

The New Great Game – a breakthrough?

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The political game between Russia, the Central Asian countries and the world powers interested in expanding their spheres of influence in the region – an action which has been known for over two centuries as ‘the Great Game’ – has gained significant momentum since mid-2008. Russia’s geopolitical counter-offensive, designed to stop the ongoing erosion of Russian influence in Central Asia, has coincided with the relative weakening of the West’s position (in connection with the war in Georgia, the problems in Afghanistan and the change of administration in the United States, among other factors) as well as the global economic crisis. It also stumbled on unexpectedly strong resistance from the Central Asian states (mainly Turkmenistan and Kazakhstan), which have stepped up efforts to develop political and economic (energy) relations which can serve as alternatives to their relations with Russia. If they succeed in maintaining this resistance, and if they receive support in the form of more active policies by the West or China, a serious political breakthrough could occur in the coming months, as a result of which Russia’s position would be undermined. On the other hand, however, given Russia’s apparent determination to promote its interests, combined with the decreasing efficacy of the ‘soft’ political instruments Russia has been using so far, there is a growing risk that Moscow might resort to ‘hard’ instruments such as measures to destabilise the region or, in an extreme situation, an armed intervention. Restoring the ‘balance’ that existed a year ago hardly seems probable.

The New Great Game in Central Asia

The so-called New Great Game is the key geopolitical process which has been taking place in Central Asia since the break-up of the Soviet Union. The term describes the process whereby Moscow, having lost direct sovereignty over the region which it enjoyed in the Soviet period, is trying to maintain control of Central Asia while other world powers, especially the United States and China and, to a lesser extent, the European Union, Pakistan, India, Iran and Turkey, are struggling to take advantage of the fact that Russia’s position in the region is eroding. To this end, the individual players are building strategic political, economic, military and cultural links for their own benefits. The New Great Game also incorporates the efforts undertaken by the region’s countries to strengthen their statehood and establish themselves as sovereign actors in international relations.

Despite some disturbances and complications, the first decade of the present century, which is now drawing to a close, has seen both the smaller and the bigger players remaining very cautious, especially after 2001. On one hand, the Central Asian states have progressively gained more and more independence, and on the other, the position of Russia continued to steadily erode (even if this process never reached a critical point) to the benefit of other players, especially China and the USA.

The 2008 breakthrough

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– the open and vocal manifestation of Russia's neo-imperial ambitions that had been growing for years. The Kremlin has demonstrated that it considers the CIS area to be its exclusive sphere of influence, and that the strategically important areas of security and energy in the region lie within the exclusive remit of its competence.

This attitude has manifested itself *inter alia* through the Russian-Georgian war of August 2008 and the new stage of the gas crisis with Ukraine (and indirectly the European Union) in January 2009. It should be emphasised that the new element was not Moscow's claim to hegemony in the CIS area – this had existed before and had not changed – but rather the ruthlessness with which Moscow was prepared to enforce its claims;

– the major limitations of the West's (the USA's and the EU's) ability to influence the situation in the Caspian area, which became apparent at that time. The war in Georgia exposed the West's reluctance, or even inability, to confront Russia politically, and an even deeper aversion to military confrontation. Moreover, recent months have shown how the West has been undecided and ineffective in pursuing its own objectives (such as the development of the Southern Corridor for the transport of energy resources, including the Nabucco gas pipeline). These difficult conditions coincided with factors such as the change of leadership in the United States (a process which is not yet complete), or the problems surrounding the NATO operation in Afghanistan;

– the global economic crisis, whose impact has been particularly severe since the autumn of 2008, and has forced individual countries to revise their policy priorities (for example, by focusing more on internal and economic issues) and entailed a decline in the prices of resources (such as oil).

The processes concerning global issues and the CIS naturally extend to Central Asia, and are having a major impact on the regional situation and the policies of individual Central Asian states.

