worked consistently to bring together all the five Central Asian dialogue partners. The institutional organizing of the inter-regional dialogue started at a relatively high diplomatic level, comprising the annual EU-Central Asia Foreign Ministers’ Meeting, with the HR/VP representing the EU, and the annual EU-Central Asia High-level Political and Security Dialogue held at vice-ministerial level. In October 2022, the first European Union – Central Asia Summit convened in Astana, followed by a second one, in June 2023, in Cholpon Ata, Kyrgyzstan. On these occasions the President of the European Council Charles Michel discussed regional cooperation and international issues with the Central Asian presidents.

The theme of the compliance with the international sanctions regime against Russia has been omnipresent in the dialogue. Alongside with the latest sanctions package against Russia, adopted in June 2023, the EU elaborated a new anti-circumvention framework, aimed at third countries. In theory, the EU produced a tool akin to the “secondary sanctions” applied by the United States around the world. The EU’s sanctions implementation envoy, David O’Sullivan, travelled extensively to Central Asia to verify claims that, in 2022, exports of potential dual-use goods to Kazakhstan, Kyrgyzstan, and Uzbekistan grew substantially, compared to the previous year, a development that may potentially be linked to circumvention of sanctions (Jozwiak, 2023).

In general, the EU’s relations with Russia have grown increasingly adversarial in Central Asia. The region has in fact become a diplomatic battleground. Two weeks before the first

regional Central Asia – European Union Summit in Astana, the city hosted the first ever Russia – Central Asia Summit. Diplomatically, the event signified a drawback by the Russian Federation. Implicitly, the format of the meeting meant that Russia formally accepts Central Asia as a single and separate region at the highest political level. Previously, particularly at the time of the failed Central Asian Cooperation Organization in the 2000s, Russia used to be considered as a member of the regional grouping rather than an external counterpart.

Throughout the last decades Russia has opposed what it perceives as attempts to undermine its influence in its immediate geographic vicinity. Various integrational formats ranging from the Common Security Treaty Organization to the Eurasian Economic Union (to which several Central Asian states belong) provide evidence of the resumed assertiveness of the Russian Federation. At the Astana Summit, President Putin referred to these organizations while inviting Central Asian countries to part take in Russia's initiatives on import substitution, in increased energy security through a restored and unified energy system for Central Asia, in the development of transport corridors throughout the Greater Eurasia region, and, notably, in thwarting regional security issues in the context of the situation in Afghanistan (see President of Russia, 2022). This agenda mirrors the major topics of EU – Central Asian interaction in many ways, and consequently offers alternative approaches in those areas.

Most commentators believe that the retreat of Russia from the region leaves room for a more assertive Chinese foreign policy. Indeed, during his visit to Kazakhstan in September 2022, President Xi Jinping pledged to protect the territorial integrity of the countries from the region - not an insignificant gesture against the background of the war in Ukraine. However, any existing or potential rivalry between Russia and China is greatly outweighed by their present overlapping interests and avenues for cooperation (Umarov and Gabuev, 2023).

Meanwhile, the policies of China in Central Asia have also acquired a more regional approach. Traditionally, China preferred bilateral relations with these countries. In terms of multilateral relations, it also relied on the Shanghai Cooperation Organization, including with regard to measures to combat terrorism and separatism. The first China - Central Asia summit, held in Xi'an in May 2023, marked a significant development. China formally acknowledged Central Asia as its own region and embarked on a new type of relationship with it that excludes Russian participation.

For understandable reasons the EU's policies in Central Asia are connected and conditioned by the state of the China - EU relations. Opinions differ in the EU on the underlying causes for the slowdown in trade and technological exchange with China and the uncertainties and threats which may arise from it. Commentators point out that the global trend towards bipolar US-China strategic competition poses a challenge for the countries of the region, as well as for EU policy towards and in Central Asia.

The EU's foreign policy illustrates the role of the Union in the challenging environment of a dynamic regional system. Previously, the Central Asian integration mechanisms had no lasting regional presence. Integrational tendencies appeared periodically in the regional

arena due to external incentives. The situation changed in 2018, when the five Central Asian states started a process of presidential consultative meetings. In June 2022, the five leaders adopted the Treaty on Friendship, Good-neighbourliness and Cooperation for the Development of Central Asia in the 21st Century. The presidents underlined the importance they attach to the multilateral format of “Central Asia plus” (see nCa, 2022), confirming that Central Asia ought to be structurally integral, but functionally open. This requires an accelerated institutionalization that draws on the experience of other regional organizations, including, in certain aspects, of European organizations.

Conclusions

The EU’s foreign policy actions in Central Asia prove that the Union can play a constructive role in the challenging environment of a dynamic regional system. It no longer acts as if it aims to profoundly change the international system through replicating its internal nature and through normative “takeover” of the entire structure of international relations. The Union has gradually begun to perceive the international environment through a realistic prism, and to try to accommodate itself to the geopolitical world order.

The survey of the Union’s foreign policies in a specific region, Central Asia, confirms that the EU should continue to develop and increase its capabilities, while aiming to better determine which coherent purposes they should be applied towards. There are considerable expectations accumulated in Central Asia about the role that the EU could play as a benevolent external actor and there should be no mismatch between these expectations and the EU’s foreign policy making in the increasingly contested international order.

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