The new realities in Central Asia

Russia's 'new' policy is characterised by a greater determination to pursue its objectives in the CIS with the entire range of instruments available. However, this policy has collided with the foundations of the Central Asian states' strategic co-operation with the West, which has been an alternative to economic co-operation (mainly in the energy field) and political relations with Russia. The war in Georgia has undermined the credibility of the new West-

-endorsed route to transport oil and gas via the Southern Caucasus, which would bypass Russian territory – although contrary to Russia’s intentions, the conflict has not entirely undone that credibility. But it has exposed the serious limitations of the West’s ability to ensure security for this corridor, and has also called into question the sovereignty of the Central Asian states in terms of their political and military co-operation with the West (USA and NATO). Taking advantage of the crisis, Moscow forced Kyrgyzstan to close down the NATO base in February 2009 (the Americans are still trying to have this decision reversed), and has practically forced the USA and NATO to use Russia as an intermediary for the purposes of using the Central Asian corridor to transport supplies for the ISAF mission in Afghanistan. Russia has further strengthened its position in the region through the Collective Security Treaty Organisation (one of its actions was the February 2009 decision to create a Russian-dominated rapid response force). It is also evident that Russia is determined to fully control all gas exports from Central Asia to Europe. The West has adopted a defensive stance towards Russia’s steps, consistently avoiding any real confrontation with Russia; this may be a merely temporary attitude, but it does not necessarily have to be.

The crisis. The global economic crisis has also turned out to be a serious problem for the Central Asian states. It has badly affected the economies of individual countries; Tajikistan and Kyrgyzstan have been faced with the risk of the state structures breaking down, and local famines have occurred, while Kazakhstan has reported significantly lower revenues from the export of oil and other resources. At the same time, the crisis has diminished the chances of the West becoming more politically and financially involved in the region. It has also revealed and strengthened some of the ways and means Russia has to influence the region which may be dangerous for Central Asia, such as the unquestioned conviction held in the region that Russia is key to the internal (in)stability of the individual Central Asian states (this conviction is particularly apparent in the cases of Tajikistan and Kyrgyzstan, and less notable but equally unquestioned in the other states); the direct impact of the Russian economy on the region in connection with the existing network of dependencies such as the significance of the Russian labour market for the region; and the Central Asian states’ deep dependence on Russian gas transit routes (as demand for gas in Europe is diminishing, Russia is in a better position to dictate the conditions of transit by using the threat of stopping transit altogether). Acting out of political motivation, Moscow is also willing to offer economic support to the Central Asian states; for example, the pledge of a beneficial loan was the immediate reason behind Kyrgyzstan’s decision to terminate the lease agreement for the Manas base with the United States.

Central Asia on the new reality

If the trends discussed above were to become permanent, the Central Asian states would lose the relative independence in international politics which they have built up over the years; they would

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have to give up their plans to develop their energy sectors, crucial for their economies, in line with their own objectives (namely to increase oil and gas production while diversifying export routes and markets), and – in the conditions of the economic crisis – they would see their internal policies become effectively dependent on the goodwill of Russia.

All states in the region have undertaken to varying degrees to resist Russia’s policy more or less openly, and have refused to give up what they have achieved in recent years. In fact, this reaction ran counter to the assumptions of Russia’s policy. The first sign of resistance after

the shock of the Russian-Georgian war in August 2008 came with the Central Asian states' refusal to recognise the independence of Abkhazia and South Ossetia, which was possible thanks to China's support within the Shanghai Co-operation Organisation. It was followed by other gestures demonstrating the region's dissatisfaction with Russia's attitude.

Tajikistan and Kyrgyzstan, the two weakest countries in the region, have been particularly badly affected by the crisis. Russia has managed to suppress their rebellious sentiments with veiled threats (against Tajikistan) and promises of assistance (loans offered to Kyrgyzstan in return for closing down the Manas air base).

Tashkent has continued its original policy most steadfastly among the countries of the region: it has strongly opposed Moscow's attempts to play Dushanbe and Bishkek off against each other (in a conflict concerning water). At the same time, however, Uzbekistan has been avoiding any

direct confrontation with Moscow, discreetly seeking alternatives to energy co-operation with Russia in Asian countries, and testing the possibilities of rapprochement with the USA and the West.

Turkmenistan and Kazakhstan have been most active in challenging Russia's policy in the region. These two countries have large reserves of energy resources and have taken great strides in taking measures to diversify their energy export routes, and so they

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have most to lose in the current conditions. But at the same time, they have the best chances of activating external partners (both the West and China), and relatively broad possibilities of checking Russia's ambitions. The activities of Astana and Ashgabat have primarily been focused on promoting their energy potential as their most powerful political instrument and principal asset in the Great Game.

The case of Kazakhstan

Since last August's war in Georgia, Kazakhstan has stepped up its efforts to achieve the strategic objectives of its energy policy – first and foremost, diversifying the export routes for its energy resources. In October 2008, oil supplies from the Tengiz field via the Baku-Tbilisi-Ceyhan oil pipeline (BTC) were launched, and one month later, an agreement laying down the rules for developing and operating an oil transport system via the Caspian Sea was signed. This was a big blow to Moscow's policy, the objective of which has been to keep the transport of energy resources from Central Asia under Russian control and prevent the transport of oil and gas via routes endorsed by the USA (such as the BTC). Astana has

thus demonstrated that it is determined to pursue its strategic interests without paying heed to the Kremlin's interests.

Furthermore, in order to stake out its international position, Kazakhstan has proposed hosting an international nuclear fuel bank on its territory. The proposal was

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made during the Iranian president Mahmoud Ahmadinejad's visit to Astana in April 2009, and was intended as a suggestion that Kazakhstan could be a useful partner in solving the nuclear issues involving Iran. In this way, Astana questioned Russia's self-proclaimed position as the only player in the CIS capable of participating in discussions about international issues, and demonstrated its ability to play an independent role with regard

to the Iranian problem. The proposal was also a kind of invitation to the USA to open talks about the future shape of co-operation. Furthermore, two new uranium mines were opened in Kazakhstan in April, in which Japanese and Chinese companies hold shares; this is another example of how Astana has excluded Russia from projects concerning the development of its strategically important resources.

Faced with mounting economic problems, Astana has also decided to turn for help to Beijing rather than Moscow. Kazakhstan has chosen China as its partner in crisis times, and has started developing closer energy co-operation with Beijing at the expense of Moscow; it decided to sell 50% minus two shares in Mangistaumunaigaz, one of its largest oil producers, to China's CNPC rather than Russia's Gazpromneft (the Russian company had been making efforts to acquire this stake since 2008). Finally, the oil and gas export routes to China currently under construction will make a dent in Moscow's control over the directions of energy

exports from the region. The choice of China was a strategic one; co-operation with Beijing strengthens Astana's position towards Moscow, and enables it to implement the objective of diversifying its routes for exporting energy resources.

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Over the last few months, Astana's policy has become much more assertive as the Kazakh leadership decided to move forward with the practical implementation of its strategic objectives, even if they run counter to Moscow's interests. At the same time, though, Astana has been anxious to remain cautious and avoid irritating Russia, either through rhetoric or through military action; for example, oil transmission via the BTC was launched 'quietly', which stood in sharp contrast to the festivities organised when the route was put into operation. Also, shortly after the agreements with China were signed, Kazakhstan refused to participate in the NATO exercise in Georgia, and ratified an agreement concerning the construction of the Russia-endorsed Caspian gas pipeline.

The case of Turkmenistan

Turkmenistan has changed its relations with Russia in a much more confrontational way than Kazakhstan did. There have been several reasons why Ashgabat has opted to revise its policy of co-operation with Russia and for more openness to co-operation with other partners.

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The immediate impulse came from Ashgabat's disappointment with the fact that Russia had nothing to offer it; during President Gurbanguly Berdimuhammedov's visit to Moscow in March 2009, the parties did not sign an agreement for the construction and financing of the internal Turkmen East-West gas pipeline, although back in June 2008 Russia's Gazprom had agreed to carry out and finance the project on preferential terms. The failure of that visit triggered a whole chain of events which eventually led to an unprecedented souring of Turkmen-Russian relations: Turkmenistan announced an international tender for the implementation of the East-West project, Gazprom cut gas imports from Turkmenistan by 90%, which resulted in a gas pipeline failure and interrupted gas exports to Russia; and Ashgabat signed a memorandum on energy co-operation with Germany's RWE, making it clear that its objec-

tion was to diversify its energy sources and reduce its dependence on Russia.

tive would be to develop gas export routes to the West. Interestingly, the Russian Federation became concerned about the growing tension in its relations with Turkmenistan and took some steps to ease the situation; within days of the gas pipeline failure three Russian delegations arrived in Ashgabat, although this has failed to improve bilateral relations (no gas is running from Turkmenistan to Russia at present).

The changes that have occurred since Berdimuhammedov came to power in December 2006 have also contributed to Ashgabat's readiness to confront Russia on a limited scale (by means of the announcement of an international tender to construct the East-West gas pipeline). Firstly, the prospects for diversifying the gas export routes became more realistic, mainly thanks to the gas pipeline to China which is currently under construction and expected to be launched in late 2009, as well as the February 2009 deal increasing the volume of gas

supplies to Iran. In addition, starting closer co-operation with China in fields other than energy (such as economy, finance and education) has substantially strengthened Ashgabat's position and offered the Turkmen leadership more room for manoeuvre in their relations with Moscow.

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Secondly, when taking office, President Berdimuhammedov decided to open up the country and establish relations with the USA, the European Union, Arab countries and Southern Asian states, among others. This substantially broadened the circle of potential partners who might be interested in co-operating with Ashgabat on developing of its energy potential, a situation which has diminished the importance of Russia in this respect.

Turkmenistan's decision to develop energy co-operation with the West had been motivated by Ashgabat's strategic interests. The main objective of Turkmenistan is to strengthen its position and build independence by fully exploiting the possibilities offered by this state's energy and geopolitical potential. Developing closer co-operation with Russia would not be in line with Turkmenistan's strategic interests because the Kremlin's main objective is to maintain control of Turkmen gas exports in order to preserve Russian influence over the country. This seems to be why Turkmenistan has used the decline in its relations with Russia as an opportunity to openly demonstrate its willingness to start co-operation with the West. At the same time, however, Turkmenistan and Kazakhstan are unwilling to make gestures that might lead towards closer co-operation with the West without receiving something in return. The fact that the two countries (and Uzbekistan) refused to sign the declaration of the Prague EU summit in May is a good illustration of this attitude.

Conclusions and prospects

The processes observed in Central Asia in recent months seem to constitute a serious political breakthrough. On the one hand, Moscow is dissatisfied with the situation which has been crystallising in the region in recent years, as well as with the dynamics of developments there, which has been causing Russian influence to erode. On the other hand, any attempts by the Kremlin to reverse this trend are unacceptable to the region's countries (which can at best temporarily tolerate the situation). The scale of resistance and the Central Asian states' determination to safeguard their sovereignty and seek external partners other than Moscow when faced with pressure from Russia fully expose the contradictory interests of Russia and the Central Asian republics. It is also a fact that China has stepped up its activity and strengthened its position

in the region, especially in recent months, and that there are prospects for the West to become more actively involved (in the case of the European Union, this would happen in connection with the Nabucco project, and in the case of the USA, with the eventual definition of the Obama administration's new regional policy concept).

The result of the ongoing tender for the construction of the East-West gas pipeline in Turkmenistan (which may be known as early as summer 2009) will be the first important indication of what the outcome of the current game may be. If no Russian company wins the tender, this will be a serious blow to Moscow.

The fate of the US military presence following the expiry of the current lease agreement for the Manas airfield near Bishkek as of the end of August will be another important element.

The third and presumably decisive indicator will come with the launch of the gas pipeline from Turkmenistan via Uzbekistan and Kazakhstan to China, expected in late 2009. This would

mark a *de facto* end to Russian dominance in Turkmenistan's strategically important gas sector, undermine Russia's position to the benefit of China and, presumably, provide an impulse for further political change.

It appears that Russia is close to exhausting the arsenal of its traditional instruments of political pressure and the potential of what it has to offer in economic terms. Unless Turkmenistan capitulates politically as a consequence of the interruption of gas exports to Russia, which is unlikely, the concessions

which the Central Asian states are expected to make to Russia in the coming weeks and months will probably be of a tactic and symbolic nature (for example, refusing to sign the declaration of the EU summit in Prague mentioned above).

Russia's asset of last resort, which so far has been very effective, albeit risky, consists in its dominance in the security sphere. In previous years, Russia has repeatedly exploited, or even inspired, unrest within particular Central Asian states or between them in order for Moscow to play the role of the guarantor of stability and gain loyalty in return. The chances that similar circumstances might occur again have substantially increased with the economic crisis and the risk of social unrest or government reshuffles that accompanies it. However, the durability of what Russia could achieve in this way might be limited, as was the case in Uzbekistan. The pro-Russian turns in this country's politics triggered by the raids of the radicals from the Islamic Movement of Uzbekistan in 1999-2000, or by the aftermath of the rebellion and massacre in Andijan in 2005 have been rather short-lived; besides, the reception of the Russian demonstration of force in Georgia in 2008 is also disputable.



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